

HARBOUR WATCH PROPERTY OWNERS' ASSOCIATION

PROTECTIVE COVENANTS

PROTECTIVE COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS
FOR HARBOUR WATCH PHASE I, II, III, IV, V(a) and V(b)
AS AMENDED

AUGUST 28, 2026

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STATE OF SOUTH CAROLINA)
COUNTY OF LEXINGTON)

FIFTH AMENDMENT AND RESTATEMENT OF THE DECLARATION OF PROTECTIVE COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS FOR HARBOUR WATCH PHASE I, II, III, IV, V(a) and V(b).

This Fifth Amendment and Restatement of the Declaration of Protective Covenants, Conditions Restrictions and Easement for Harbour Watch Phase I, II, III, IV, V(a) and V(b), is made this day August, 28, 2026 by Harbour Watch Property Owners Association, Inc. a South Carolina Nonprofit Corporation (herein referred to as the "POA").

WITNESSETH:

WHEREAS, on October 21, 1999, Declarant recorded that certain Declaration of Protective Covenants, Conditions, Restrictions and Easements for Harbour Watch Phase I in Record Book 5496, at Page 0001, in the Register of Deeds Office of Lexington County, South Carolina; and

WHEREAS, on September 20, 2000, Declarant recorded that certain First Amendment and Restatement of the Declaration of Protective Covenants, Conditions, Restrictions and Easements for Harbour Watch Phase II in Record Book 5975, at Page 49, in the Register of Deeds Office of County of Lexington, South Carolina; and

WHEREAS, on March 22, 2002, Declarant recorded that certain Second Amendment and Restatement of the Declaration of Protective Covenants, Conditions, Restrictions and Easements for Harbour Watch Phase I, First Amendment and Restatement of Declaration of Protective Covenants, Conditions, Restrictions and Easements for Harbour Watch Phase II, and Declaration o Protective Covenants, Conditions, Restrictions and Easements for Harbour Watch Phase III; and

WHEREAS, on October 14, 2002, Declarant recorded that certain Third Amendment and Reinstatement of Declaration of Protective Covenants, Conditions, Restrictions and Easements for Harbour Watch Phase I, Second Amendment and Restatement of the Declaration of Protective Covenants, Conditions, Restrictions and Easements for Harbour Watch Phase II First Amendment and Restatement of the Declaration of Protective Covenant, Conditions, Restrictions and Easements for Harbour Watch IV; and

WHEREAS, on March 1, 2007, Declarant recorded that certain Fourth Amendment and Reinstatement of Declaration of Protective Covenants, Conditions, Restrictions and Easements for Harbour Watch Phase I, The Third Amendment and Restatement of the Declaration of Protective Covenants, Conditions, Restrictions and Easements for Harbour Watch Phase II, Second Amendment and Restatement of the Declaration of Protective Covenants, Restrictions and Easements for Harbour Watch Phase III, First Amendment and Restatement of the Declaration of Protective Covenants, Conditions, Restrictions and Easements for Harbour Watch Phase V(a).

WHEREAS, on August 28, 2026 The POA Fifth Amendment desires to amend the Protective Covenants, Conditions, Restrictions and Easements for Harbour Watch Phase I,II, III, IV, V(a) V(b) encompassing all prior amendments in order to have unified set of Covenants.

NOW THEREFORE, POA hereby declares that the Property which is described in EXHIBIT "A" and any Additional Property hereafter made subject to as herein provide shall be held, transferred, sold, conveyed, leased, occupied and used subject the following easements, restrictions, covenants, charges, liens and conditions which are for the purpose of protecting the value and desirability of the Property, and which shall run with title to the Property. These Covenants and all provisions hereof shall be binding on all parties having any right, title or interest in the Property or any portion thereof, and their respective heirs, executors, administrators, successors, and assigns, and shall inure to the benefit of each Owner thereof.

ARTICLE I
DEFINITIONS

The following terms, as used in these Covenants, are defined as follows:

Section 1.01 "Absentee Ballot" shall mean and refer to the form approved by the Board and presented to every Member as set forth in accordance with these Covenants. An Absentee Ballot shall be the only form of proxy other than a proxy. Absentee Ballots shall only be accepted by the Secretary of the POA from the Member submitting the ballot. At no time may an Absentee Ballot give to any Member other than Developer the right to vote for any other Member. Members shall have the right to give proxies to Developer .

Section 1.02 "Additional Property" shall mean and refer to any real property and improvements thereon, which may be incorporated into Harbour Watch by way of future amendments to these Covenants in accordance with the provisions contained herein.

Section 1.03 "ASC Guidelines" shall mean and refer to the guidelines and rules established and amended from time to time by the Architectural Standards Committee and approved by the Board.

Section 1.04 "Architectural Standards Committee" or "ASC" shall mean and refer to the committee formed pursuant to Article V below to maintain the quality and architectural harmony of improvements in Harbour Watch.

Section 1.05 "Assessments" shall mean and refer to annual, special, and default assessments levied pursuant to Article VI below.

Section 1.06 "BOA" shall mean and refer to the Harbour Watch Boat Owners Association, Inc., a South Carolina non-profit corporation, or any successor the Harbour Watch Boat Owners Association, Inc., with the authority, duties and obligations set forth in these Covenants.

Section 1.07 "Board" shall mean and refer to the Board of Directors of the POA, which is the governing body of the POA.

Section 1.08 "Building" shall mean and refer to any one or more structures constructed on a Lot or tract.

Section 1.09 "Building Site" shall mean and refer to the specific area within a Lot, which has been approved in writing by the ASC for the construction of a Building or other improvements.

Section 1.10 "By-laws" shall mean and refer to the By-laws of the POA that establish the methods and procedure of its operations.

Section 1.11 "Common Property" shall mean and refer to those certain prperties, located within the Harbour Watch subdivision and so delineated as "Common Area" on the Harbour Watch Plats including but not necessarily limited to the Harbour Club, Sunrise Point Recreation Area, roads right-of-way, nature trails, and parks. Any area depicted as "Common Area"on plats of additional property, which is subject to these Covenants by way of amendment hereto, shall thereafter be included in the definition of "Common Property.

Section 1.12 "Covenants" shall mean and refer to this Fifth Amendment and Restatement of the Declaration of Protective Covenants, Conditions, Restrictions and Easements for Harbour Watch Phase I, II, III, IV, V(a) and V(b).

Section 1.13 Intentionally Omitted

Section 1.14 Intentionally Omitted

Section 1.15 "Harbour Watch" shall mean and refer to the planned community created along with these Covenants, consisting of the Property and all of the improvements located at the Property.

Section 1.16 "Harbour Watch Documents" shall mean and refer to the basic documents creating and governing Harbour Watch, including but not limited to these Covenants, the Articles of Incorporation of the By-laws of the POA, the Articles of Incorporation and By-laws of the BOA, the ASC Guidelines, Rules and Regulations of the POA and the Rules and Regulations of the BOA.

Section 1.17 "Harbour Watch Plats". Shall mean refer to that certain final plat of Harbour Watch Phase I prepared by D S Atlantic Corporation, dated November 22, 2000, (recorded in the Register of Deeds Office of Lexington County on October 29, 2001 at Plat Book 6743 pages 77-83), and all amendments thereto; that certain final plat of Harbour Watch Phase II prepared by Santec Consulting Services, Inc., dated September 23, 2002 (revised 10/7/2002 and 10/31/2002), recorded in the Register of Deeds of Lexington County on Slide 706, pages 5A and 5B, and all amendments thereto (including modifications to Lot #109 and Lot #110 as shown on individual plats prepared by Weed Surveying, Inc. dated October 2, 2003 recorded in the Register of Deeds Office Lexington County); that certain final plat of Harbour Watch Phase III prepared by Weed Surveying, Inc. dated November 27, 2001 (revised 1/16/2004 recorded in the Register of Deeds of Lexington County on 3/3/2004 on Slide 754 page 4, and all amendments thereto; that certain final plat of Harbour Watch Phase IV, by Weed Surveying, Inc. dated November 17, 2003 (revised 1/16/2004 recorded in the Register of Deeds Office of Lexington County on 4/28/2004 on Slide 762 page 4, and all amendments thereto; and that certain bonded plat of Harbour Watch V9a) prepared by WSI/T. Jennison Weed dated September 25, 2006 (revised 11/20/2006) and all amendments thereto; that certain final plat of Harbour Watch Phase V(b), by Cox and Dinkins, Inc, dated November 15, 2017, (recorded in the Register of Deeds Office of Lexington County on January 31, 2018 at Plat Book 19780, page 90) and all amendments thereton. at certain final plat of Harbour Watch Phase V(b), by Cox and Dinkins,

Inc, dated November 15, 2017, (recorded in the Register of Deeds Office of Lexington County on January 31, 2018 at Plat Book 19780, page 90) and all amendments thereto.

Section 1.18 "Lot" shall mean and reference to all those parcels of land numbered 1 through 76 Harbour Watch Phase I, and all those parcels of land numbered 77 through 132 in Harbour Watch Phase II, and all those parcels of land numbered 133 through 177 in Harbour Watch Phase III, and all those parcels of land numbered 178 through 198 in Harbour Watch Phase IV, and all those parcels of land numbered 199 through 226 and 264 through 267 in Harbour Watch Phase V(a) as shown on the Harbour Watch Plats. All parcels of land which are numbered and shown as lots on plats of Additional Property, and which are subjected to these Covenants by way of amendment hereto, shall thereafter be included in the definition of "Lot".

Section 1.19 "Maintenance Fund" shall mean and refer to the fund created by Assessments and fees levied pursuant to Article VI below to provide the POA with the funds required to carry out its duties under these Covenants.

Section 1.20 "Member" shall mean and refer to any person or entity holding Membership in the POA.

Section 1.21 "Membership" shall mean and refer to the rights and responsibilities of every Owner of any Lot in Harbour Watch. Every Owner by virtue of being an Owner and only as long as he, she, or it is an Owner, shall retain their Membership in the POA. The Membership may not be separated from the Ownership of any Lot. Regardless of the number of individuals holding legal title to a Lot, no more than one Membership shall be allowed per Lot owned. However, subject to the multiple ownership restrictions of the Section 11.28, all individuals owning such Lot shall be entitled to the rights of Membership and the use and enjoyment appurtenant to such ownership.

Section 1.22 "Notice" shall mean and refer to those certain written waivers, demands, requests and other communications required or permitted by these Covenants and given to the other party as described in Section 17.05 herein.

Section 1.23 "Owner(s)" shall mean and refer to the record title holder, whether one or more persons or entities, of fee simple title to any Lot, but shall not mean or refer to any person or entity which holds such interest merely as security for the performance of a debt or other obligation, including a Mortgage, unless and until such person or entity has acquired fee simple title pursuant to foreclosure or
other proceeding.

