

STATE OF ALABAMA)
SHELBY COUNTY)

**SUPPLEMENTAL DECLARATION TO AMENDED
AND RESTATED DECLARATION OF PROTECTIVE
COVENANTS AND AGREEMENTS FOR THE HIGHLANDS**

This **SUPPLEMENTAL DECLARATION TO AMENDED AND RESTATED DECLARATION OF PROTECTIVE COVENANTS AND AGREEMENTS FOR THE HIGHLANDS** (this “**Supplemental Declaration**”) is made and entered into as of September 12, 2017, by **TWO MOUNTAINS, LLC**, an Alabama limited liability company (“**Founder**”).

RECITALS

WHEREAS, the Founder is the Declarant under that certain Amended and Restated Declaration of Protective Covenants and Agreements for The Highlands, as recorded in Instrument No. 20170313000084930 in the Probate Office of Shelby County, Alabama (hereinafter referred to as the “**Declaration**”);

WHEREAS, the Founder is the owner of Lots 1 through 7, 43 through 59 and 62 through 71 of The Highlands Phase 1 Sector 1 (“**Sector 1**”), as shown on as more particularly described in the map and survey recorded in Map Book 47, Pages 17A, 17B and 17C, in the Probate Office of Shelby County, Alabama;

WHEREAS, the Founder has added Lots 60 and 61 (“**Sector 2**”), Lots 8 through 13, Lots 33 and 34, Lots 38 through 42 (“**Sector 3**”), and Lots 20 through 23 (“**Sector 4**”), to the Property, as shown on as more particularly described in the map and survey recorded in Map Book 48, Pages 39A, 39B, 40A, 41, in the Probate Office of Shelby County, Alabama;

WHEREAS, the Founder has executed this Supplemental Declaration as provided in Article 10 of the Declaration in order to (i) subject Sector 2, Sector 3 and Sector 4 and the Lots located therein to the terms and conditions of the Declaration, (ii) designate Sector 4 and the Lots therein to be a separate District pursuant to Article 10 of the Declaration, and (iii) adjust and bring clarity to the annual assessments for the Lots for the immediate future as more fully set forth in this Supplemental Declaration.

NOW THEREFORE, the Founder hereby declares that Sector 2, Sector 3 and Sector 4 and all of the Lots therein shall be held, transferred, sold, conveyed and occupied subject to the covenants, conditions, restrictions, uses, limitations and affirmative obligations set forth in the Declaration as modified and supplemented by this Supplemental Declaration.

1. Capitalized terms used herein without specific definitions shall have the same meaning provided in the Declaration.


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2. Sector 2, Sector 3, and Sector 4 and all Lots therein are hereby made subject to all of the provisions of the Declaration as supplemented and modified by this Supplemental Declaration.

3. This Supplemental Declaration shall run with title to Sector 2, Sector 3, and Sector 4 and shall bind and inure to the benefit of the Founder, its successors and assigns.

4. Pursuant to Sections 2B and 4 of Article 10 the Declaration, the Founder hereby declares Sector 4 and the Lots located therein to be a separate District to be known as the "**Estate District**", which Estate District shall be subject to the following new covenants, conditions and restrictions, in addition to the other covenants, conditions and restrictions set forth in the Declaration

A. Each of the Lots in the Estate District shall maintain a buffer of tree coverage of at least 75 feet on all four sides of each such Lot.

B. Fencing is allowed for the Lots in the Estate District so long as it is natural colored or wood. No typical silver chain-link fencing shall be allowed.

C. No fencing shall be allowed within 150 feet of the south side of the Lots in the Estate District near the pavilion and Canoe Lake.

D. All houses constructed on the Lots in the Estate District will be on septic systems for sewage.

E. The covenants, conditions and restrictions granted pursuant to this Section of this Supplemental Declaration are and shall be permanent and perpetual, and are appurtenant to and shall pass and run with title to each of the Lots in the Estate District.

F. The Provisions of this Section of this Supplemental Declaration shall not be amended at any time without the unanimous written consent of all of the Owners of the Lots in the Estate District.

G. The Founder may add Lots to the Estate District without the consent of any of the other owners of Lots in the Estate District by means of the execution and filing of a supplemental declaration to the Declaration.

