

(3)--IF--WITH--RESPECT--TO--A--CIVIL--ADMINISTRATIVE--OR INVESTIGATIVE--ACTION--SUIT--OR--PROCEEDING--THE-PERSON-ACTED-IN GOOD-FAITH-AND-IN-A-MANNER-HE-REASONABLY-BELIEVED-TO-BE-IN-OR-NOT OPPOSED-TO-THE-BEST-INTEREST-OF-THIS-PENSION--SYSTEM--AND--WITH RESPECT--TO-A-CRIMINAL-ACTION--HAD-NO-REASONABLE-CAUSE-TO-BELIEVE HIS-CONDUCT-WAS-UNLAWFUL--THEN-INDEMNIFICATION-SHALL--BE--AGAINST THOSE--EXPENSES--INCLUDING-REASONABLE-ATTORNEY'S-FEES--JUDGMENTS-- FINES--AND--ACCOUNTS--PAID--IN--SETTLEMENT--THAT--ACTUALLY--AND REASONABLY--WERE--INCURRED--BY--HIM--IN--CONNECTION--WITH--THE PROCEEDING-

(4)--THE-TERMINATION-OF--ANY--SUIT--OR--PROCEEDING--IN--ANY MANNER--OF-ITSELF--DOES-NOT-CREATE-A-PRESUMPTION-THAT-THE-PERSON DID-NOT-ACT-IN-GOOD-FAITH-AND-IN-A-MANNER-HE-REASONABLY--BELIEVED TO--BE--IN--OR--NOT--OPPOSED-TO-THE-BEST-INTEREST-OF-THIS-PENSION SYSTEM--AND-WITH-RESPECT-TO-A-CRIMINAL-ACTION-OR-PROCEEDING--HAD REASONABLE-CAUSE-TO-BELIEVE-THAT-HIS-CONDUCT-WAS-UNLAWFUL-

(5)--INDEMNIFICATION-MAY-NOT-BE-MADE-

(i)--WITH--RESPECT-TO-ANY-SUIT--CLAIM--OR-MATTER-AS-TO WHICH-THE-PERSON-IS-ADJUDGED-TO-BE-LIABLE-FOR-GROSS-NEGLIGENCE-OR WILFUL-MISCONDUCT-IN-THIS-SYSTEM--OR

(ii)--FOR--AN--INDEPENDENT--CONTRACTOR--WHO--PROVIDES SERVICES-TO-THIS-PENSION-SYSTEM-

(6)--THE--STATE--MAY--PROVIDE--INSURANCE--FOR--EVERY--PERSON ELIGIBLE-FOR--INDEMNIFICATION--UNDER--THIS--SECTION--AGAINST--ANY LIABILITY--ASSERTED-AGAINST-HIM-OR-INCURRED-BY-HIM-ARISING-OUT-OF HIS-STATUS-AS-A-FIDUCIARY--THE-STATE-MAY-PROVIDE-SELF--INSURANCE FOR-THIS-PURPOSE--IN-WHOLE-OR-IN-PART--UNDER-TERMS-AND-CONDITIONS THAT-ARE-SATISFACTORY-TO-THE-STATE-TREASURER--IF-THE-STATE-FAILS TO--PROVIDE--ADEQUATE-INSURANCE-COVERAGE-OR-IF-THE-STATE-FAILS-TO PROVIDE-INDEMNIFICATION-UNDER-THIS-SECTION--A-FIDUCIARY--MAY--NOT BE--REQUIRED--TO--PAY--THE--AMOUNTS--ATTRIBUTABLE--TO--LIABILITY DESCRIBED-IN-THIS-SECTION-BECAUSE-THE-STATE-FAILED-TO-PROVIDE-THE INDEMNIFICATION-

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ALL-OF-THE-ASSETS-OF-THIS-PENSION-SYSTEM-SHALL-BE--CREDITED, ACCORDING--TO--THE--PURPOSE--FOR--WHICH--THEY--ARE--HELD--TO-THE FOLLOWING-FUNDS-

(i)--THE-ANNUITY-SAVINGS-FUND,

(ii)--THE-ACCUMULATION-FUND--AND

(iii)--THE-EXPENSE-FUND-

(1)-(A)--THE-ANNUITY-SAVINGS-FUND-SHALL-BE-THE-FUND-IN-WHICH THE-CONTRIBUTIONS--DEDUCTED--FROM--THE--COMPENSATION--OF--MEMBERS TOGETHER--WITH--ANY--AMOUNTS-TRANSFERRED-THERE-TO-FROM-THE-ANNUITY