

Prepared by: *Richard D. Miller*

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**AMENDED AND RESTATED
DECLARATION
OF
COVENANTS, CONDITIONS, AND RESTRICTIONS
OF RUNAWAY BAY**

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS OF RUNAWAY BAY AND RUNAWAY BAY Homeowners Association, Inc. hereinafter referred to as "Declaration" is made this 15th day of September 2008 by the Runaway Bay Homeowners Association, hereinafter referred to as the "Association." This Declaration hereby amends and replaces the Declaration of Covenants, Conditions and Restrictions executed by River Oaks Investments of Virginia, Inc., hereinafter referred to as "Declarant," on the 6th Day of October 1998.

WITNESSETH:

WHEREAS, Runaway Bay, as the same is shown on various plats of Phases I through XX thereof, recorded in the Clerks' Offices of the Circuit Courts of Bedford County and Campbell County, Virginia, transitioned from Declarant control to Association control on the 8th Day of April 2004; and

WHEREAS, the Association desires to provide for the continued preservation of the values of RUNAWAY BAY and for the preservation and maintenance of the Common Property established by the Declaration and by the supplements hereto.

NOW, THEREFORE, in accordance with the recitals which by this reference are made a substantive part hereof, the Association, declares that all of the property described on said recorded plats and all of the property hereinafter made subject to this Declaration by recorded supplements hereto referencing subsequently recorded plats, shall continue to be held, sold, and conveyed subject to the following easements, restrictions, covenants and conditions, which are for the purpose of protecting the value and desirability of RUNAWAY BAY as it now exists and is hereafter expanded and that such easements, restrictions, covenants and conditions shall burden and run with said real property and their heirs, successors and assigns having any right, title, or interest in the properties now or hereafter subjected to this Declaration or any part thereof, and shall inure to the benefit of each owner thereof and burden each owner's real property that is subjected to this Declaration.

ARTICLE I

DEFINITIONS

"Association" shall mean and refer to RUNAWAY BAY Homeowners Association, Inc., a not for profit Virginia corporation, its successors and assigns.

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"Owner" shall mean and refer to any contract buyer and/or the record owner, whether one or more persons or entities, of a fee simple title to any lot which is a part of any of the Property made subject to this Declaration, but excluding those having such interest merely as security for the performance of an obligation.

"Property" shall mean and refer to that certain property described above and recorded in the Offices of the Campbell and Bedford County Circuit Court Clerks and any additional property which the Association may make a part of this Subdivision, as provided for in the Declaration of Restrictive Covenants of RUNAWAY BAY, recorded separately. The terms "Property," "Subdivision," and "RUNAWAY BAY" are interchangeable.

"Lot" shall mean and refer to any improved or unimproved building lot shown upon any recorded subdivision plat of this Subdivision.

"Dwelling Unit" shall mean and refer to the completed single family home located upon a Lot.

"Common Property" shall mean all property owned by the Association for the common use and enjoyment of all or a designated class of members. Common Property includes without limitation all existing and future roads and right-of-ways and all greenways, median strips, cul-de-sac centers, planting areas, and recreational areas, and facilities, open space, walking trails, easements, boat ramps, community boat slips, and community piers that are developed on the Common Property (it being understood that this enumeration is by way of description of the type of facilities that may be developed and in no way shall bind or obligate the Association to provide any of the described facilities) and all entry way, directional and informational signs (and the areas set aside for their location) and any other property as may be purchased or provided for the common use and benefit the Owners, and any member in the Association, including without limitation such Common Property as may be shown on the recorded plats of the Property. The Common Property shall not be used for public commercial purposes, but may be used for enjoyment of the Association's members for fund-raising activities to support the purposes of the Association.

"Committee" shall mean the Architectural Review Committee originally established by the Declarant and subsequently continued by the Association for the purpose of administering control over architectural, landscaping, and related matters, as provided in Article IV of this Declaration.

ARTICLE II

RIGHTS AND DUTIES OF THE ASSOCIATION AND PROPERTY OWNERS ASSESSMENTS

Section 1. Owner's Easements of Enjoyment. The Association and, to the extent provided by this Declaration, every Owner shall have a right and easement of ingress, egress, and regress

over the Common Property and over the roads within the Property, to be used in common with others, for the purpose of providing access to lot(s) owned or dwelling unit(s) owned by the owner for himself, his family, agents, licensees and invitees, and for his and their non-exclusive use and enjoyment of the Common Property, subject, however, to the limitations on such use and enjoyment of the Common Property as provided for in this Declaration. Every Owner, and the members of such Owner's family who reside with such Owner or are overnight guests of such Owner, shall have the right to use the recreational areas within the Common Property, subject, however, to such Owner paying when due the dues and assessments of the Association and abiding by all rules and regulations of the Association, including without limitation those governing use of the recreational areas and the Common Property. Non-Owners shall only be entitled to use the recreational areas on such terms and conditions as the Association may select.

