

non-profit organization owned and operated by the Co-owners of Residences. Said organization shall be an association unless and until either the Developer or the Association itself decides to incorporate as a non-profit corporation under the laws of South Carolina. Except as otherwise expressly provided herein, the administration of the NORTHGATE TRACE HORIZONTAL PROPERTY REGIME, the maintenance, repair replacement and operation of the General Common Elements and those acts required of the Association by this Master Deed and by applicable portions of the Horizontal Property Act of South Carolina (in which such entity is identified as the "Counsel of Co-owners") shall be the responsibility of the North Gate Trace Homeowners Association. The Association shall be governed by and shall operate according to this Master Deed, the applicable statutes described above, and by the By-Laws of the Association, a copy of which is attached hereto as Exhibit "C" and by this reference made a part hereof.

Each Residence Co-owner shall automatically become and be a member of the Association as long as he continues to be a Residence Co-owner. Upon the termination of the interest of a Residence Co-owner, his membership shall thereupon automatically terminate and transfer and inure to the new Residence Co-owner succeeding him in interest. The aggregate number of votes for all members of the Association shall be One Hundred (100), which shall be divided among the members in the same ratio as their respective percentages of Co-ownership interest in the General Common Elements as set forth in Exhibits "D", "E", "F" and "G". In the event the Association becomes a non-profit corporation, stocks shall be issued to such members according to the same ratios.

Section 2.

Limitation of Liability; Indemnification. Notwithstanding the duty of the Association to maintain, repair and replace parts of the General Common Elements, the Association shall not be liable for injuries or damages caused by any latent condition of the General Common Elements, nor for injury caused by the elements, Owners or other Persons, nor shall any office or director of the Association be liable to any Owner for injury or damage caused by such officer or director in the