Section 1.24 "POA" shall mean and refer to the Harbour Watch Property Owners Association, Inc., a South Carolina non-profit corporation, or any successor of the Harbour Watch Property Owners Association, Inc., by whatever name, with the authority, duties and obligations set forth in these Covenants.

Section 1.25 "Property" shall mean and refer to the property initially subject tot these Covenants described in Exhibit "A" attached hereto and incorporated herein. Any Additional Property, which is incorporated into Harbour Watch by way of amendment of these Covenants, shall thereafter be included in the definition of "Property."

Section 1.26 "Rules and Regulations" shall mean and refer to the rules and regulations adopted and periodically amended by the POA as provided in Section 3.06 below.

Section 1.27 "Vegetative Buffer Areas" shall mean and refer to all those certain areas within Lots 1 through 22, Lots 51 through 76, Lots 111 through 132, Lots 141 through 177, Lot 178, Lots 192 through 198, Lots 202 through 221, and Lots 264 through 267 depicted as "Vegetative Buffer" on the Harbour Watch Plats. The Vegetative Buffer Areas are subject to various vegetative restrictions as described in Section 7.04.

ARTICLE II
IMPOSITION OF COVENANTS AND STATEMENT OF PURPOSE

Section 2.01 Imposition of Covenants. Harbour Watch Property Owners Association Inc. hereby makes, declares and establishes the following covenants, conditions, restrictions and easements (collectively referred to as the "Covenants") which shall affect all of the Property. From this day forward, the Property shall be held sold and conveyed subject to the Covenants. The Covenants shall run with the land and shall be binding upon all persons or entities having any right, title or interest in all or any part of the Property, and the Covenants shall inure to the benefit of each Owner of the Property. Each purchaser of a Lot or home in Harbour Watch Phase I, Phase II, Phase III, Phase IV and Phase V(a) will be required to maintain and construct homes and improvements in accordance with the design criteria contained herein.

Section 2.02 Statement of Purpose. These Covenants are imposed for the benefit of all Owners of the parcels of land located within the Property. These Covenants create specific rights and privilege that may be shared and enjoyed by all owners and occupants of any part of the Property.

Section 2.03 POA Intent. The provisions of these Covenants, as amended from time to time, are intended to act as the land use controls applicable to the Property, and in the event of a conflict or difference between the provisions hereof and of the Lexington County Zoning Ordinance, the terms of these Covenants, as amended, shall control and supersede such Zoning Ordinance. Each Owner, automatically upon the purchase of any portion of the Property, is deemed to waive all protections afforded to him, now or in the future, under the Lexington County Zoning Ordinance to the extent such Zoning Ordinance is at variance with the provisions of these Covenants, as amended, or with the provisions of any of the other Harbour Watch Documents, including but not limited to the ASC Guidelines established by the Architectural Standards Committee. Each Owner specifically waives the buffering, setback, screening, height restrictions and performance standards contained in the Lexington County Zoning Ordinance with regard to proposed and existing boat docks, boat ramp, tennis courts, chipping and putting green, swimming pool, clubhouse, parks, nature trails, and all other existing and proposed common areas and group assembly activities.

Section 2.04 Intentionally Omitted

ARTICLE III
PROPERTY OWNERS ASSOCIATION

Section 3.01 Establishment of the POA. The POA was established for the purpose of maintaining and administering the Common Property and providing common services, administering and enforcing the covenants, conditions, restrictions and easements contained herein and levying, collecting and disbursing assessments and charges herein created.

Section 3.02 Duties and Powers. The duties and powers of the POA shall be those set forth under the provisions of these Covenants, the By-laws, the Articles of Incorporation of the POA, those powers relating to non-profit corporations under state and federal laws, and those duties and powers which are reasonably implied to effect the purposes of the POA. The POA may exercise any other right or privilege given to it expressly by these Covenants or by law, together with every right or privilege given to it herein or reasonably necessary to effectuate any such right or privilege. Such powers of the POA shall include, but shall not be limited to, the power to mortgage the Common Property subject to the provisions of Section 8.02 and the right to hypothecate, pledge and conditionally assign the right of the POA to receive any and all assessments and other types of funds as additional security for the mortgaging of the Common Property, and the power to purchase one or more Lots and to hold, lease, mortgage, sell, and convey the same. Such duties may include, but shall not be limited to, arranging with governmental agencies, public service districts, public or private utilities, or others, as a common expenditure billing directly to Lots, to furnish trash collection, water, sewer, electricity, telephone, security service (including the operation, maintenance and repair of electronically monitored and operated gates controlling vehicular access to and from the Property) and other utilities for the Common Property and the Lots

Section 3.03 Membership. By acceptance of a deed or other conveyance for any Lot, the Owner thereof shall be deemed to covenant and agree to subject said Lot to these Covenants and the jurisdiction of the POA and its By-laws and no further act by an Owner is required. Each Owner of any Lot, whether improved or unimproved, shall be a Member of the POA. Membership shall be appurtenant to and may not be separated from the ownership of any Lot, and the ownership of a Lot shall be the sole qualification for such membership. In the event that fee simple title to a Lot is transferred or otherwise conveyed by acceptance of a deed or other conveyance for any Lot and upon submitting a one-time, non refundable transfer/membership fee, the Owner thereof shall be deemed to covenant and agree to subject said lot to these Covenants and the jurisdiction of the POA and its By-laws and no further act by the Owner is required. Transfer/Membership Fee is $1,050 and is subject to an increase of no more than 10% every five (5) years, upon BOD approval. The forgoing is not intended to include Mortgagees or any other persons or entities who hold an interest merely as security for the performance of an obligation, and the giving of a security interest shall not terminate or otherwise affect an Owner's Membership in the POA.

Section 3.03.1 Moving to a different lot within Harbour Watch. If a member sells or transfers their lot and purchases a different lot in Harbour Watch their memberships transfers

without an additional transfer/membership fee The purchasers of their old lot are required to submit a transfer/membership fee in order to become a member of the POA.

Section 3.03.2 Moving Out of Harbour Watch. When a member sells or transfers they surrender their membership in the POA.

Section 3.03.3 Multiple Owner of a Lot. Regardless of the number of individuals holding legal title to a Lot, no more than one Membership shall be allowed per Lot owned. However, subject to the multiple ownership restrictions of the Section 11.28, all individuals owning such Lot shall be entitled to the rights of Membership and the use and enjoyment appurtenant to such ownership. The forgoing is not intended to Mortgagees or any other persons or entities who hold an intent merely as security for the performance of an obligation, and the giving of a security interest shall not terminate or otherwise affect the Owner's Membership in the POA.

Section 3.04 Voting Rights. Each Lot is hereby assigned one vote for voting purposes in the POA. The construction of a Building within a Lot shall in no way be construed to increase or alter the voting strength of such Lot, and such improved Lot shall continue to have one vote for the voting purposes within the POA. In the event of multiple owners of a Lot, votes and rights of use and enjoyment of the Common Property shall be undertaken as provided herein. The rights and privileges of membership, including the right to vote and to hold an office in the POA, may be exercised by a Member or Member's spouse, but in no event shall more than one vote be cast or more than one office be held for each Lot. When more than one person or entity holds or owns an interest in any Lot, the vote for such Lot shall be exercised as those Owners of such Lot themselves determine and advise the Secretary of the POA prior to any meeting. In the absence of such advice, the vote appurtenant to such Lot shall be suspended in the event more than one person seeks to exercise it.

Section 3.05 Officers and Directors. Notwithstanding any other provisions to the contrary contained in these Covenants, the By-laws and/or any instrument establishing the Board of Directors of the POA shall consist of a President, Vice-president, Treasurer, Secretary, and Assistant Secretary and shall be elected by the Members and these five officers shall also serve as the Board of Directors with the President to serve as the Chairman, subject to the rights of the POA as set forth herein.

Section 3.06 Rules and Regulations. Subject to the provisions hereof and the approval of the Board may establish reasonable Rules and Regulations concerning the use of the Lots, the Buildings and the Common Property and the facilities located thereon. Copies of such Rules and Regulations and amendments thereto shall be furnished by the POA to all Owners prior to the effective date of such Rules and Regulations and amendments thereto. Such Rules and Regulations shall be binding upon the Owners and occupants, and their families, tenants, guests, invitees, servants, and agents until and unless any such rule or regulation is specifically overruled, canceled or modified by the Board of Directors at a regular or special meeting of the POA, by a majority vote of the Owners, in person, and by absentee ballot given to the Secretary of the POA.

Section 3.07 Authority and Enforcement. Subject to the provisions contained herein, upon violation of these Covenants, the By-laws, the Rules and Regulations or any other Harbour Watch Documents, including, without limitation, the responsibility to pay any and all Assessments, the Board of Directors shall have the power to: (i) impose reasonable monetary fines which shall constitute an equitable charge and continuing lien upon the Lot of the Owner (occupant or guest) guilty of such violation; (ii) to suspend an Owner's right to vote in the POA, (iii) to suspend the right of Owners, their family members, guests and tenants to use any and all of the Common Property (except that such Owner shall not be denied a reasonable means of access to his Lot); or (iv) the Board shall have the power to

impose all or any combination of these sanctions. The fines levied and assessed as provided in Article VI herein shall be a lien upon the applicable Lot in the same manner as that provided in Article VI herein. The effect of such non-payment of such fine and the remedies of the POA and the Covenants to enforce collection thereof shall be the same as those provided for assessments in Article VI herein. The Board shall adopt reasonable procedures for enforcing the rules, regulations and guidelines. All actions that the POA is allowed to take under these Covenants shall be authorized actions of the POA if approved by the Board in the manner provided in the By-laws, unless the terms of these Covenants provide otherwise.

Section 3.08 Roads and Streets. The POA shall own and be responsible for the maintenance of the private roads within Harbour Watch. Such maintenance will include periodic maintenance of the surface and shoulders of the roads, regular mowing, and snow, ice and trash removal. Private driveways located on the Property shall be maintained by the Owners of the Lots on which they are located. The POA shall cooperate with the applicable traffic and fire control officials to post public and private drives, roads and streets with traffic control, fire lanes and parking regulation signs. All roads shall be designated as "privately maintained roads" on any plat recorded in the Lexington County Register of Deeds office. All roads so designated and dedicated as "privately maintained roads" shall be maintained by the POA. The cost of maintaining these roads shall be included as part of the annual assessment.