Section 2. Annual Assessments.

(a) The Association shall have the duty to repair, replace, and maintain all recreational areas and improvements located thereon, and all streets, roads, road right-of-ways, and other Common Property. The Association shall have the right, from time to time, to establish a reasonable assessment, which assessment shall be paid by each Owner in such periodic installments as the Association may determine, to be used to pay: (1) the operating and administrative expenses of the Association; (2) the costs of maintenance, upkeep, replacement and repair of all recreational areas, and improvements located thereon, and all streets, roads, road right-of-ways, and other Common Property; and (3) other expenses necessary or useful to maintain and operate the Association and the recreational facilities (including, without limitation, the procuring, maintenance and paying the costs of insurance related to the Common Property and of surety and other bonds related to the management of the Common Property and the Association). It is understood (by way of example and without limitation) that the assessment funds shall be used for such matters concerning Common Property as the following: maintenance, repair and replacement of improvements within the recreational areas, the seeding and re-seeding road right-of-ways, and Common Areas, erosion control, repairing of road shoulders, surfacing, patching and resurfacing of parking lot and road pavement, placement of gravel and planting and maintenance of shrubs, trees and seasonal flowers.

(b) The annual assessments may also be used by the Association for the purpose of adding to the recreational facilities.

(c) The annual assessment payable by each Owner shall be \$390.00 per lot per calendar year commencing on January 1, 2006. The annual assessment shall be due and payable on January 31 of each year commencing January 31, 2006. The board of directors may elect to permit on a case-by-case basis the assessment payment to be made in installments and at such times as it shall determine.

(d) The annual assessment may be increased or decreased by the board of directors of the Association without a vote of the membership to an amount not more than ten percent (10%) in excess of the annual assessment for the previous year. A majority vote of voting members of the Association must approve an increase or decrease in the yearly assessment if the increase or decrease exceeds the assessment for the previous year by more than ten percent (10%).

(e) Annually the board of directors of the Association shall have determined and shall have given written notice to each Owner of the annual assessment affixed against each owner for the immediately succeeding calendar year.

Section 3. Special Assessments.

In addition to the assessments specified herein above, the Association may levy special assessments for the purpose of supplementing the annual assessment if the same are inadequate to pay the reasonable maintenance expenses and operating costs of the Association as described in Section 2 hereof, provided that any such special assessments shall have the assent of a majority of the voting members of the Association at a duly called meeting.

Section 4. Removal of Obstructions and Unsightly Growth, Debris, and Materials.

(a) The Association may remove any obstructions of any nature located within road right-of-ways or other Common Property (including but not limited to trees, shrubs and mailboxes) which, in the opinion of the Association, either might produce a hazard or might interfere with the ability or willingness of the Commonwealth of Virginia (or agency or department thereof) to take over the responsibility for maintenance of the roads.

(b) The Association shall have the right, in its sole discretion, to charge back the actual cost to it of removing obstructions against the Owner who directly, or through his agents, contractors or invitees caused or permitted the obstruction to be placed in the road right-of-way or other Common property, and such Owner shall indemnify and save the Association harmless from all liability, claims, damages and expense imposed upon the Association, at law or in equity, caused by or resulting from the placement of the obstruction in the road right-of-ways or other Common Property. In the event the Owner responsible for such charge or liability as aforesaid fails and refuses after demand by the Association to pay said charge or liability, then the Association shall have a lien against his lot thereon and may enforce collection of the charge or liability, together with reasonable attorneys' fees, by any and all remedies afforded by law or in equity, including without limitation, the filing of a notice of lien and perfecting the same as by law provided, and that such charge or liability shall become a charge against the said lot or dwelling unit.

