

### 3. LOANS TO DIRECTORS AND OFFICERS.

The Corporation may not lend money to or guarantee the obligation of a Director or Officer of the Corporation unless:

- (1) The Corporation's Board of Directors determines that the loan or guarantee benefits the Corporation and either approves the specific loan or guarantee or a general plan authorizing loans and guarantees;
- (2) The loans or guarantees are authorized by statute regulating any special class of the Corporation; or
- (3) A sale on credit is in the ordinary course of business or for a life insurance policy loan.

### 4. LIMITATION ON LIABILITY OF DIRECTORS AND OFFICERS

(a) **Limitation on Liability.** In any Proceeding against an Officer or Director who receives compensation from the Corporation while it is exempt from income taxation under § 501(c) of the Code for his or her services as such, the damages assessed arising out of a single transaction, occurrence or course of conduct shall not exceed the amount of compensation received by the Officer or Director from the Corporation during the twelve (12) months immediately preceding the act or omission for which liability was imposed. An Officer or Director who serves the Corporation while it is exempt from income taxation under § 501(c) of the Code without compensation for his or her services shall not be liable for damages in any such Proceeding.

(b) **Willful Misconduct or Knowing Violation.** The liability of an Officer or Director shall not be limited as provided in this section if the Officer or Director engaged in willful misconduct or a knowing violation of criminal law.

(c) **Liability After Amendment.** No limitation on or elimination of liability adopted pursuant to this section may be affected by any amendment of the Articles of Incorporation or the Bylaws with respect to any act or omission occurring before such amendment.

VCA § 13.1-870.1.

## **ARTICLE VI - INDEMNIFICATION**

Subject to any limitations set forth in the Articles of Incorporation and Bylaws of the Corporation and VCA §§ 13.1-876 through 13.1-883, the Corporation shall indemnify and advance expenses to each present and future Director or Officer of the Corporation (and his or her heirs, estate, executors or administrators) to the full extent allowed by the laws of the Commonwealth of Virginia, both as now in effect and as hereafter adopted. The