H. The Provisions of this Section 4 of this Supplemental Declaration shall apply to the Lots in the Estate District, but shall not apply to any of the other Lots within the Property.

5. The following new covenants shall apply to all the Lots for the periods indicated below:

A. It is not the intent of the Founder to burden the initial Lot Owners with excessively high annual assessments due to the low number of Lot

Owners sharing that assessment on the date of this Supplemental Declaration. Therefore, Founder agrees, for purposes of calculating the annual assessment, to assume the minimum number of developed Lots to be seventy-five (75) until the earlier to occur of the following events (the “**Interim Lot Calculation Date**”): (i) the number of Lots owned by Owners other than the Founder exceeds seventy-five (75); or (ii) December 31, 2020.

- B. The annual assessment for each Lot will be based on the budget attached hereto as Exhibit 1 (the “**Interim Association Budget**”) and will be fixed at **\$1,181** per year (the “**Interim Assessment**”) until the earlier to occur of the following dates (the “**Assessment Adjustment Date**”): (i) the Interim Lot Calculation Date; or (ii) the date that the community pool and related improvements (the “**Pool Complex**”) have been completed.
- C. In the event the Assessment Adjustment Date has not occurred by November 30, 2020, the budget for assessments for calendar year 2021 will be reevaluated based on the number of Lots owned by Owners other than Founder as of such date. The Association will then establish the annual assessment for the Lots in accordance with Section 4 of Article 7 of the Declaration to be effective January 1, 2021.
- D. In the event the Pool Complex is completed by November 30, 2018 or November 30, 2019, then the Interim Assessment to be effective on the next January 1 occurring thereafter will be the sum of (i) the Interim Assessment identified in Section 5B of this Supplemental Declaration plus (ii) the added cost of the Pool Complex based on the greater of actual Lots owned by Owners other than the Founder or seventy-five (75) Lots. An example of such calculation is shown in Exhibit 2 attached hereto. **The annual assessment once the Pool Complex is completed will be a minimum of \$2838 for 75 Lots.**
- E. Following the Assessment Adjustment Date, increases to the annual assessment for the Lots will not exceed 105% of the prior year’s assessment for the Lots.
- F. In the event of any conflict between the terms of Section 4 of Article 7 of the Declaration and this Section 5 of this Supplemental Declaration, the terms of this Section 5 of this Supplemental Declaration shall control.

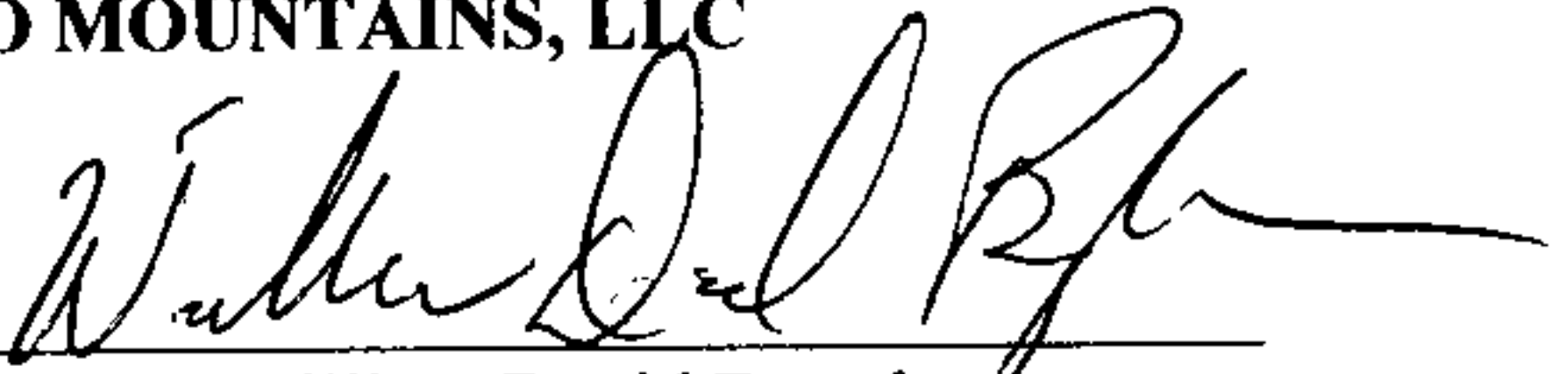
6. In the event of any conflict between the Declaration and this Supplemental Declaration, the provisions of this Supplemental Declaration shall control.