(c) If the Association, in its sole discretion, determines that any lot has become unsightly due to grass or weeds that have not been mown, or due to debris of any nature having accumulated on the lot, then the Association shall have the right from time to time to enter the said lot for the purpose of mowing the grass or removing the debris. At least ten (10) days prior to entering a lot for said purpose, the Association shall advise the Owner by letter, sent to his last known address, of the action to be taken. If the Owner does not remedy the problem within the said ten (10) day period the Association will remedy the problem. The Association shall take reasonable steps to avoid damage to any trees planted on such lot, to the extent that the Association has been put on written notice in advance by the Owner of the approximate location on a chart or map of such lot showing the location of planted trees to be avoided.

(d) The Association shall have the right in its sole discretion, to charge back the actual cost of mowing the grass or removing the debris against the owner. In the event the Owner responsible for such charge or liability as aforesaid fails and refuses after demand by the Association to pay said charge or liability, then the Association shall have a lien against his lot thereon and may enforce collection of the charge or liability, together with reasonable attorneys' fees, and by all remedies afforded by law or in equity, including without limitation, the filing of a notice of lien and perfecting the same as by law provided to the end that such charge or liability shall become a charge against the said lot or dwelling unit.

Section 5. Duty to Make Repairs.

(a) Until accepted for maintenance by governmental authority, the obligation for the repairs, maintenance and improvements of the roads as shown the aforesaid plat(s) or any other common property shall be the responsibility of the Association with the Owner of each lot, except as provided herein, being responsible for payment of the assessments levied by the Association, which assessments shall be the personal obligation of the Owner of each lot.

(b) The decision to expend Association funds to repair and maintain the Roads or other Common Property shall be made by a majority of the board of directors of the Association, by such vote, the board may delegate such authority to any committee of the board. No owner may waive or otherwise escape liability for the Assessments provided for herein by non-use or abandonment of his lot.

(c) Notwithstanding the foregoing, each Owner of a lot shall be solely responsible for any repairs to a road right-of-way or other Common Property caused by the negligent act or acts of said owner, his or her invitees, agents, licensees, or guests. For these purposes, it shall be a negligent act for any building material to be unloaded on any road or road right-of-way.

Section 6. Late Charges and Interest on Unpaid Assessments.

Any assessment not paid within thirty (30) days after the due date shall be subject to such late charges, and shall bear interest at a rate per annum as shall be determined by the board of directors of the Association, which interest rate shall not exceed the highest rate of interest allowed by law. The initial late charge imposed for late payment of any assessment is \$25.00 and shall be charged as to any assessment that is not paid within 30 days of its due date. The initial interest rate for late payment is 18% per year (1.5% per month) which shall commence to accrue on any assessment or other account balance that is not paid within thirty (30) days of the date due. The initial date upon which liens may be filed for failure to make payment of assessments and other charges is thirty (30) days after the due date. The board of directors may change the initial late charge, interest rate, due dates and lien assessment date by majority vote of the directors.

Section 7. Lien for Unpaid Assessments.

(a) In the event the Owner of any lot fails and refuses, after demand by the Association, to pay any annual or special assessment then the Association shall have a lien against said lot and

may enforce collection of said assessment in law or in equity, including without limitation, the filing of a notice of lien and perfecting the same as by law provided to the end that such unpaid assessment together with the costs and expenses of collection, including without limitation, reasonable attorneys' fees, shall be a charge and lien against the said lot.

(b) To secure the payment of the annual and special assessments as are levied by the Association, together with the cost of collection including attorney's fees, all such charges shall be a continuing lien upon the lot against which the assessments are made. Such charges shall also be the personal obligation of the person(s) who were the owner or owners of such lot at the time the assessment came due. Their personal obligation shall remain a lien upon the lot upon transfer of title but shall not become the personal obligation of the purchasers thereof unless expressly assumed by them.

(c) Neither the assessments nor the costs of collection shall be a lien upon any Common Property nor shall the lien upon any lot for such claim be senior to any first lien mortgage or first lien deed of trust regardless of the fact the lien arose prior to the date and time of recording of any such first lien mortgage or deed of trust.

ARTICLE III

MEMBERSHIP, VOTING RIGHTS, OFFICERS AND MEETINGS

Section 1. Membership. Every owner of a lot which is subject to this Declaration shall be a member of the Association. Membership is appurtenant to and may not be assigned.

Section 2. Voting. Members shall be all lot Owners and shall be entitled to one vote for each lot owned. When more than one (1) person owns an interest in a lot all such persons shall be members but the vote for such lot shall be exercised as they, among themselves, shall determine in writing, which writing shall be filed with the Secretary of the meeting prior to voting, but in no event shall more than one vote be cast with respect to any lot.