Section 3.09 Common Property. The POA, subject to the rights and duties of the Owners as set forth in these Covenants, shall be responsible for the exclusive management and control of the Common Property and all improvements thereon (including furnishings and equipment related thereto), and the POA shall keep the same in a good, clean, attractive and sanitary condition, order and repair pursuant to the terms and conditions hereof. No diminution or abatement of Assessments shall be claimed or allowed by any Owner by any reason of any alleged failure of the POA to take some action or perform some function required to be taken or performed by the POA in maintaining and operating the Common Property or any other duties or functions assigned to the POA under these Covenants. No diminution or abatement in Assessments shall be claimed or allowed by any Owner by reason of inconvenience or discomfort arising from the making of improvements or repairs to the Common Property, which are the responsibility of the POA or from any action taken by the POA to comply with any law, ordinance, or any other directive of any other municipal or other governmental authority. The obligation to pay such Assessments by each Owner within the Property shall constitute a separate and independent covenant on the part of each Owner.

Section 3.09.1 Phase V(b) to Remain in Natural State. The area now known as Phase V(b) **w**hich was purchased by the Harbour Watch POA shall not be developed or used for any constructed amenities other than nature trails and walking paths without the approval of a 60% vote of all eligible POA members.

Section 3.10 Manager. The POA may employ or contract for the services of a manager, provided that no such employment shall be by a contract having a term of more than three (3) years, and each such contract shall be subject to cancellation by the POA upon ninety (90) days or less prior notice without cause and without payment of a termination fee. The manager shall not have the authority to make expenditures for additions or improvements chargeable against the Maintenance Fund except upon specific prior written approval and direction by the Board. The Board shall not be liable for any omission or improper exercise by a manager of any duty, power or function so delegated by or on behalf of the Board.

ARTICLE IV
BOAT OWNERS ASSOCIATION

Section 4.01 BOA The Harbour Watch Boat Owners Association (BOA) was established for the purpose of maintaining and administering the multi-slip dock facility located at the Harbour Club and providing services for the BOA membership, administering and enforcing the rules and regulations of the BOA, and levying, collecting, and disbursing assessments. The BOA is a separate and distinct association (from the POA), consisting of Owners of Lots that received an assigned boat slip with the deed to their Lot. The BOA will have its own Board of Directors and charge a separate fee to its members to pay costs such as maintenance, insurance, electricity, and water. Upon the acceptance of title to a Lot and an assigned boat slip, each such Owner shall be deemed to covenant and agree to all of the terms and provisions of the By-laws of the BOA and the obligation to pay all BOA assessments. Assessments by the BOA will constitute a lien on the Lot with which it was assigned (which lien shall be subordinate to the lien of any first priority mortgages), and will be treated in the same manner as the POA Assessments described in Article VI below. All Owners who purchase a Lot with an assigned boat slip are required to be members in the BOA and to abide by all of the rules and regulations of the BOA. The assigned rights and obligations of a boat slip may not be separated from the ownership of the Lot with which the boat slip was originally assigned in the deed whether the ownership of the lot is subsequently transferred by deed, by foreclosure, or by any other means)

ARTICLE V
ARCHITECTURAL STANDARDS COMMITTEE

Section 5.01 ASC. An Architectural Standards Committee (the "ASC") was established for the purpose of examining and passing upon all proposed plans for any improvements to be constructed or placed on and around the Lots and the Common Property. Approval of the ASC, its designated agent, successors or assigns, shall be required on the design of all improvements placed within the Lots and the Common Property (including, but not limited to, all buildings, landscaping, driveways, and structures of any kind). The provisions of these Covenants, the ASC Guidelines and all other Harbour Watch Documents shall govern such approvals and all other functions of the ASC. The members of the ASC (consisting of three or more representatives) shall be appointed selected by the ASC and approved by BOD.

ARTICLE VI
ASSESSMENTS

Section 6.01 Creation of Lien and Personal Obligation of Assessments. Upon the acceptance of title to a Lot whether or not it shall be so expressed in any deed or other conveyance, each Owner shall be deemed to covenant and agree to all of the terms and provisions of these Covenants and the By-laws of the POA and the obligation to pay to the POA, the Assessments which are hereinafter described. The annual assessment and proposed budget shall be established by the Board of Directors of the POA. It shall be the duty of the Board at least thirty (30) days prior to the POA's annual meeting to prepare a budget covering the estimated common expenses relating to maintenance, improvement and operation of the Common Property during the succeeding year, and such budget may include a capital

contribution or reserve account for the capital needs of the POA as determined by the Board. The Board shall cause the proposed budget and annual assessments to be levied against Lots for the following year to be delivered to each Owner fifteen (15) days prior to such meeting. The annual assessments shall be divided equally among Lots, so that each Lot shall be subject to equal annual assessments. The budget and annual assessment shall become effective unless disapproved at the annual meeting by a majority vote of the Members of the POA. Notwithstanding the foregoing, in the event the proposed budget is not approved or the Board fails for any reason to determine the budget for the succeeding year, then and until such time as a budget shall have been determined as provided herein, the budget and annual assessment in effect for the current year shall be increased in proportion by the greater of either ten (10%) percent of the budget and annual assessment of the previous year or by the percentage increase, if any, over the previous year's Consumer Price Index, until a new budget shall have been approved as provided above. If any budget at any time proves inadequate for any reason, then the Board may call a meeting of the POA for the approval of a special assessment as provided herein. The Assessments together with any late charges thereon and cost of collection thereof as provided herein shall be a charge and continuing lien on the Lot against which such Assessments are made. Each such Assessment together with any such late charges thereon and cost of collection thereof as hereinafter provided, shall also be the personal obligation of the Owner of such Lot at the time when the Assessment first becomes due and payable. In the case of co-ownership of a Lot, all such co-owners shall be jointly and severally liable for the entire amount of the Assessment. The costs of collection shall include any reasonable legal fees incurred in the collection thereof.

Section 6.02 Purpose of Assessments. The Assessments levied by the POA shall be used for: (i) landscaping, improvement, maintenance, enhancement, enlargement and operation of the Common Property under these Covenants as provided herein; (ii) the maintenance and clearing of the Property and adjacent shoreline of Lake Murray; and (iii) to provide services which the POA is authorized to provide under these Covenants as provided herein. In carrying out these duties, the POA may make a payment of taxes and insurance, make improvements on the Common Property, pay the cost of labor, equipment, materials, management, supervision and accounting, repay any loans made to the POA and take such other action as is necessary to carry out the authorized functions. The Assessments levied by the POA may additionally be utilized to pay utility charges for serving the Common Property and charges for other common services for the Common Property, including trash collection and security services (including expenses associated with the operation, maintenance and repair of electronically monitored and operated gates controlling vehicular access to and from the Property), if any such services or charges are provided or paid by the POA. The Assessments may additionally be utilized to pay the cost of any policies of insurance purchased for the benefit of all Owners and the POA covering the all or part of the Common Property, including fire, flood and other hazard coverages, public liabilities coverage, liability insurance for the directors and officers of the POA, and such other insurance coverage as the Board determines to be in the interest of the POA and the Owners. The Assessments may additionally be utilized for the establishment and maintenance of a reasonable reserve fund for the maintenance, repair and replacement of Common Property improvements and to cover emergencies and repairs required as a result of casualties which are not covered by insurance proceeds and to cover unforeseen operating expenses or deficiencies arising from unpaid Assessments or liens, as well as from emergency expenditures and other matters, all as may be authorized from time to time by the Board of Directors of the POA. Monies in the reserve fund shall not be used for the addition of any new amenities and only used for maintenance of amenities and infrastructure.

Section 6.03 Intentionally Omitted

Section 6.04 Special Assessments. In addition to the annual assessments authorized above, the POA, acting through its Board of Directors, may levy, in any assessment year, special assessments for the purposes set forth in Section 6.02 herein. If such special assessment is less than fifty percent (50%) of the annual assessment for that year, such special assessment must be by the Board of Directors of the POA. If such special assessment is equal to or greater than fifty percent (50%) of the annual assessment for that year, then such special assessment must be approved by a majority of the votes of the Owners who are voting in person or by Proxy given to Secretary of the POA at a meeting duly called for this purpose in accordance with the notice and quorum requirements set forth in the By-laws. Such special assessments are to be charged equally to the Lots as provided with respect to the annual assessments and shall be subject to the same lien provisions and remedies for non-payment as other Assessments described in Sections 6.05 and 6.06.

Section 6.05 Effect of Non-payment of Assessment. All Assessments shall be paid in a lump sum unless otherwise determined by the POA, and if any Assessment is not paid on or before the due date specified by the POA, then such assessment shall become delinquent and shall be subject to a late charge at a rate which equals the lesser of: (a) fifteen (15%) percent per annum, together with costs of collection including reasonable legal fees or (b) the highest rate then permitted by applicable law from the date of delinquency until the date of payment, together with cost of collection including reasonable legal fees as hereinafter provided. Such Assessments, late charges, and cost of collections shall become a charge and continuing lien on the Lot of the delinquent Owner and all improvements thereon against which each such Assessment is made, and shall be a personal obligation of the then Owner, his heirs, devisees, personal representatives and assigns. The personal obligation of the Owner to pay such Assessment is established at the time when the Assessment first became due and payable. The above referenced lien shall be superior to all the liens and encumbrances on such lots except for (i) liens of ad valorem taxes; and (ii) liens for all sums unpaid on a first priority mortgage (as provided in Section 6.06 herein) or on any mortgage to its affiliates, successors, or assigns. All of the persons acquiring liens or encumbrances on any Lot after these Covenants have been recorded shall be deemed to consent that such liens or encumbrances shall be inferior to such future liens for Assessments and charges as provided herein, whether or not such prior consent shall be specifically set forth in the instruments creating such liens or encumbrances. If an Assessment is not paid within thirty (30) days after the due date, the POA, may bring an action at law against the Owner personally and an action in equity to foreclose said lien and there shall be added to the amount of such Assessment, the cost of preparing and filing the complaint in such action. In the event a judgment is obtained, such judgment shall include late charges as above provided and reasonable legal fees. The equitable charge and lien provided for in this Article VI shall be in favor of the POA, and each Owner, by his acceptance of a deed or other conveyance to a Lot, vests in the POA the right and power to bring all actions against him personally for the collection of such Assessments as a debt and to foreclose the aforesaid lien in the same manner as other liens for the improvements or real property.

Section 6.06 Subordination of Lien to Mortgages. The Lien of the Assessments provided for herein shall be subordinate to the lien of any first priority mortgage or mortgages now or hereafter place on any portion of the Property; provided, however, that such subordination shall apply only to the Assessments which have become due and payable prior to a sale or transfer of such Property pursuant to a decree of foreclosure or any other proceeding or deed in lieu of

foreclosure, such mortgagee shall prospectively pay Assessments commending on the date that it acquires title to the Lot.

Section 6.07 Assessment on Boat Slips owned by the POA. No assessment of any type shall be levied upon such boat slips by the BOA without the Board's written consent.

