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performance of his duties unless due to the willful misfeasance or malfeasance of such officer or director. Each officer and director or the Association shall be indemnified by the Owners against all expenses and liabilities, including attorney's fees, reasonably incurred or imposed upon him in connection with the 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 settlement, whether or not he is an officer or director of the Association at the time such expenses and liabilities are incurred, except in such cases where the officer or director is adjudged guilty of 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 for the best interests of the Association.

Section 3.

Administration by Developer. Notwithstanding anything contained herein to the contrary, the Developers shall 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 thirty-six (36) of the Residences 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. Until such time, the duties and powers of the Association, including those of the Board of Directors, as specified in this Master Deed and in the By-Laws, shall be performed by the Developer and/or any manager or agent employed by the Developer on behalf of the Association, at any rate of compensation which, under the circumstances and in the sole discretion of the Developer, shall be reasonable in amount. Such compensation, if any, shall be paid as a recurring expense of the Association and out of the Assessments hereinafter provided for and not in lieu thereof or in addition thereto.