Section 3. Board of Directors. The Board of Directors shall consist of not fewer than five (5) members nor more than fifteen (15) members. The number of Board members to be elected at any election shall be determined by the existing Board members. The Board of Directors shall be elected by the members of the corporation at the annual meeting of the corporation and shall serve until the election and acceptance of their duly qualified successors. The Board of Directors shall also be permitted to appoint new or additional members to the Board without exceeding the maximum number of fifteen (15) between annual meetings of the general membership if necessary:

1. To maintain an odd number of members on the Board;
2. To serve in an elected office when no current Board member is willing to serve; or,
3. For other reasons not listed but determined by the Board to be necessary to strengthen and/or increase the effectiveness of the Board.

The directors shall have annual meetings and other such meetings as may be called at the request of the president of the Association or by any three (3) directors.

Section 4. Suspension of Voting Rights. The Association shall have the right to suspend the voting rights (if any) of an Owner for any period during which assessment on his lot remains unpaid and enforce collection of the same.

ARTICLE IV

ARCHITECTURAL CONTROL

(a) In order to control design and location of the houses and other improvements to be constructed, erected, placed, or installed (hereinafter "improvements") upon the lots in the Subdivision, the Association hereby creates an Architectural Review Committee (hereinafter "Committee") for the purpose of reviewing, approving, suggesting changes to, and rejecting plans and specifications for such improvements (regardless or when such improvements are made), and the landscaping of each lot. This Committee is also created for the purpose of reviewing, approving, suggesting changes to, and rejecting swimming pools, out buildings, boat houses, ramps, piers, driveways, enclosures for satellite dishes, and if the Association so desires, for mailbox design. This Committee will be responsible for the control of size, color, materials, and content of rental and sales signs in this Subdivision, and for the approval or disapproval of boats, boat trailers, travel trailers, motor homes, tractor trailer trucks, or any other such vehicle, that are kept or maintained or located upon any lot unless located within enclosed garages. The Committee will also be responsible for the control of temporary construction shelters or vehicles in this Subdivision.

(b) The Committee shall consist of three to seven persons designated or appointed from time to time by the board of directors.

(c) Except within the building site (unless within 20 feet of the main dwelling), no trees of any kind in excess of 6 inches in diameter at ground level may be removed from any lot without prior approval of the Committee. No building, fence, wall, out building, or any other accessory feature to the dwelling or any other structure upon any lot shall be commenced, erected, placed, maintained, or altered on any lot or combination of contiguous lots until the Complete Construction Plans (hereinafter "Plans") are approved in writing by the Committee or its designated agents.

(d) The Plans include the complete construction plans, the plot plan (showing proposed location and elevation of such building, fences, walks, drives, parking area, etc.) proposed building plans and specifications, exterior color, finish, and materials. The areas over which the approval shall be required shall include but shall not be limited to the size and plan of the principal residential structure, and all accessory buildings, structures and improvements on the lot, the location of the well and both on-site and off-site septic facilities, the size and plan of the garage or carport, location and manner of construction of each driveway, swimming pool, utility building, patio, tennis court, and other improvements for athletic, recreational, or gymnastic

purposes, and all other exterior improvements, the composition and color of raw and finished materials used on the exterior of all structures, and the location and type of any landscaping, shrubbery, and other plantings.

(e) The Committee or its designated agents shall have thirty (30) days after physical receipt of the plans to accept or reject the same in whole or in part. If no response by the Committee has been made in writing within said 30 days, the plans shall be deemed to be approved as submitted. After the plans are approved, and after the Committee gives written permission for construction to begin, the actual construction shall be commenced and completed in accordance with the approved Plans, together with the requirements of the Declaration and, in this regard each Owner shall provide the Committee with the foundation survey as soon as it is made. The Committee shall have the right to waive setback violations when the remedial costs of correcting such violation, in the Committee's opinion, would impose undue hardship upon the violator.

(f) The actual construction shall be the responsibility of the Owner of the lot and his builder. Any permission granted for construction under this covenant and any designation of approved licensed contractors shall not constitute or be construed as an approval, warranty or guaranty, expressed or implied, by the Association or the Committee or its designated agent of the structural stability, design or quality of any building or other improvement or of the contractor who constructs such buildings or other improvements.