Section 6.08 Failure to Assess. The failure or omission of the Board to fix or establish any Assessments or other charges authorized hereunder and to deliver or mail to each Owner a notice setting forth the amount of Assessments and charges thereunder shall not be deemed a waiver, modification or release of any Owner from the obligation to pay any Assessments or other charges authorized hereunder on the same basis as for the last year for which an Assessment or charge was made until a new Assessment is made and notice thereof is delivered to the Owner, at which time any short falls and collections may be assessed retroactively by the POA against such Owner.

Section 6.09 Default Assessments. All monetary fines assessed against an Owner pursuant to the Harbour Watch Documents, or any expense of the POA which is the obligation of an Owner or which is incurred by the POA or Declarant on behalf of an Owner pursuant to the Harbour Watch Documents, shall be a default assessment and shall become a lien against such Owner's Lot which may be foreclosed or otherwise collected as provided in these Covenants. Notice of the amount and due date of such default assessment shall be sent to the Owner at least thirty (30) days prior to the due date, provided that failure to give such thirty (30) days prior notice shall not constitute a waiver thereof, but shall only postpone the due date for payment thereof until the expiration of said thirty (30) day period.

ARTICLE VII
EASEMENTS

Section 7.01 Utility Easements. The POA, hereby reserves for itself, perpetual easements on, over and under the Property, to construct, erect, maintain, correct and use utility equipment, wires, cables, conduits, sanitary and storm sewers, water lines and other suitable equipment for the conveyance and use of electricity, telephone, gas, sanitary and storm sewer, water, television and other common conveniences or utilities under, on, or over the Property as may be reasonably required for the purposes herein. Provided, the POA, and their successors and assigns, may cut drain ways for surface water wherever and whenever such action may appear the POA, their successors and assigns, to be necessary in order to maintain reasonable standards of health, safety and/or appearance. It further reserves the right to place utilities (including, without limitation, wells, pump stations, and tanks) within any Common Property and any Lot designated for such use on the applicable plat, or on any adjacent Lot with the permission of the Owner of such adjacent Lot. These easements expressly include the right to cut trees, bushes or shrubbery, grade soil and take any similar action reasonably necessary to provide economical safe utility installation or to maintain reasonable standards of health, safety and appearance. No structures, including walls, fences, paving or planting shall be erected upon any part of the Property that shall interfere with the rights of ingress and egress provided for in this Section. Unless otherwise shown on a recorded plat, such utility easements shall extend, over, under and across a strip of land measuring and extending twenty (20) feet from all road rights-of-way and ten (10) feet in width and running parallel with and adjacent to the Lot boundary lines of each Lot within Phases I, II, III, and IV and five (5) feet in width and running parallel with and adjacent to the Lot boundary lines of each Lot within Phase V(a), with the exception of the 75' buffer line along which shall run only those easements as shown on the Harbour Watch Plats. The easements reserved herein shall also include any and all utility easements shown and depicted

within any portion of the Common Property or any Lot as more particularly shown on the Harbour Watch Plats. Within these easements, no structures, plantings, or other material shall be placed or permitted to remain which may damage or interfere with installation and maintenance of utilities, or which may damage, or interfere with, or change the direction of the flow of drainage in these easements. Such easement areas located within Lots shall be continuously maintained by the Owner except for the improvements or the maintenance of which the POA, a public authority or a utility company is responsible. No improvements of any kind shall be built, erected or maintained on any such easement without the written approval of the Board of Directors of the POA, and such easements, shall at all times be open and accessible to the POA, their successors and assigns, for the right and privilege of doing whatever may be necessary on, under and above such locations to carry out any of the purposes for which easements are resevered. The provisions of this Section shall not be construed as an obligation on the part of the POA to construct, erect or maintain any of the easements or utilities described herein.

Section 7.02 Emergency Easements. A general easement is hereby granted to all police, sheriff, fire protection, ambulance and other similar emergency agencies or persons to enter upon all streets and upon the Property in the proper performance of their duties.The POA shall have a reasonable right of entry upon any Lot to make emergency repairs and do other work reasonably necessary for the proper maintenance and operation of the community.

Section 7.03 Landscaping/Maintenance Easement. The POA hereby reserves for itself, a perpetual easement on, over and under any portion of the Property which, in the opinion of the POA, is not properly maintained for the purpose of landscaping, mowing, removing, cutting, clearing, cleaning and/or pruning underbrush, weeds, or other unsightly growth, which in the opinion of the POA, and their successors and assigns, detracts from the overall beauty, setting and/or safety of the Property. Entrance upon any such portion of the Property for the purpose of landscaping, mowing, cutting, clearing, cleaning and/or pruning shall not be deemed a trespass. Except in the event of emergencies, the rights under this Section 7.03 shall be exercised only during reasonable daylight hours, and then, whenever practicable, only after advance notice to the Owner(s) affected thereby. The provisions of this Section shall not be construed as an obligation on the part of the POA, or their successors or assigns, to landscape, mow, cut, clear, clean or prune any portion of the Property or provide garbage or trash removal services.

Section 7.04 Vegetative Buffer Areas. Harbour Watch is intended to be a highly restricted and environmentally sensitive, residential community. The primary aim is to achieve a high quality, aesthetically pleasing and compatible residential community which strives to preserve the environmental setting as well as to preserve and enhance each Owner's investment. This can only be achieved through the prudent use of protective covenants that balance the needs of a residential community with those of the natural environment. All lakefront lots in Harbour Watch border a 75' vegetative buffer zone along the shoreline that adds a sense of nature to every yard, softens the visual characteristics of the shoreline, and preserves the sensitive ecosystems in the shallow waters. Likewise, the POA has reserved Vegetative Buffer Areas at various locations on nearly all interior lots. These buffers are intended to preserve the natural setting of the community, while also preserving and improving the privacy of the residents. In Harbour Watch, the exterior of all homes and the yards (not just the front yards, but also the back yards and side yards) must be well-kept, neat and clear of debris and clutter at all times. Some portions of the yard (i.e. the streetscapes) will be landscaped and manicured while other portions (i.e. the Vegetative Buffer Areas) will be set aside and maintained in a more natural state. Any proposed activity which may affect the natural environment, vegetation, underbrush and/or trees, (including planting, removal, or disturbance of any type) within the Vegetative Buffer Areas

must be approved in advance by the ASC. The Board shall have the right to reduce, modify, or eliminate any of the Vegetative Buffer Areas and/or the restrictions within the Vegetative Buffer Areas within the Property.

ARTICLE VIII
PROPERTY RIGHTS

Section 8.01 General Property Rights. Each Lot constitutes real property which shall be owned in fee simple and which, subject to the provisions of these Covenants, may be conveyed, transferred and encumbered the same as any other real property. Each Owner shall be entitled to exclusive ownership and possession of his Lot, subject to the provisions of these Covenants. The Owner of each Lot shall include, and there shall pass with each Lot as is appurtenant thereto, whether or not separately described, all of the right or interest in and to the Common Property as established hereunder, which shall include, but not be limited to, membership in the POA and membership in the Harbour Watch Boat Owners Association, if applicable.

Section 8.02 Owner's Easement of Enjoyment. Subject to the provisions of these Covenants, rules, regulations, fees and charges from time to time established and amended by the Board, in accordance with the By-laws and the terms hereof, every Owner, and his or her family members and guests shall have a non-exclusive right, privilege and easement for the use and enjoyment in and to the Common Property, such easement to be appurtenant to and to pass with title to each Lot, subject to the following provisions:

(a) The provisions of these Covenants and the By-laws.

(b) The right of the POA to borrow money, pledge and mortgage any Common Property, as security in order to provide the services authorized to be provided by the POA hereunder. Provided, however, the lien and encumbrance of any such security instrument given by the POA shall be subject and subordinate to any and all rights, interest, options, licenses, easements, and privileges herein reserved or established for the benefit of the Owners;

(c) The specific rights and easements reserved to the POA according to the provisions of Article VII herein;

(d) The right of the POA to grant and accept easements on, over and across all or any portion of the Common Property for the purpose of access to other portions of the Property or Additional Property, the installation and maintenance of utilities, and the maintenance of the Common Property;

(e) The right of POA to convey, develop or otherwise dispose of the Common Property as provided in Article IX hereof.

Section 8.03 No Partition. There shall be no judicial partition of the Common Property or any portions thereof, nor shall any Owner or other person acquiring any interest in the Property or any portion thereof seek such judicial partition unless the Property has been removed from the provisions of these Covenants.

ARTICLE IX
MAINTENANCE

Section 9.01 Care and Responsibilities of Owner. All maintenance and repair of Lots, together with all other improvements thereon and all lawns, landscaping and grounds within a Lot shall be the responsibility of the Owner of such Lot. Each Owner shall be responsible for maintaining his Lot in a neat, clean and sanitary condition, and such responsibility shall include the maintenance and care of all exterior surfaces of all dwellings, buildings and other structures and all lawns, trees, shrubs, hedges, grass and other landscaping

Section 9.02 Responsibility of POA. Except as may be herein otherwise specifically provided, the POA shall maintain and keep in good repair and condition, and operate in accordance with high standards, all portions of the Common Property which responsibility shall include, but not be limited to, the maintenance, repair and replacement of all roads and roadways, walkways, road signs, lighting, recreational equipment and other improvements situated within the Common Property. The POA shall additionally be responsible for maintaining any and all utilities, pipelines, conduits and related systems that are part of the Common Property and that are not maintained by a utility company or public authority. All lawns, trees, shrubs, hedges, vegetative buffers, grass and other landscaping situated within or upon the Common Property shall be maintained by the POA. No diminution or abatement of Assessments shall be claimed or allowed by any reason of any alleged failure of the POA to take some action or perform some function required to be taken or performed by the POA under these Covenants, or for any inconvenience or discomfort arising from the making of improvements or repairs which are the responsibility of the POA, or from any action taken by the POA to comply with any law, ordinance or with any other order or directive of any municipal or other governmental authority. The obligation to pay such Assessments is a separate and independent covenant on the part of each Owner. The POA (through the ASC) shall be responsible for making sure that all proposed construction plans are thoroughly reviewed by qualified professionals in order to assure that all construction is completed within the guidelines established herein and further described in the ASC Guidelines.