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IN WITNESS WHEREOF, the Founder has executed this Supplemental Declaration as of the date first written above.

Founder:

TWO MOUNTAINS, LLC

By 
William David Brogdon
Member

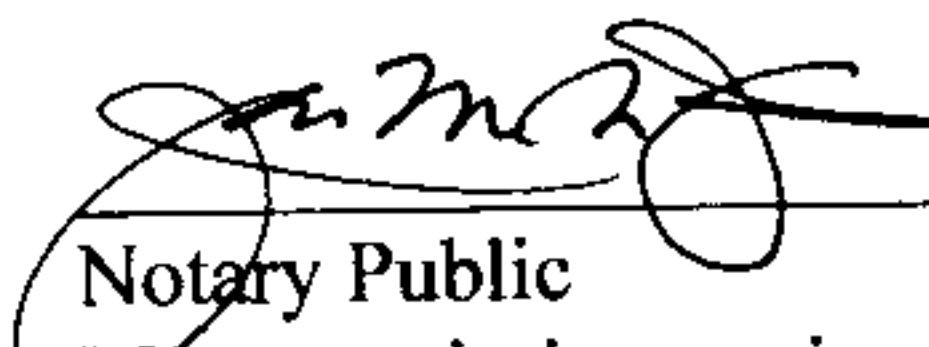
STATE OF ALABAMA)

COUNTY OF SHELBY)

I, the undersigned, a Notary Public in and for said County in said State, hereby certify that William David Brogdon, whose name as Member of TWO MOUNTAINS, LLC, an Alabama limited liability company, is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day that, being informed of the contents of said instrument, he, as such Member and with full authority, executed the same voluntarily for and as the act of said limited liability company.

Given under my hand this the 12th day of SEPTEMBER, 2017.

[NOTARY SEAL]


Notary Public
My commission expires: 7/27/2020

James M Shannon Jr.
Notary Public, Alabama State At Large
My Commission Expires July 27, 2020

THIS INSTRUMENT PREPARED BY:

Tom Ansley
Sirote & Permutt, P.C.
2311 Highland Avenue South
Birmingham, Alabama 35205



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Exhibit 1
The Highlands HOA Budget without Pool Complex

Item	Monthly	Annual	Monthly
Landscaping	\$ 26.72		
Road Side Mowing		\$ 4,800.00	\$ 400.00
Planting and Maintenance		\$ 12,250.00	\$ 1,020.83
Sprinkler System Maintenance		\$ 1,000.00	\$ 83.33
Sprinkler System Operating Costs		\$ 4,800.00	\$ 400.00
Erosion Control		\$ 1,200.00	\$ 100.00
Gas Lights	\$ 12.33		
Operating Cost		\$ 6,300.00	\$ 525.00
Maintenance Costs		\$ 4,800.00	\$ 400.00
Community Gates	\$ 7.67		
Operating Cost		\$ 1,800.00	\$ 150.00
Maintenance Costs		\$ 900.00	\$ 75.00
Replacement Costs		\$ 2,400.00	\$ 200.00
Camera/Security Costs		\$ 1,800.00	\$ 150.00
Sewer Pumps (TBD later date)	\$ -		
Maintenance Costs - Contract		\$ -	\$ -
Replacement Costs		\$ -	\$ -
Roads - Special assessment as needed	\$ -		
Maintenance and Repair		\$ -	\$ -
Replacement Costs		\$ -	\$ -
Signage	\$ 1.39		
Maintenance		\$ 500.00	\$ 41.67
Replacement Costs		\$ 750.00	\$ 62.50
Property Caretaker	\$ 26.67		
Salary		\$ 24,000.00	\$ 2,000.00
Miscellaneous	\$ 5.56		
Miscellaneous Expenses		\$ 5,000.00	\$ 416.67
Lake Maintenance	\$ 8.67		
Fish Feed		\$ 1,700.00	\$ 141.67
Fertilizer		\$ 3,036.00	\$ 253.00
Lime		\$ 1,365.00	\$ 113.75
Annual Inspections		\$ 1,700.00	\$ 141.67
Water Fall Pumps (TBD)	\$ -		
Operating Cost		\$ -	\$ -
Trails	\$ 2.22		
Maintenance		\$ 2,000.00	\$ 166.67
Pier	\$ 0.75		
Maintenance		\$ 500.00	\$ 41.67
Replacement Costs		\$ 175.00	\$ 14.58
Walkway/Bridge	\$ 2.67		
Maintenance		\$ 1,000.00	\$ 83.33
Replacement Costs		\$ 1,400.00	\$ 116.67
Pavilion	\$ 2.56		
Operating Cost		\$ 1,200.00	\$ 100.00
Maintenance		\$ 500.00	\$ 41.67
Roof		\$ 600.00	\$ 50.00
Pedestrian Tunnel	\$ 1.22		
Maintenance		\$ 500.00	\$ 41.67
Replacement Costs		\$ 600.00	\$ 50.00
Total HOA Fees		\$ 88,576.00	\$ 7,381.33
Number of Lots	75		
Total Monthly HOA Fees without pool	\$ 98.42		
Total Annual HOA Fees without pool	\$ 1,181		