ARTICLE V

GENERAL USE RESTRICTIONS

The Association does hereby covenant and agree with all persons, firms or corporations hereafter acquiring title to any portion of the Property, that the Property shown on the recorded plat(s) herein referred to, and all Property presently owned as part of RUNAWAY BAY which plat(s) are to be recorded, and all Property which may be acquired in the future to be made a part of RUNAWAY BAY, is made subject to the Declaration of Restrictive Covenants of RUNAWAY BAY as may be amended or modified (hereinafter referred to as "Restrictions") which Restrictions shall be recorded separately and shall refer to this Declaration and incorporate it by reference.

ARTICLE VI

CAPTIONS, ENFORCEMENT AND INVALIDATION

Section 1. Whenever the context and construction so require, all words used in the singular number herein shall be deemed to have been used in the plural, and vice versa, and the masculine gender shall include the feminine and neuter and the neuter shall include the masculine and feminine.

Section 2. The captions herein are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope of this Declaration nor the intent of any provisions hereof.

Section 3. Enforcement shall be by proceedings at law or in equity against any person or persons violating or attempting to violate any covenant, either to restrain violation or to recover damages. In the event it is necessary to enforce this Declaration by appropriate legal or equitable proceedings, the party or parties violating or attempting to violate the same shall be liable for the cost of such proceedings including reasonable attorneys' fees.

Section 4. Invalidation of any one or more of these covenants by judgment or court shall not adversely affect the balance of this Declaration, which shall remain in full force and effect.

Section 5. The Association board of directors reserves the right to amend this Declaration from time to time without joinder of any of the Owners for the following purposes:

- (a) To clarify the meaning of or to correct clerical errors in the Declarations.
- (b) To correct grammar, spelling, capitalization and other matters of syntax.

All other amendments to this Declaration shall require an affirmative vote of at least sixty-six per cent (66%) of the lot Owners that have voted in accordance with the following procedure. All proposed amendments to this Declaration shall be submitted for approval of the Association Board. If the Board approves the amendment the Secretary of the Board shall mail ballots by first class United States mail to the address of each lot Owner of record with the Association, which ballot shall contain a vote for or against the amendment. The Secretary shall certify to the Board in writing that ballots were mailed to all lot Owners of record with the Association. Such certification shall be considered proper delivery of such ballots as of the date mailed. Ballots must be returned on or before thirty (30) days from the date mailed. Ballots received after that date will not be counted. Ballots will be counted by the Secretary and the vote certified in writing to the Board at its next meeting thereafter. A lot Owner not submitting a ballot but who wishes to vote or who has submitted a ballot but wishes to change his, her or its vote may do so at the Board meeting where the vote is certified. Any such vote or change of vote will be counted in the vote totals.

ARTICLE VII

THESE RESTRICTIONS RUN WITH THE LAND

This Declaration of Covenants, Conditions and Restrictions of RUNAWAY BAY are to run with the land and shall benefit and be binding on all parties and persons (and their respective heirs, representatives, successors and assigns) claiming title to any of the Property herein described for a period of thirty (30) years from the date this Declaration is recorded, after which time said Covenants shall be automatically extended for successive periods of ten (10) years,

unless an instrument signed by a sixty-six percent (66%) majority of the then Owners of the lots has been recorded agreeing to change said Declaration in whole or in part.

IN WITNESS WHEREOF, the Association has caused this Declaration of Covenants, Conditions and Restrictions of RUNAWAY BAY to be duly executed this 15th day of September 2008.

Runaway Bay Homeowners Association, Inc.
BY: Herbert D. Miller, President
Herbert D. Miller
Karen Bragg, Secretary
Karen Bragg

COMMONWEALTH OF VIRGINIA
City of Lynchburg

I, a Notary Public of the County and State aforesaid, certify that Herbert D. Miller and Karen Bragg personally came before me this day and acknowledged that she is the Secretary of Runaway Bay Homeowners Association, INC., a Virginia corporation, and that by authority duly given and as the act and deed of the said corporation the foregoing instrument was signed in its name by its President and attested by its Secretary.

Witness my hand and seal this 10th day of Nov, 2008.

Notary Public: Andria B. Smith

My Commission Expires: 10/31/2012



ANDRIA B. SMITH
NOTARY PUBLIC
Commonwealth of Virginia
Reg. #7163971
My Commission Expires 10/31/2012

RETURNED
 MAILED

Runaway Bay
\$ 21.00

INSTRUMENT #080014091
RECORDED IN THE CLERK'S OFFICE OF
BEDFORD COUNTY ON
NOVEMBER 12, 2008 AT 01:58PM

CATHY C. HOGAN, CLERK
RECORDED BY: CTC