Section 9.03 Intentionally Omitted

Section 9.04 POA Performance of Owner Maintenance. In the event that the Board determines that: (i) any Owner has failed or refused to discharge properly his obligations with regard to the maintenance, cleaning, repair or replacement of items for which he, she, or it is responsible hereunder, or (ii) that the need for maintenance, cleaning, repair or replacement which is the responsibility of the POA is caused through the willful or negligent act of an Owner, his family, tenants, guests or invitees and is not covered or paid for by insurance in whole or in part, then, in either event, the POA may give such Owner written notice of the POA's intent to provide such necessary maintenance, cleaning, repair or replacement, at the sole cost and expense of such Owner, and setting forth with reasonable particularity the maintenance, cleaning, repairs and replacement deemed necessary. Except in the event where immediate action is deemed necessary by the Board, such Owner shall have ten (10) days within which to complete the same in a good and workmanlike manner, or in the event that such maintenance, cleaning, repair or replacement is not capable of completion within said ten (10) day period, to commence said maintenance, cleaning, repair or replacement and diligently proceed to complete the same in a good workmanlike manner. In the event where immediate action is deemed necessary, or the failure of any Owner to comply with the provisions hereof after such notice, the POA may provide (but shall not have the obligation to so provide) any such maintenance, repair, cleaning

or replacement at the sole cost and expense of such Owner, and said costs shall be added to and become part of the Assessment to which such Owner and his Lot are subject and shall become a lien against such Lot.

ARTICLE X
CONSTRUCTION AND ALTERATION OF IMPROVEMENTS

Section 10.01 General. The ASC Guidelines and the general instructions set forth in these Covenants shall govern the right of an Owner, builder, or other entity to construct, reconstruct, refinish, alter, place or maintain any improvement upon, under or above any of the Property, and to make or create any excavation or fill on the Property, or make any change in the natural or existing surface contour or drainage of the Property.

Section 10.02 Approval Required. Any construction, reconstruction, refinishing or alteration of any part of the exterior of any Building or other improvement on the Property is absolutely prohibited until and unless the Owner or builder first obtains approval from the ASC and otherwise complies with the provisions of these Covenants. All improvements shall be constructed only in accordance with approved plans. No Building, fence, wall or other structure or planting or landscaping shall be commenced, erected or maintained upon any Lot, nor shall any exterior addition to, or change or alteration therein, including without limitation any plantings or landscape be made until the plans and specifications showing the nature, kind, shape, height, materials and location of the same shall have been submitted to and approved in writing as to the harmony of external design and location in relation to surrounding structures and topography by the Board, or by the ASC.

Section 10.03 Removal of Nonconforming Improvements. The POA, upon recommendation of the ASC and after reasonable notice to the offender and to the Lot Owner, may remove any improvement constructed, reconstructed, refinished, altered, placed or maintained in violation of these Covenants, and the Owner of the improvement shall immediately reimburse the POA for all expenses incurred in connection with such removal. Failure to reimburse shall constitute a default assessment and a lien as described in Section 6.09 above.

Section 10.04 Construction Methods. Specific rules regarding construction methods, including but not limited to excavation, drainage, utility lines, loading areas, waste storage, trash removal, materials storage and transformers and meters shall be set forth in the ASC Guidelines, and all Owners shall comply with those rules.

Section 10.05 Placement of Homes on Lots. The exact location of all homes must be approved by the ASC before the foundation is poured. The appropriate setbacks for each Lot/ home will differ, depending on the design characteristics of the home and landscape. However, the following minimum setback restrictions shall serve as guidelines:

(a) No home may be located nearer than twenty-five feet (25') to any road right of way with the exception of homes in Phase V(a) where the right is reserved for the POA (ASC) to grant an exception to allow a reduced set-back from the road right-of-way (in no case less than twenty feet (20') from the road right-of-way) where in its sole opinion, due to the unusual lot configuration, a reduced set-back is both reasonable and beneficial (i.e. to allow a nicer home to be constructed without significantly damaging the value of neighboring homes/ lots).

(b) No home may be located nearer than ten feet (10') to any interior (side or rear) Lot line unless a variance is granted by Lexington County and a variance is granted by the POA (ASC), in which case no home may be located nearer than eight feet (8') to any interior Lot line, with the exception of the Dominion Energy, Inc. 75' buffer line (along Lake Murray) which shall have no minimum setback other than the required utility easements as shown on the Harbour Watch Plats, and the exception which may be granted in Phase V(a) by the POA (ASC) in order to allow a home to be built less than eight feet (8'), but in no case less than five feet (5'), if in its sole opinion, due to an unusual lot configuration, a reduced set-back is both reasonable and beneficial (i.e. to allow a nicer home to be constructed without significantly damaging the value of neighboring homes/lots).

(c) Eaves, overhangs, pools, detached buildings, patios, driveways, stairs, decks, and the like may extend beyond the setback line if approved by the POA Board. Each home is to be designed to its site. In passing on the acceptability of a home, the ASC will consider plans in good faith.

(d) The POA Board may, for good cause, waive violations of the minimum setback restrictions above. Such waiver must be in writing and recorded in the Register of Deeds office for Lexington County. Such recording shall be conclusive evidence that the requirements hereof have been met. However, nothing herein shall be deemed to allow the POA Board towaive violations that must be approved by an appropriate governmental authority.

Section 10.06 <u>Procedures</u>.

(a) Any person desiring to make any improvements, alteration or change described in Section 10.02 above shall submit the plans and specifications therefore, including the plot plan, showing the nature, kind, shape, height, materials and location of the same, to the Board or the ASC which shall evaluate such plans and specifications in light of the purpose of these Covenants. The ASC may charge a review fee of up to five hundred fifty and no/100 dollars ($550.00) for initial review, which fee may be increased or decreased from time to time by the Board. Subsequent reviews may require additional fees. Qualified professionals may be hired to review proposed construction within Harbour Watch.

(b) Upon approval by the ASC of any plans and specifications submitted pursuant to these Covenants, a copy of such plans and specifications, as approved, shall be deposited for permanent record with the ASC and a copy of such plans and specifications bearing such approval, in writing, shall be returned to the applicant submitting the same. Approval for use in connection with any Lot of any plans and specifications shall not be deemed a waiver of the ASC's right in its discretion, to disapprove similar plans and specifications or any of the features or elements which are subsequently submitted for use in connection with any other Lot. Approval of such plans and specifications relating to any Lot, however, shall be final as to that Lot and such approval may not be reviewed or rescinded thereafter, provided that there has been adherence to, and compliance with, such plans and specifications, as approved, and any conditions attached to any such approval.

(c) Any approval granted by the ASC shall terminate if construction has not commenced within three hundred and sixty-five (365) days of the date of ASC approval, and all plans must be resubmitted to the ASC for full consideration, as if it were a new application.

(d) Upon approval by the ASC, the POA may at its option, require the Lot Owner or Owner's contractor to make a compliance deposit in an amount to be determined by the POA. After completion of construction, the ASC or its appointed agent shall inspect the construction, assign a value to each variance of the construction from the plans as approved, and pay the amount of each variance to the treasurer of the POA. The balance (less any fines incurred) shall be refunded to the Lot Owner or Owner's contractor. The compliance deposit shall be two thousand dollars ($2000.00) until such time as the POA shall change that amount by regulation. The POA and Developer shall have the right to reduce and/or waive a compliance deposit by

approved builders. Nothing herein shall be deemed to waive any other remedies of the POA, Developer, or any Lot Owner under these Covenants or at law.

(e) Neither, the POA, the ASC, or their respective shareholders, directors, officers, agents, or attorneys shall be liable to anyone by reason of mistake in judgment, negligence, misfeasance, malfeasance or nonfeasance arising out of or in connection with the approval or disapproval or failure to approve or disapprove any such plans or specifications or the exercise of any other power or right of the ASC provided for in these Covenants. Every person who submits plans and specifications to the ASC for approval agrees, by submission of such plans and specifications, and every Owner of any Lot agrees, that he will not bring any action or suit against the POA, their respective board members or officers, or any member of the ASC, to recover any such damages, and hereby releases, remises, quit claims, and covenants not to sue of all claims, demands, and causes of action arising out of or in connection with any law which provides that a general release does not extend to claims, demands and causes of action not known at the time the release is given.

ARTICLE XI
GENERAL COVENANTS AND RESTRICTIONS

The POA, acting through its Board of Directors, shall have authority to make and to enforce standards and restrictions governing the use of Lots. Such regulations and use restrictions shall be binding upon all Owners and occupants until and unless overruled, canceled or modified in accordance with the amendment provisions of these Covenants. Unless otherwise indicated, all regulations, land use restrictions and standards apply to all Lots.

Section 11.01 Residential Use Only. The Lots shall be used for residential purposes only, and no commercial use shall be permitted. This restriction shall not be construed to prevent rental of any dwelling for private residential purposes or to prevent an individual Lot owner from conducting home occupations in the dwelling, which occupation is subordinate to the primary residential use and occupies not greater than twenty (20%) percent of the dwelling's floor area, the home occupation has no employees other than the residents, no clientele visit the Lot on a routine basis for any business purpose and there is no exterior indication that the Building is being used for any purpose other than a dwelling.

Section 11.02 Parking and Garages. All vehicles shall be allowed to be parked only in garages, in driveways, or in the designated areas in which parking is allowed and then subject to such reasonable rules and regulations as the Board may adopt. All commercial vehicles (i.e., those having lettering or logos), tractors, golf carts, motor cycles, motor homes, trailers (either with or without wheels), campers, camper trailers, boats and other watercraft, boat trailers and any unregistered vehicle must be parked entirely within a garage unless otherwise permitted by the Board. No garage may be altered in such a manner that the number of automobiles which may reasonably be parked therein after the alteration is less than the number of automobiles that could have reasonably been parked in the garage as originally constructed. Garage doors shall be kept closed when the garage is not in active use. Any such vehicle or recreational equipment parked in violation of these or other regulations contained herein, or of the Rules and Regulations now or hereafter adopted by the POA, may be towed by the POA at the sole expense of the Owner of such vehicle or recreational equipment if it remains in violation for a period of forty-eight (48) hours or if found to be in violation for less than said forty-eight (48) hours on a repetitive basis. The POA shall not be liable to the Owner of such vehicle or recreational

equipment for trespass, conversion or other claims, nor shall the POA be guilty of any criminal act by reason of such towing and neither its removal nor failure of the Owner to receive any notice of said violation shall be grounds for relief of any kind.

Section 11.03 Vehicle Maintenance and Repair. Except in an emergency situation, no maintenance or repairs shall be performed on any vehicles upon any portion of the Property, unless performed fully inside a garage. Notwithstanding the foregoing, all repairs to disabled vehicles within the Property must be completed within eight (8) hours from its immobilization or the vehicle must be removed.

Section 11.04 Signs. No sign or other advertising device of any nature shall be placed upon any part of the Property except as provided herein. Signs and other advertising devices may not be erected, placed or maintained on any Lot or any portion of the Common Property unless approved in writing by both the ASC as to color, location, nature, size and other characteristics. In no instance will an Owner be allowed to erect or maintain a "sale" or "rent" sign to advertise the resale or rental of a Lot or dwelling within the Property, in the 75 foot buffer zone or along the shoreline. Notwithstanding the foregoing, POA, its successors, nominees, and assigns shall be allowed to place and maintain signs in connection with identification or information anywhere on the Property and along the shoreline.

