

or transaction of this Association, and no director shall be liable in any way by reason of such interest, provided that the fact of such interest be disclosed or made known to the Board of Directors, and provided that the Board of Directors shall authorize, approve or ratify such contract or transaction by the vote (not counting the vote of any such director) of a majority of the Board notwithstanding the presence of any such director at a meeting at which such action is taken. Such a Director or directors may be counted in determining the presence of a quorum at such meeting. This section shall not be construed to impair or invalidate or in any way affect any contract or other transaction which would otherwise be valid under the law applicable thereto.

ARTICLE VII ARCHITECTURAL REVIEW COMMITTEE

Section 1: ELECTION AND NUMBER. The Architectural Review Committee consisting of five voting members shall be elected at the annual meeting by a plurality vote of the voting members. The Committee must consist of at least three members in order to perform its duties.

Section 2: TERM. The term of each member shall be two years with the exception of 1997. In 1997 three members will be elected for one year each and two members will be elected for two years each. Thereafter, three members will be elected in each even-numbered year and two members will be elected in each odd-numbered year.

Section 3: OFFICERS. The Architectural Review Committee will elect a Chairperson and such other officers it deems necessary. The President of the Board of Directors cannot serve as Chairperson of the Architectural Review Committee.

Section 4: DUTIES. Duties of the Architectural Review Committee shall be as defined in the Protective Covenants of Holiday Acres, as amended. The Architectural Review Committee is responsible to the Board of Directors, and shall present all recommendations for action to the Board of Directors for approval.

Section 5: VACANCIES. Vacancies in the Committee shall be filled by appointment by the Board of Directors.

Section 6: APPEAL OF THE COMMITTEE'S DECISION. Decisions of the Architectural Review Committee may be appealed to the Board of Directors, whose answers to appeals will be considered final.

ARTICLE VIII INDEMNIFICATION OF DIRECTORS, OFFICERS & MANAGING AGENT

Section 1: INDEMNIFICATION. The Association shall indemnify every director and officer, their respective successors, personal representatives and heirs, against all loss, cost and expenses, including attorney fees, reasonably incurred by him or her in connection with any action, suit or proceeding to which he or she may be made a party by reason of his or her being, or having been, a director or officer of the Association except as to matters as to which he or she shall finally be adjudged in such action, suit or proceeding to be liable for gross negligence or willful misconduct. The Board may provide insurance for the Directors and officers for the purpose of complying with the indemnification required hereunder.

Section 2: AGENCY. All contracts or other commitments or obligations made by the Board of Directors or officers shall be made as agent for the Association or lot owners and they shall have no personal responsibility or liability on any such contract or commitment except as a lot owner.