

penses, including amounts paid in satisfaction of judgments, in compromise or as fines and penalties, and counsel fees, reasonably incurred by him in connection with the defense or disposition of any action, suit or other proceeding, whether civil or criminal, in which he may be involved or with which he may be threatened, while in office or thereafter, by reason of his being or having been such a Trustee, officer, or agent, except with respect to any matter as to which he shall have been adjudicated:

(a) in any case in which his liability to the Trust or the shareholders has been asserted, to have acted in bad faith, in a manner constituting willful misfeasance or gross negligence, or in reckless disregard of his duties; or

(b) in any other case, not to have acted in good faith for a purpose which he reasonably believed to be in the best interests of the Trust and, in the case of a criminal action or proceeding, without reasonable cause to believe that his conduct was unlawful;

provided, however, that as to any matter disposed of by a compromise payment by such person, pursuant to a consent decree or otherwise, no indemnification either for said payment or for any other expenses shall be provided unless the Trust shall have received a written opinion from counsel approved by the Trustees to the effect that if either the matter of willful misfeasance, reckless disregard of duty, gross negligence or bad faith, or the matter of good faith reasonable belief as to the best interests of the Trust and the lack of reasonable cause to believe that the conduct was unlawful, as the case may be, had been adjudicated, it would have been adjudicated in favor of such person. The rights accruing to any person under these provisions shall not exclude any other right to which he may be lawfully entitled; provided, that no person may satisfy any right of indemnity or reimbursement granted herein or to which he may be otherwise entitled except out of the property of the Trust, and no shareholder shall be personally liable to any person with respect to any claim for indemnity or reimbursement or otherwise. The Trustees may make advance payments in connection with indemnification under this Section 3.3., provided that the indemnified person shall have given a written undertaking to reimburse the Trust in the event it is subsequently determined that he is not entitled to such indemnification.

SECTION 3.4. No Trustee shall, as such, be obligated to give any bond or surety or other security for the performance of any of his duties hereunder.