

## ARTICLE X. INDEMNIFICATION

**10.1 Personal Liability of Directors.** To the fullest extent that the laws of the Commonwealth of Pennsylvania, as now in effect or as hereinafter amended, to permit elimination or limitation of the liability of Directors, no Director, shall be personally liable for monetary damages for any action taken or any failure to take any action unless as set forth in 15 Pa. C.S.A. Section 5713(a), such Director has breached or failed to perform the duties of his or her office and such breach or failure to perform constitutes self-dealing, willful misconduct or recklessness; provided, however, that the foregoing provision shall not eliminate or limit (i) the responsibility or liability of such Director pursuant to any criminal statute, or (ii) the liability of a Director for the payment of taxes pursuant to local, state or Federal law. Any repeal, modification or adoption of any provision inconsistent with this section shall be prospective only, and neither the repeal or modification of this provision nor the adoption of any provision inconsistent with this provision shall adversely affect any limitation on the personal liability of a Director of the Association existing at the time such repeal or modification or the adoption of such inconsistent provision.

**10.2 Mandatory Indemnification of Directors and Certain Other Persons.** The Association shall indemnify and hold harmless to the full extent not prohibited by law, as the same exists or may hereinafter be amended, interpreted or implemented (but, in the case of any amendment, only to the extent that such amendment permits the Association to provide broader indemnification rights than are permitted the Association to provide prior to such amendment), each person who was or is made a party or is threatened to be made a party to or is otherwise involved in (as a witness or otherwise) any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative and whether or not by or in the right of the Association or otherwise (hereinafter, a "proceeding"), by reason of the fact that he or she, or a person of whom he or she is the heir, executor or administrator, is or was a Director, Officer of the Association or was serving at the request of the Association as a Director, Officer or trustee of another corporation or partnership, joint venture, trust or other enterprise (including without limitation service with respect to employee benefit plans), or where the basis of such proceeding is any alleged action or failure to take any action by such person while acting in an official capacity as a Director or Officer of the Association, or in any other capacity on behalf of the Association while such person is or was serving as a Director or Officer of the Association, against all expenses, liability and loss, including indemnification, the right to indemnification conferred by this Section 10.2 shall be a contract right and shall include the right to be paid by the Association the expenses incurred in defending any such proceeding (or part thereof) or in enforcing his or her rights under this Section 10.2 in advance of the final disposition thereof promptly after receipt by the Association but not limited to attorneys' fees, judgments, fines, ERISA excise taxes or penalties and amounts paid or to be paid in settlement (whether with or without court approval), actually and reasonably incurred or paid by such person in connection therewith. The foregoing right of indemnification shall not be exclusive of

other rights to which one may be entitled as a matter of law and does not limit or waive any limitation of liability existing under any applicable law.

**10.2.1** Notwithstanding the foregoing, except as provided in 10.2.2, the Association shall indemnify any such person seeking indemnification in connection with a proceeding (or part thereof) initiated by such person only if such proceeding (or part thereof) was authorized by the Board of Directors.

**10.2.2** Subject to the limitation set forth above concerning proceedings initiated by the person seeking of a request therefore stating in reasonable detail the expenses incurred; provided, however, that to the extent required by law, the payment of such expenses incurred by a director or officer of the Association in advance of the final disposition of a proceeding shall be made only upon receipt of an undertaking, by or on behalf of such person, to repay all amounts so advanced if and to the extent is shall ultimately be determined by a court that he or she is not entitled to be indemnified by the Association under this Section 10.2 or otherwise.

**10.2.3** The right to indemnification and advancement of expenses provided herein shall continue as to a person who has ceased to be a Director or Officer of the Association or to serve in any of the other capacities described herein, and shall inure to the benefit of the heirs, executors and administrators of such person.