§ 355-b. Investments in designated obligations; indemnifications. 1. It is hereby found and declared that obligations of the state of New York, the New York state housing finance agency and the dormitory authority of the state of New York are reasonable, prudent, proper and legal investments in which all gifts, grants, bequests and devises administered as endowments by the state university trustees may be invested by such trustees or any officer, employee or fiduciary thereof. For the purposes of this section such gifts, grants, bequests and devises shall be referred to as endowment funds.

2. Notwithstanding any inconsistent provisions of law, the state university trustees may, in their discretion, purchase obligations designated and found to be reasonable, prudent, proper and legal investments in subdivision one of this section for such endowment funds without regard to the percentage of the assets of such endowment funds invested in such obligations and without regard to the percentage of outstanding obligations of each issuer held or to be held by such funds. The state university trustees in determining investments for such endowment funds in such obligations may consider, in addition to the appropriate factors recognized by law, the extent to which such investments will maintain the credit worthiness of the state of New York and the public benefit corporations identified in subdivision one of this section so as to enable the state and such corporations to finance the construction of capital facilities heretofore and hereafter duly authorized for the state university.

3. Notwithstanding any other provisions of law, including the provisions of section seventeen of the public officers law, the state shall save harmless and indemnify each and every trustee, officer, employee or fiduciary with responsibility for the custody of endowment funds or the assets thereof or for the approval of the sale or investment of the assets of such endowment funds, and any investment adviser, attorney or accountant who shall have been employed by or who have advised such trustee, officer, employee or fiduciary, from any or all financial loss arising out of or in connection with any claim, demand, suit, action, proceeding or judgment for alleged negligence, waste or breach of fiduciary duty by reason of any investment by any

endowment funds in any obligations designated in subdivision one of this section, or resulting from the sale of any assets of any endowment fund to obtain sufficient revenues to make such investments, provided that such trustee, officer, employee, fiduciary, investment adviser, attorney or accountant shall, within five days after the date on which he is personally served with, or receives actual notice of, any summons, complaint, process, notice, demand, claim or pleading, shall give notice thereof to the attorney general. Upon such notice, the attorney general shall assume control of the representation of such trustee, officer, employee, fiduciary, investment adviser, attorney or accountant in connection with such claim, demand, suit, action or proceeding. Each person so represented shall cooperate fully with the attorney general or any other person designated to assume such defense in respect of such representation or defense.