

# Valley Cottage Library

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The following Resolutions are to be voted on by the Association at the Annual Meeting to be held on January 17, 2024.

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*Resolution #1 Indemnification of Directors and Officers; Insurance*

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## **Association Bylaws**

Add new amendment to **Association By-Laws** titled **Indemnification of Directors and Officers; Insurance**, to read:

The Association shall, to the full extent permitted by law, indemnify its Trustees and officers (“Indemnified Person”) against any and all judgments, fines, amounts paid in settling, or otherwise disposing of actions or threatened actions, and reasonable expenses, including attorney’s fees actually and necessarily incurred, by reason of the fact that he/she is, or was, a Trustee or officer of the Association. In providing this indemnification, the Board of Trustees shall proceed in such manner and to such extent as may be directed by the applicable provisions of the Not-for-Profit Corporation Law, as are in effect at the time indemnification is to be provided. In any event, such right of indemnification shall not be deemed exclusive of any lawful right, or rights, to which a Trustee or officer may be entitled under any other Bylaw provision, Board resolution, agreement, or otherwise.

Notwithstanding anything provided herein, there shall be no indemnification of any Trustee or officer in any of the following circumstances: (1) in any suit, action or proceeding where a Trustee or officer shall be found to be guilty of, or liable for, breach of a fiduciary duty or willful misconduct in the performance of his/her duty to the Association; (2) in matters settled by agreement based on the existence of such liability; (3) if the Board of Trustees determines that a Trustee’s or officer’s acts were committed in bad faith or were the result of active and deliberate dishonesty; or if a Trustee or officer personally gained any financial profit or other advantage to which he/she was not legally entitled.

The Association may, by action of the Board of Trustees, provide indemnification for any other committee member, employee, volunteer, agent, attorney or representative of the Association pursuant to these same or more stringent guidelines as are set forth in this Article for the indemnification of its Trustees and officers.

After termination or disposition of any actual or threatened action against an Indemnified Person, (a) indemnification mandated by an order of a court of competent jurisdiction shall be paid; and (b) if indemnification has not been ordered by a court, the Board of Trustees shall, upon written request of an individual eligible for indemnification, determine whether, and to what extent, indemnification is permitted pursuant to these Bylaws. The Board of Trustees shall approve or deny the indemnification request and set forth the amount and payment terms of the indemnification, if any. The Board of Trustees shall not approve any indemnification that would violate this Article, or any applicable law, and the Board of Trustees may seek the advice of legal counsel on such matters.

The Association shall provide directors and officers liability insurance in order to fund its indemnification obligations under this Article. To the extent permitted by law, such insurance shall insure the Association for any obligation it incurs as a result of this Article and for any other insurable risk for which the Board of Trustees elects to insure the Association hereunder.

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*Resolution #2 New Section numbering and subsequent renumbering*

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**Association By-Laws**

*New Section:*

**Indemnification of Directors and Officers; Insurance** shall be numbered as **Article IV**. Current **Article IV, Parliamentary Procedure** shall be renumbered **Article V**. Current **Article V, Amendments** shall be renumbered **Article VI**.