§ 6209. Investments in designated obligations; indemnification. 1. It is hereby found and declared that obligations of the dormitory authority of the state of New York are reasonable, prudent, proper and legal investments in which all gifts, grants, bequests, devises, trusts, money, endowments, fees, and other income not derived from public taxation or the public credit, received and administered or to be received and administered by the board of trustees or any of its educational units for college or university purposes in connection with the units under the control of the board of trustees pursuant to subdivision six of section sixty-two hundred six of this article may be invested or may be pledged, hypothecated or delivered as collateral to secure in whole or in part the payment of principal or interest of any obligation of the dormitory authority of the state of New York by the board of trustees or any officer, employee or fiduciary thereof upon such terms and conditions as may be acceptable to the board of trustees. It is hereby found and declared that obligations of the dormitory authority of the state of New York are reasonable, prudent, proper and legal investments in which funds presently in existence or hereafter created or established or other moneys administered by any alumni corporation or college fund organized pursuant to the not-for-profit corporation law or this chapter to encourage the educational mission or assist any educational unit of the city university may be invested or may be pledged, hypothecated or delivered as collateral to secure in whole or in part the payment of principal or interest of any obligation of the dormitory authority of the state of New York by such corporation or fund or any officer, trustee, director, employee or fiduciary thereof upon such terms and conditions as may be acceptable to such corporation, person or persons. For the purpose of this section, such gifts, grants, bequests, devises, trusts, money, endowments, fees, funds, and other income shall be referred to as endowment funds.

2. Notwithstanding any inconsistent provision of law, the board of trustees or the directors or trustees of any such alumni corporation or college fund may in its or their discretion purchase and retain obligations or may pledge, hypothecate, or deliver as collateral endowment funds to secure in whole or in part the payment of principal or interest on obligations of the dormitory authority of the state of

New York without regard to the percentage of the assets of such endowment funds invested in such obligations or pledged, hypothecated, or delivered as collateral to secure in whole or in part the payment of principal or interest on such obligations, and without regard to the percentage of outstanding obligations of the issuer held or to be held by such funds or secured by pledge, hypothecation, or delivery as collateral of such funds. The board of trustees or such alumni corporation or college fund may consider, in addition to the appropriate factors recognized by law, the extent to which such investments, pledges, hypothecations, or deliveries as collateral, will maintain the credit worthiness of the state of New York and the dormitory authority of the state of New York so as to enable the state and such corporation to finance the construction of capital facilities heretofore or hereafter duly authorized for the city university.

3. Notwithstanding any other provision of law, the state shall, with respect to the board of trustees, save and hold harmless and indemnify each and every member, trustee, director, officer, employee or fiduciary with responsibility for the custody of funds or the assets thereof or for the approval of the sale, investment, pledge, hypothecation, or delivery as collateral of the assets of such funds, and any investment advisor, attorney or accountant who shall have been employed by or who has advised such member, trustee, director, 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 of any funds in, or the pledge, hypothecation, or delivery as collateral of any endowment funds to secure in whole or in part the payment of principal or interest of any obligation of the dormitory authority of the state of New York, or resulting from the sale of any assets of any funds to obtain sufficient revenues to make such investments, pledges, hypothecations, or deliveries as collateral, provided that such member, trustee, director, officer, employee, fiduciary, investment advisor, attorney, or accountant within five days after the date on which he or she 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 member, trustee, director, officer, employee, fiduciary, investment advisor, 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 to such representation or defense.