

Section 8.3. Liability and Indemnification

- (1) No Personal Liability. The Directors, Officers and members of any committee appointed by the Board of Directors shall not be liable to the Association or any Owner for any mistake of judgment, negligence or otherwise, except for their own individual willful misconduct or bad faith. Directors and Officers shall have no personal liability with respect to any contract made by them on behalf of the Association. No Owner shall be liable for the contract or tort liability of the Association by reason of ownership or Membership therein.
- (2) Indemnification. The Association shall indemnify the Directors, Officers and members of any committee appointed by the Board of Directors to the extent that it is contemplated a nonstock corporation may indemnify its Directors, Officers and employees pursuant to Sections 13.1-875 through 13.1-883 of the Act; provided, however, that before the Association uses its funds for indemnification, all insurance proceeds must be obtained and applied toward such indemnification. The foregoing right of indemnification shall not be exclusive of any other rights to which a person may be entitled by law, agreement, vote of the Eligible Members or otherwise.
- (3) Directors and Officers Liability Insurance. The Association shall have the power to purchase and maintain insurance on behalf of any person who is or was a Director, Officer or member of a committee appointed by the Board of Directors against any liability asserted against such person and incurred by such person in any such capacity or arising out of such person's status as such, whether or not the Association would have the power to indemnify such person against such liability. Further, the availability of the Association's indemnity shall not relieve any insurer of any liability under an insurance policy held by the Association.

Section 8.4. Compensation of Directors and Officers

The Association may pay a Recording Secretary; otherwise, no salary or other compensation shall be paid by the Association to any Director or Officer for serving as such, **but this provision shall not preclude the payment of salary or other compensation for the performance by such Director or Officer of other services to the Association outside of the services rendered in the capacity as a Director or Officer,** nor shall it preclude the reimbursement of reasonable, ordinary and necessary expenses incurred in serving as a Director or Officer.