

Owner for injury or damage caused by such officer or director in the performance of his duties unless due to the willful misfeasance or malfeasance of such officer or director. Each officer and director of the Association shall be indemnified by the Association against all expenses and liabilities, including attorney's fees, reasonably incurred or imposed upon him in connection with any lawsuit or other proceedings to which he may be a party or in which he may become involved by reason of his being or having been an officer or director of the Association, or any reasonable settlement of such disputes, whether or not he is an officer or director of the Association at the time such expenses and liabilities are incurred, except in those cases in which the officer or director is adjudged guilty or willful misfeasance or malfeasance in the performance of his duties; provided that in the event of a settlement, the indemnification shall apply only when the Board of Directors approves such settlement and reimbursement as being in the best interests of the Association.

Section 3.

Administration by Developer. Notwithstanding anything contained herein to the contrary, the Developers shall initially be responsible for the administration of the Property and the General Common Elements; and the Association will not begin to function through its other members until the Developers shall have conveyed 140 of the Units (including Units in additional phases, as described in Article XX) to the respective purchasers of same or such earlier date as may be selected by the Developer in the exercise of its sole discretion, at which time such fact shall be certified to the Association by the Developer and management of the General Common Elements delivered to the Association together with all books and accounts which shall be in balance provided, the transaction of management will occur when the last Unit to be added to the Regime is conveyed to a purchaser if Developer fails to complete the development of additional phases before the deadline for such completion set forth in Article XX. Until such time, the duties and powers of the Association, including those of the Board of Directors, as specified in this Master Deed and

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