Section 11.05 Underbrush, Finished Yards, etc. In the event that the Owner of any Lot permits any underbrush, weeds, etc. to grow upon any Lot, or fails to maintain landscaping and grass in a manner in a neat and attractive manner, in keeping with the community, as determined by the Board, the Board may issue a Ten Day Compliance Demand requiring the Owner to bring the Lot into keeping with the community, as determined by the Board, and if the Owner fails to comply within ten days of such Notice, the POA may enter upon the Lot, bring the Lot into keeping with the community, as determined by the Board, and charge the Owner of the Lot for the costs thereof. Such costs shall become an Assessment and a lien upon the Lot.

Section 11.06 Approved Builders. All construction of Buildings on any Lot located within the Property of Harbour Watch shall be made by a builder approved by the ASC, with said approval not to be unreasonably withheld. However, builders may be required to post a refundable deposit to the POA in order to ensure the proper performance of their duties.

Section 11.07 Occupants Bound. All provisions of these Covenants, the other Harbour Watch Documents, and of any rules and regulations or use restrictions promulgated pursuant hereto which govern the conduct of Owners and which provide for sanctions against Owners shall also apply to all occupants of any Lot.

Section 11.08 Square Footage of Dwellings. The minimum size of dwellings must be approved by the ASC along with the other architectural features.Proposed dwellings that utilize more favorable architectural qualities (ex. masonry exteriors, higher entrance elevations, higher pitch roofs, architectural shingles, and other higher quality architectural features) may be approved with smaller square footage requirements than proposed dwellings without all of these features. However, in any case, no dwelling shall be erected on Lots # 23 - 50, Lots # 77 - 107, Lots # 133 - 140, and Lots # 178 - 189 inclusive having less than 2,000 square feet of heated floor space, excluding carports, garages and porches; and, no dwelling shall be erected on Lots # 51 - 64, Lots # 108 - 132, Lot # 150, Lots # 152 – 155, and Lots # 191-197 inclusive having less than 1,800 square feet of heated floor space, excluding carports, garages and porches; and, no dwelling shall be erected on Lots # 1 - 22, Lots # 65 - 76, Lots # 141 – 149, Lot # 151, Lots # 156 – 177, Lot # 190, Lot # 198 – Lot # 226, and Lot # 264 – Lot # 267 inclusive having less than 1,600 square feet of heated floor space, excluding carports, garages and porches.

Section 11.09 Pets. No animals, livestock or poultry of any kind may be raised, bred, kept or permitted on any Lot, with the exception of a reasonable amount of generally recognized household pets, which may be kept in dwellings within the Property, subject to the Rules and Regulations. Such household pets shall, at all times whenever they are outside an Owner's Lot, be confined on a leash held by a responsible person and shall be walked only in those areas designated by the POA. Such pets must be kept or maintained solely as domestic pets and not for any commercial purpose. No pet shall be allowed to make an unreasonable amount of noise or to become a nuisance. Upon the written request of any Owner of a Lot within the Property, the Board of Directors of the POA may conclusively determine in its sole and absolute discretion, whether, for the purpose of this section, a particular pet is a generally recognized household pet or if such pet is a nuisance. The Board shall have the right to require the Owner of a particular pet to remove such pet from the Property if such pet is found to be a nuisance or to be in violation of the above-referenced pet restrictions. The Board shall have the further right to fine any Owner (in an amount not to exceed $50.00 per violation of pet restrictions by such Owner or an occupant of his Lot). All Owners shall be liable to the POA for the cost of repair of any damage to the Common Property caused by the pet of such Owner or of an occupant of such Owner's Lot. Any such fine or cost of repair shall be added to and become a part of that portion of any Assessment next coming due on such Owner's Lot.

Section 11.10 Nuisances. It shall be the responsibility of each Owner to prevent the development of any unclean, unhealthy, unsightly or unkempt condition on his or her Lot. No Lot shall be used, in whole or in part, for the storage of any property or item that will cause such Lot to appear to be in an unclean or untidy condition or that will be unpleasant to the eye. No substance, thing or material shall be kept on any Lot that will emit foul or noxious odors or might disturb the peace, quiet, safety, comfort or serenity of the occupants of surrounding property. No obnoxious or offensive activity shall be carried out upon any Lot or Common Property, nor shall anything be done thereon tending to cause embarrassment, discomfort, annoyance or nuisance to any person using any property in proximity to the Lot. There shall not be maintained any plants or animals or device or thing of any sort whose activities or existence in any way is noxious, dangerous, unsightly, unpleasant or of a nature as may diminish or destroy the enjoyment of the Property.

Section 11.11 Noise. No exterior speaker, horn, whistle, bell or other sound device which is unreasonably loud or annoying, except security devices used exclusively for security purposes, shall be located, used or placed within a Lot or other portion of the Property. The playing of loud music within any Building or from the balcony, porch or patio thereof shall be considered noxious and offensive behavior constituting a nuisance under the provisions of Section 11.10 herein. Loud motorcycles and gas powered golf carts will be considered a nuisance. Electric golf carts are permissible so long as they are stored fully inside a garage or service yard that has been approved for the storage of said golf cart.

Section 11.12 Unsightly or Unkempt Conditions. The pursuit of obnoxious hobbies or other offensive activities, including specifically without limiting the generality of the foregoing, the assembly and disassembly of motor vehicles and other mechanical devices, which might tend to cause disorderly, unsightly or unkempt conditions, shall not be pursued or undertaken on any part of the Property.

Section 11.13 Antennas. No exterior television or radio antennas or satellite dishes of any kind shall be placed, allowed or maintained upon any Lot or other portion of the Property, without the prior written consent of the ASC.

Section 11.14 Service Yards. Each Owner of a home shall provide visually-screened areas to serve as service yards in which garbage receptacles, fuel tanks, gas and electric meters, air conditioning equipment, materials, supplies, and equipment must be placed or stored in order to conceal them from view from roads and adjacent properties. Any such visual barrier shall consist of fencing, landscaping or other screening approved by the Architectural Standards Committee. All garbage cans, above-ground tanks and other similar items shall be located or screened so as to be concealed from view of neighboring Lots, streets and property located adjacent to the Lot. All rubbish, trash and garbage shall be regularly removed from the Lot and shall not be allowed to accumulate thereon.

Section 11.15 Guns. The use of firearms within the Property is prohibited. The term "firearms" includes "B-B" guns, pellet guns and other firearms of all types, regardless of size.

Section 11.16 Pools. No aboveground pools shall be erected, constructed or installed on any Lot.

Section 11.17 Tents, Trailers and Temporary Structures. Owners or occupants shall not place upon a Lot or any part of the Property any structure of a temporary nature, such as a tent, trailer, shack or utility shed.

Section 11.18 Drainage. No Owner shall do or permit any work, construct any improvements, place any landscaping or allow the existence of any condition whatsoever which shall alter or interfere with the drainage pattern of the Property, except to the extent such alteration and drainage pattern is approved in writing by the ASC or Board.

Section 11.19 Construction Regulations of the ASC Guidelines. All Owners and contractors shall familiarize themselves with the portions of the ASC Guidelines relating to construction regulations and comply therewith. Such regulations may affect, without limitation, the following issues: trash and debris removal; sanitary facilities; parking areas; outside storage; restoration of damaged property; conduct and behavior of builders, subcontractors and Owner's representatives on the Property at any time; the conservation of landscape materials; and fire protection.

Section 11.20 House Numbers and Mailboxes. Each dwelling shall have a house number, mail box and paper box with a design and location established by the ASC.

Section 11.21 Continuity of Construction. All construction of improvements on any Lot shall be prosecuted diligently to completion and shall be completed within twelve (12) months of commencement of Lot clearing activities, unless an exception is granted in writing by the ASC. Landscaping on new homes shall be completed within sixty (60) days of issuance of a certificate of occupancy, unless an exception is granted in writing by the ASC. If an improvement is commenced and construction is then abandoned for more than thirty (30) days, or if construction is not completed within the required time period, then fines may be imposed on the Owner of the Lot. Such charges shall be a default assessment and a lien as provided in Article VI above.

Section 11.22 Leasing. Each Owner shall have the right to lease residential structure provided owner has owned such an improved lot for not less than a period of one (1) year. Such residential structure and assign to the tenant of his Lot such Owner's rights of access and enjoyment, subject to the following conditions:

(a) All leases shall be in writing and for a minimum term of one (1) year

(b) The lease shall be specifically subject to the Harbour Watch Documents. Any failure of tenant to comply with the Harbour Watch Documents shall be a default under the lease.

(c) The Owner shall be liable for any violation of the Harbour Watch Documents committed by the Owner's tenant, without prejudice to the Owner's right to collect any sums paid by the Owner on behalf of the tenant.

Section 11.23 Waiver of Setbacks, Building Lines and Building Restrictions. POA and the ASC may for good cause, waive violations of the setbacks and building lines provided for in Section 10.05. Such waiver shall be in writing and recorded in the Register of Deeds office for Lexington County. A document executed by POA or the ASC shall be, when recorded, conclusive evidence that the requirements hereof have been complied with.

Section 11.24 Well limitation; Water Supply. The central water supply system operated by the Town of Batesburg-Leesville, its successors or assigns shall be used as the sole approved source of water for all purposes on each Lot (except irrigation systems specifically approved by the ASC). Each owner, at his expense, shall connect his water lines to the water distribution main provided to serve the Owner's Lot and shall pay the connection and water meter charges established by the Town of Batesburg-Leesville. After such connection, each Owner shall pay when due the periodic charges or rates for the furnishing of water made by the supplier thereof. No individual water system or well of any type shall be maintained, drilled or permitted on any Lot without the express written permission of the Board or the ASC.

Section 11.25 Sewage Disposal. Each Owner, at his expense, shall connect the sewage disposal line of his dwelling to the sewage collection line provided to serve his Lot so as to comply with the requirements of such sewage collection and disposal service of the Town of Lexington, or its successors or assigns. After such connection, each Owner shall pay when due the periodic charges or rates for the furnishing of such sewage collection and disposal service. No private sewage disposal unit shall be installed or maintained on the land covered by these Covenants without the express written consent of the Board. All lots will be assessed a monthly fee at such amount as set by the Town of Lexington.

Section 11.26 No Overhead Wires. All telephone, electric and other utility lines and connections between the main utility lines and the dwelling or other Building located on each Lot shall be concealed and located under ground. Each Lot Owner requiring an original or additional electric service shall be responsible to complete at his expense the secondary electric service, conduits, wires, conductors and other electric facilities from the point of the applicable transformer to the Owner's Lot improvements, and all of the same shall be underground and remain the property of the Owner of each such Lot.

