



LIVINGSTON COUNTY LAND BANK CORPORATION

DEFENSE AND INDEMNIFICATION POLICY

Section 1. Authorized Indemnification

Unless clearly prohibited by law, and except as provided in Section 2 below, the Livingston County Land Bank (the "Land Bank") shall indemnify any person ("indemnified person") made, or threatened to be made, a party in any action or proceeding, whether civil, or criminal, administrative, investigative, or otherwise, including any action by or in the right of the Land Bank, by reason of the fact that he or she (or his or her executor or administrator) whether before or after adoption of this policy, (a) is or was a member or officer of the Land Bank, or (b) in addition is serving or served in any capacity at the request of the Land Bank, as a member or officer of any other corporation, or any partnership, joint venture, trust, employee benefit plan or other enterprise. The indemnification shall be against all judgments, fines, penalties, amounts paid in settlement (provided the Land Bank shall have consented to such settlement) and reasonable expenses, including attorney's fees and costs of investigation, incurred by any indemnified person with respect to any such threatened or actual action or proceeding, and any appeal thereof.

Section 2. Prohibited Indemnification

The Land Bank shall not indemnify any person if a judgment or other final adjudication adverse to the indemnified person (or to the person whose actions are the basis for the action or proceeding) establishes, or the Board in good faith determines, that such person's acts were committed in bad faith or were the result of active and deliberate dishonesty and were material to the cause of action so adjudicated or that he or she personally gained in fact a financial profit or other advantage to which he or she was not legally entitled.

Section 3. Notice

Written notice of any proceeding for which indemnification may be sought by indemnified persons shall be given to the Land Bank along with an original copy of any summons, complaint, process, notice, demand or pleading as soon as practicable after the service of any such papers upon the person seeking indemnification, or upon the notice of any pending proceeding by such person seeking indemnification.

Section 4. Defense

Upon notice, the Land Bank shall then be permitted to participate in the defense of any such proceeding or, unless conflicts of interest or position exists between such person and the Land Bank in the conduct of such defense, to assume such defense. In the event that the Land Bank assumes the defense of any such proceeding, legal counsel selected by the Land Bank shall be acceptable to such person. After such assumption, the Land Bank shall not be liable to such person for any legal or other expense subsequently incurred unless such expenses have been expressly authorized by the Land Bank. In the event that the Land Bank participates in the defense of any such proceeding, such person may select counsel to represent such person in regard to such a proceeding; however, such person shall cooperate in good faith with any request that the same counsel be utilized by the parties to any proceeding who are similarly situated, unless to do so would be inappropriate due to actual or potential differing interests between or among such parties. Any dispute with respect to representation of multiple parties by a single counsel, or the amount of legal expenses, or the reasonableness of attorney's fees shall be resolved by the court upon motion, or by way of special proceeding.

Section 5. Advancement of Expenses

The Land Bank shall, on the request of any indemnified person who is or may be entitled to be indemnified by the Land Bank, pay or promptly reimburse the indemnified person's reasonably incurred expenses in connection with a threatened or actual action or proceeding prior to its final disposition. However, no such advancement of expenses shall be made unless the indemnified person makes a binding, written commitment to repay the Land Bank, with interest, for any amount advanced for which it is ultimately determined that he or she is not entitled to be indemnified under the law or Section 2 of this policy. An indemnified person shall cooperate in good faith with any request by the Land Bank that common legal counsel be used by the parties to such action or proceeding who are similarly situated unless it would be inappropriate to do so because of actual or potential conflicts between the interests of the parties.

Section 6. Indemnification of Others

Unless clearly prohibited by law or Section 2 of this policy, the Board may approve Land Bank indemnification as set forth in Section 1 of this policy or advancement of expenses as set forth in Section 3 of this policy, to a person (or the testator or intestate of a person) who is or was employed by the Land Bank or who is or was a volunteer for the Land Bank, and who is made, or threatened to be made, a party in any action or proceeding, by reason of the fact of such employment or volunteer activity, including actions undertaken in connection with service at

the request of the Land Bank in any capacity for any other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise.

Section 7. Determination of Indemnification

Indemnification mandated by a final order of a court of competent jurisdiction will always be paid. After termination or disposition of any actual or threatened action or proceeding against an indemnified person, if the indemnification has not been ordered by a court the Board shall, upon written request by the indemnified person, determine whether and to what extent indemnification is permitted pursuant to this policy. Before indemnification can occur, the Board must explicitly find that such indemnification will not violate the provisions of Section 2 of this policy. No member with a personal interest in the outcome, or who is a party to such actual or threatened action or proceeding concerning which indemnification is sought, shall participate in this determination. If a quorum of disinterested members is not obtainable, the Board shall act only after receiving the opinion in writing of independent legal counsel that indemnification is proper in the circumstances under the applicable law and this policy.

Section 8. Binding Effect

Any person entitled to indemnification under this policy has a legally enforceable right to indemnification, which cannot be abridged by amendment of this policy with respect to any event, action, or omission occurring prior to the date of such amendment.

Section 9. Nonexclusive Rights

The provisions of this policy shall not limit or exclude any other rights to which any person may be entitled under law or contract. The Board is authorized to enter into agreements on behalf of the Land Bank with any member, officer, employee or volunteer providing them rights to indemnification or advancement of expenses in connection with potential indemnification in addition to the provisions therefore in this policy, subject in all cases to the limitations of Section 2 of this policy. The benefits set forth in this policy shall supplement and be available in addition to any other rights which may be granted by or pursuant to any statute, common law, charter, by-law, or resolution of the Board.

Adopted: March 28, 2019