Section 11.27 Lighting Restriction. It will be the responsibility of each individual Lot Owner to ensure that all lighting is used in such a manner not to be considered a nuisance or annoyance to the surrounding Lots. The ASC shall have the authority to administer, control and prohibit any and all exterior lighting to include the authority to require the use of timers, motion detectors, hoods and/or shields in order to minimize the impact of such lighting on neighboring Lots. The reasonable use of exterior Holiday lights shall be exempt from the provisions of this

Section and must abide by the time and date restrictions as set forth in the Harbour Watch Rules and Regulations.

Section 11.28 Multiple Ownership. No Lot in Harbour Watch Phase I, II, III, IV or V(a) nor any portion thereof, may be sold, conveyed or utilized under any type of timesharing, time interval, multiple vacation ownership or similar right-to-use program of any type (including any common ownership with more than four (4) individual Owners or corporate ownership) without the prior written consent of the Board.

Section 11.29 Tree Cutting Restrictions. All reasonable efforts should be made to protect the "landmark trees" within Harbour Watch. After the sale of a Lot trees which have a diameter in excess of six inches measured two feet above the ground shall not be damaged, destroyed or removed without the written approval of the ASC. Any trees located within an approved Building Site on any Lot may be removed.

Section 11.30 Exterior Appearance. All homes shall be elevated at a minimum of one and one half (1½) feet above ground level, excluding approved basements. The exterior of all homes shall be composed primarily of a masonry substance with the exception of some hardboard siding with the specific approval of the ASC. At the present time, "masonite," aluminum and vinyl siding construction, as the primary external surface, is not considered to be in keeping with the community. Vinyl trim may be approved on a case by case basis. All garages should be enclosed. All blinds, curtains and other window treatments within dwellings located in the Property must conform to regulations established by the POA. Except within screened service yards, outside clotheslines or other outside facilities for drying or airing clothes are specifically prohibited and shall not be erected, placed or maintained within the Property. No clothing, rugs, or other items shall be hung on any railing, fence, hedge or wall of any structure within the Property.

Section 11.31 No Subdivision of Lots. After the conveyance of Lots to third party Owners no Lot shall be subdivided or its boundaries changed, except with the written consent of the POA. However, Board shall have the right to change Lot boundaries and the boundaries of the Common Property provided that such change does not change the boundary of a Lot owned by an Owner. One or more Lots may be subdivided or combined to form one single Lot when approved, in writing, by Board. In any such event, the building setback requirements provided herein shall apply to such Lots as re-subdivided or combined and easements as shown on the plat shall be moved so that the new easements shall follow the new lines.

Section 11.32 Walls and Fences. No wall or fence shall be erected, placed or altered on any Lot nearer to any street than the minimum setback line unless the same be a retaining wall of masonry construction which does not in any event rise above the finished grade elevation of the earth embankment so retained, reinforced or stabilized, except that this restriction shall not apply to fences or walls which have been approved by the ASC. The exposed part of retaining walls shall be made of a clay brick, natural stone, stucco, or veneered with brick or natural stone, and the finished side of fences must be the side exposed to view by those outside of the Lot. Posts and braces shall be placed on the inside of the fence, and out of view from outside. Chain link fences are generally prohibited on individual lots.

ARTICLE XII
WATERFRONT AREAS AND WATERWAYS

Section 12.01 Restrictions on Lakes and Lakefront Areas. Any Lot that shall abut upon Lake Murray (including the 75-foot buffer zone) shall be subject to the following additional restrictions.

(a) No pier, dock, sprinkler, wall, revetment, rip-rap or other structure shall be built, placed or maintained upon or adjacent to any Lot or shoreline except with the specific written approval of the ASC. As to any such structure, approval by the ASC shall be required prior to submission for approvals or permits from Dominion Energy, Inc. (its successors or assigns), or any other such private or governmental agency as may be now or hereafter required.

(b) Except with the prior written approval of the POA or the ASC, no device or material may be constructed, placed or installed upon any Lot which shall in any way alter the course of natural boundaries of any water way or which shall involve or result in the removal of water from any waterway.

(c) The Owner of each Lot abutting the shoreline (or seventy-five 75' foot buffer) of Lake Murray shall release and discharge, the POA, the County of Lexington, from any and all claims for debt or damages sustained by the Owner or existing in the Owner's favor, to the Owner, the Owner's property and property rights heretofore or hereafter sustained or to accrue by reason or account of the operation and maintenance of said lakes, ponds, wetlands or other waterways.

Section 12.02 75-Foot Buffer Zone, Shoreline and Waters of Lake Murray. As shown on the Harbour Watch Plats, the 75-foot buffer zone, the shoreline and the waters of Lake Murray are owned by and under the jurisdiction of Dominion Energy, Inc,. However, by acceptance of a deed or other conveyance of any Lot, the Owner guest and occupant within said 75 foot buffer zone and along the shorelines and close-in waters of Lake Murray (below and within these three hundred fifty feet of the 350 foot contour line), shall be subject to the Rules and Regulations of the POA as well as any rules and regulations of Dominion Energy, Inc. Any planned improvements within these areas must be approved in writing, in advance, by the POA or the ASC (as well as by Dominion Energy, Inc.); and, any activity by Owners, guests and occupants in these areas is subject to the same general covenants and restrictions as is any activity on the Lots as outlined in Article XI herein. Any activity within these areas shall not endanger health, create a nuisance, or otherwise be incompatible with recreational use of Lake Murray. The multi-slip boat dock facility is exempt from the provisions of this Section; however, the multi-slip boat dock facility is subject to the rules and regulations of the BOA.

ARTICLE XIII
DAMAGE OR DESTRUCTION

Section 13.01 Damage or Destruction Affecting Lots. In the event of damage or destruction to the improvements located on any Lot, the Owner thereof shall promptly repair and restore the damaged improvements to their condition prior to such damage or destruction. If such repair or restoration is not commenced within sixty (60) days from the date of such damage or destruction, or if repair and reconstruction is commenced but then abandoned for a period of more than thirty (30) days, or if the repair and/or construction is not complete within a reasonable amount of time, in any case no more than two hundred forty (240) days from the date of the original damage, then the POA may impose fines as per the ASC Guidelines. Such fine shall be a default assessment and a lien against the Lot as provided in Section 6.09 above.

ARTICLE XIV
ENFORCEMENT OF HARBOUR WATCH DOCUMENTS

Section 14.01 Violations Deemed a Nuisance. Every violation of these Covenants or any other of the Harbour Watch Documents is deemed to be a nuisance and is subject to all the remedies provided for the abatement of the violation. In addition, all public and private remedies allowed by law or in equity against anyone in violation of these Covenants shall be available.

Section 14.02 Compliance. Each Owner or other occupant of any part of the Property shall comply with the provisions of the Harbour Watch Documents as the same may be amended from time to time. Time is of the essence with regard to these Covenants.

Section 14.03 Failure to Comply. Failure to comply with the Harbour Watch Documents shall be grounds for an action to recover damages or for injunctive relief to cause any such violation to be remedied, or both. Reasonable notice and an opportunity for a hearing as provided in the By-laws shall be given to the delinquent party prior to commencing any legal proceedings.

Section 14.04 Who May Enforce. The POA, or any Owner shall have the right to enforce these Covenants. Enforcement of these Covenants shall be by any proceeding at law or in equity against any person or persons violating or attempting to violate or circumvent any covenant or restriction, either to restrain violations or to recover damages

Section 14.05 Remedies. In addition to the remedies set forth above, any violation of the Harbour Watch Documents shall give the Board or a designated representative of POA on behalf of the Owners, the right to enter upon the offending premises or take appropriate peaceful action to abate, remove, modify or replace, at the expense of the offending Owner, any structure, thing or condition that may exist thereon contrary to the interest and meaning of the Harbour Watch Documents. If the offense occurs on any easement, walkway, Common Property or the like, the cure shall be at the expense of the Owner or other person responsible for the offending condition.

Section 14.06 Non-exclusive Remedies. All the remedies set forth herein are cumulative and not exclusive.

Section 14.07 Failure to Enforce. The failure of the POA Board or any aggrieved Owner to enforce the Harbour Watch Documents shall not be deemed a waiver of the right to do so for any subsequent violations or of the right to enforce any other part of the Harbour Watch Documents at any future time. No member of the Board of Directors, POA, the ASC, or any Owner shall have any affirmative duty to enforce or be liable to any other Owner for the failure to enforce any of the Harbour Watch Documents.

Section 14.08 Recovery of Costs. If legal assistance is obtained to enforce any of the provisions of the Harbour Watch Documents, or in any legal proceeding (whether or not suit is brought) for damages or for the enforcement of the Harbour Watch Documents or the restraint of violations of the Harbour Watch Documents, the prevailing party shall be entitled to recover all costs incurred by it in such action, including reasonable attorneys' fees as may be incurred, or if suit is brought, as may be determined by the court.

Section 14.09 Right to Inspect. In the pursuit of the rights reserved herein and all other rights and reservations held by the POA, POA reserves unto itself, the POA, and the Board, the right to enter upon any Lot (prior to the approved completion of a dwelling and landscaping thereon) for the purpose of inspecting same.

ARTICLE XV
RESOLUTION OF DISPUTES

If any dispute or question arises between Members or between Members and the POA or the ASC relating to the interpretation, performance or non-performance, violation or enforcement of the Harbour Watch Documents, such dispute or violation may be subject to a hearing and determination by the Board in accordance with the procedures set forth in the By-laws.

ARTICLE XVI
DURATION OF THESE COVENANTS AND AMENDMENT

Section 16.01 Term. The covenants and restrictions of these Covenants shall run with and bind the Property, and shall inure to the benefit of and shall be enforceable by the POA or the Owner of any Lot subject to these Covenants, their respective legal representatives, heirs, successors and assigns for a term of twenty (20) years from the date these Covenants are recorded, after which time they shall be automatically extended for successive periods of ten (10) years, unless an instrument in writing, signed by at least sixty percent (60%) of the total votes eligible to be cast by all members of the POA, has been recorded within the year preceding the beginning of each successive period of ten (10) years, agreeing to change covenants and restrictions, in whole or in part, or to terminate the same.

Section 16.02 Amendment. These Covenants may be amended by affirmative votes of at least sixty percent (60%) of the total votes eligible to be cast by all Members of the POA.

Section 16.03 Intentionally Omitted.

Section 16.04 Effective on Recording. Any modification or amendment shall be effective immediately upon recording in the Register of Deeds office for Lexington County, South Carolina with a copy of such amendment or modification, executed and acknowledged by the necessary number of Owners, together with a duly authenticated Certificate of the Secretary of the POA stating that the required number of consents were obtained and are on file in the office of the POA.

ARTICLE XVII
PRINCIPLES OF INTERPRETATION

Section 17.01 Severability. These Covenants, to the extent possible, shall be construed or reformed so as to give validity to all of its provisions. Any provision of these Covenants found

to be prohibited by law or unenforceable shall be ineffective to the extent of such prohibition or unenforceable without invalidating any other part hereof.

Section 17.02 Gender. In interpreting words in these Covenants, unless the context shall otherwise provide or require, all pronouns and all variations thereof shall be construed as to refer to the masculine, feminine, neuter, singular and plural forms thereof as the identity of the person or persons or the situation may require.

Section 17.03 Heading. The headings are included for purposes of convenient reference, and they shall not affect the meaning or interpretation of these Covenants.

Section 17.04 Registration of Mailing Address. Each Member shall register his mailing address with the Secretary of the POA within ten (10) days of receipt of membership in the POA. Notices and demands intended to be served upon or given to a Member shall be personally delivered or sent by mail, postage prepaid, addressed in the name of the Member at such registered mailing address. It shall be the responsibility of each Member to give Notice to the Secretary of the POA of any change of said Member's mailing address.

Section 17.05 Notice. All notices or requests required shall be in writing. Notice to any Member shall be considered delivered and effective upon personal delivery or four (4) days after posting, when sent by certified mail, return receipt requested, to the address of such Member on file in the records of the POA at the time of such mailing. Notice to the Board, the POA, or the ASC shall be considered delivered and effective upon personal delivery or four (4) days after posting, when sent by certified mail, return receipt requested, to the POA, the Board, the ASC or the Manager at such address as shall be established by the POA from time to time by notice to the Members. General notices to all Members or any classification thereof need not be certified, but may be sent by regular first class mail.

Section 17.06 Waiver. No failure on the part of the POA, the Board, or the ASC to give notice of default or to exercise or to delay in exercising any right or remedy shall operate as a waiver. No waiver shall be effective unless it is in writing, signed by the Chairman of the Board on behalf of the POA, or by the Chairman of the ASC on behalf of the ASC.

Section 17.07 Limitation of Liability and Indemnification. The POA shall indemnify all Board members and ASC members against any and all expenses, including trial and appellate attorneys' fees and costs reasonably incurred by or imposed upon any officer or director in connection with any action, suit or other proceeding (including settlement of any suit or proceeding, if approved by the then Board) to which he or she may be party by reason of being or having been a Board member or ASC member. The Board members and ASC members shall not be liable for any mistake of judgment, negligent or otherwise, except for their own individual willful malfeasance, misconduct or bad faith. The Board members and ASC members shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the POA, and the POA shall indemnify and forever hold each such Board member or ASC member free and harmless against any and all liability to others on account of any such contract or commitment. Any right to indemnification provided for herein shall not be exclusive of any other rights to which any Board member or ASC member.

Section 17.08 Indemnity for Damages. Each and every Owner and future Owner, in accepting a deed or contract for any Lot subject to these Covenants, agrees to indemnify the POA for any damage caused by such Owner, or the contractor, agent or employees of such Owner, to roads, streets, gutters, walkways or other aspects of Common Property and/or public ways, including all surfacing thereon, or to water, drainage or storm sewer lines, or sanitary sewer lines, or other utilities such as telephone, cable television, or electricity.

Section 17.09 Intentionally Omitted.

IN WITNESS WHEREOF, the Association has caused this Amendment to be executed and its seal to be affixed hereto.

SIGNED SEALED AND DELIVERED in the presence of:

Beverly R. Smith
(witness #1)

Patti M. Sanders
(witness #2)/Notary

HARBOUR WATCH PROPERTY OWNERS ASSOCIATION, INC.

By: _____ (L.S.)

Print Name: KYLE MOHN

Its: PRESIDENT

STATE OF SOUTH CAROLINA

COUNTY OF Lexington

ACKNOWLEDGEMENT

I, Patti M. Sanders a Notary Public for the State of South Carolina, do hereby certify that Kyle Mohn, duly authorized representative of Harbour Watch Property Owners Association, Inc., personally appeared before me this day and acknowledged the due execution of the foregoing instrument on behalf of the Association.

Witness my hand and official seal this 28th day of August, 2026.

Patti M. Sanders
Notary Public for South Carolina
My Commission Expires: 3/27/27

PATTI M SANDERS
Notary Public-State of South Carolina
My Commission Expires
3/27/27

2026039006 BK: 21244 PG: 2141 - 2172 32 PGS
RESTRICTION MODIFICATION
Rec: $25.00 Cnty: $0.00 State: $0.00
September 17, 2026 02:27:57 PM
FILED IN LEXINGTON COUNTY, SC
Tina Guerry

Re-Recorded Prior Version Recorded at Book 21242 at Page 2769 to correct Book/Page Reference

Exhibit "A"

All that certain piece, parcel, lot or tract of land, with any improvements thereon, situate, lying and being in the County of Lexington, State of South Carolina, being more fully shown and delineated as LOTS 1-76, inclusive, HARBOUR WATCH SUBDIVISION, PHASE I, on a plat of Harbour Watch, Phase I, by DS Atlantic, dated July 6, 1999 and recorded in the Office of the Register of Deeds Office for Lexington County, SC in Plat Slide 522, at Page 8-10, and Plat Slide 523, at Pages 1-4, and more specifically shown on a revised plat by DS Atlantic dated July 10, 2000 and recorded in the Office of the Register of Deeds for Lexington County, SC in Plat Slide 571, at Pages 7-10, and Plat Slide 572, at Pages 1-3, and more specifically shown on a final plat prepared for Willows End Investment Company by D S Atlantic dated November 22, 2000, recorded in the Register of Deeds Office of Lexington County on October 29, 2001 at Plat Slide 6743 pages 77-83, and all amendments thereto and having such metes and bounds as will be shown by reference to said Plat. Said Plat is incorporated herein by reference.

All that certain piece, parcel, lot or tract of land, with any improvements thereon, situate, lying and being in the County of Lexington, State of South Carolina, being more fully shown and delineated as LOTS 77-132, inclusive, HARBOUR WATCH SUBDIVISION, PHASE II, on a plat of Harbour Watch, Phase II, by DS Atlantic, dated July 24, 2000 and recorded in the Office of the Register of Deeds for Lexington County, SC in Plat Slide 580, at Pages 6, 6A & 6B, and more specifically shown that certain final plat of Harbour Watch Phase II prepared by Stantec Consulting Services, Inc., dated September 23, 2002 (revised 10/7/2002 and 10/31/2002), recorded in the Register of Deeds Office of Lexington County on Slide 706, pages 5A and 5B, and all amendments thereto (including modifications to Lot #109 and Lot #110 as shown on individual plats prepared by Weed Surveying, Inc. dated October 2, 2003 recorded in the Register of Deeds Office of Lexington County), and having such metes and bounds as will be shown by reference to said Plat. Said Plat is incorporated herein by reference.

All that certain piece, parcel, lot or tract of land, with improvements thereon, if any, situate, lying and being in the County of Lexington, State of South Carolina, being more fully shown and delineated as LOTS 133-177, inclusive, HARBOUR WATCH SUBDIVISION, PHASE III, on a plat of Harbour Watch - Phase III, by T. Jennison Weed, PLS., dated November 27, 2001 and recorded in the Office of the Register of Deeds for Lexington County, SC in Plat Slide 658, at page 8, and more specifically shown on that certain final plat of Harbour Watch Phase III prepared by Weed Surveying, Inc. dated November 27, 2001 (revised 1/16/2004) recorded in the Register of Deeds Office of Lexington County on 3/3/2004 on Slide 754 page 4, and all amendments thereto, and having such metes and bounds as will be shown by reference to said Plat. Said Plat is incorporated herein by reference.

All that certain piece, parcel, lot or tract of land, with improvements thereon, if any, situate, lying and being in the County of Lexington, State of South Carolina, being more fully shown and delineated as LOTS 178-198, inclusive, HARBOUR WATCH SUBDIVISION, PHASE IV, on a plat of Harbour Watch – Phase IV, by T. Jennison Weed, PLS, dated June 20, 2002, last revised September 25, 2002 and recorded in the Office of the Register of Deeds for Lexington County, and more specifically shown on that certain final plat of Harbour Watch Phase IV, by Weed Surveying, Inc. dated November 17, 2003 (revised 1/16/2004) recorded in the Register of Deeds Office of Lexington County on 4/28/2004 on Slide 762 page 4, and all amendments thereto, and

having such metes and bounds as will be shown by reference to said Plat. Said Plat is incorporated herein by reference.

All that certain piece, parcel, lot or tract of land, with improvements thereon, if any, situate, lying and being in the County of Lexington, State of South Carolina, being more fully shown and delineated as LOTS 199-226 and LOTS 264-267, inclusive, HARBOUR WATCH SUBDIVISION, PHASE V(a), on a bonded plat of Harbour Watch – Phase V(a), by WSI/T. Jennison Weed, PLS, dated September 25, 2006 (revised 11/20/2006) recorded in the Office of the Register of Deeds for Lexington County, SC in Plat Book _11814_ at page _161_, and all amendments thereto, and having such metes and bounds as will be shown by reference to said Plat. Said Plat is incorporated herein by reference.

DERIVATION: This being a portion of the property heretofore conveyed to Willows End Investment Company by deed of Barry D. Cromer as Personal Representative of the Estate of Julien D. Cromer and as the Trustee of the Residuary Trust Created Under the Last Will and Testament of Julien D. Cromer, Jr., Obutus R. Cromer, James A. Cromer, Larry L. Koon and Carl B. Koon dated October 20, 1998 and recorded in Record Book 4918, at Page 0341, in the Office of the Register of Deeds for Lexington County, SC; and a portion of the property heretofore conveyed to Willows End Investment Company by deed of South Carolina Electric and Gas Company dated October 12, 1998 and recorded in Record Book 4918, at Page 0336, in the Office of the Register of Deeds for Lexington County, SC.

All those certain pieces, parcels or tracts land situate, lying and being in the County of Lexington, State of South Carolina, shown and delineated as Parcel “A”, containing 12.94 acres, more or less, and Parcel ”B” containing 3.42 acres, more or less, as shown on a plat entitled “Plat Prepared for MCGUINN HOMES” prepared by Cox and Dinkins, Inc. dated November 15, 2017, recorded January 31, 2018, at Plat Book 19780, page 90, in the Office of the Register of Deeds for Lexington County, and being incorporated herein as part of this description. TMS#’s 003000-02-033 Derivation: This being a portion of the same property conveyed to Murray Holdings, Inc by deed of Willows End Investment Company dated December 30, 2010, recorded December 30 2010, in Book 14653 at Page 314 in the Office of Register of Deeds for Lexington County, South Carolina