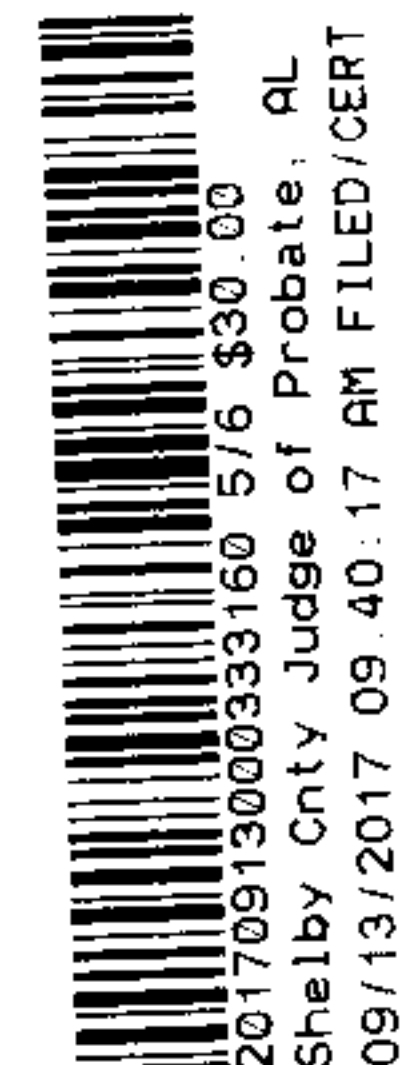


Exhibit 2
The Highlands HOA Budget with Pool Complex

Item	Monthly	Annual	Monthly
Landscaping	\$ 26.72		
Road Side Mowing		\$ 4,800.00	\$ 400.00
Planting and Maintenance		\$ 12,250.00	\$ 1,020.83
Sprinkler System Maintenance		\$ 1,000.00	\$ 83.33
Sprinkler System Operating Costs		\$ 4,800.00	\$ 400.00
Erosion Control		\$ 1,200.00	\$ 100.00
Gas Lights	\$ 12.33		
Operating Cost		\$ 6,300.00	\$ 525.00
Maintenance Costs		\$ 4,800.00	\$ 400.00
Community Gates	\$ 7.67		
Operating Cost		\$ 1,800.00	\$ 150.00
Maintenance Costs		\$ 900.00	\$ 75.00
Replacement Costs		\$ 2,400.00	\$ 200.00
Camera/Security Costs		\$ 1,800.00	\$ 150.00
Sewer Pumps (TBD later date)	\$ -		
Maintenance Costs - Contract		\$ -	\$ -
Replacement Costs		\$ -	\$ -
Roads - Special assessment as needed	\$ -		
Maintenance and Repair		\$ -	\$ -
Replacement Costs		\$ -	\$ -
Signage	\$ 1.39		
Maintenance		\$ 500.00	\$ 41.67
Replacement Costs		\$ 750.00	\$ 62.50
Property Caretaker	\$ 26.67		
Salary		\$ 24,000.00	\$ 2,000.00
Miscellaneous	\$ 5.56		
Miscellaneous Expenses		\$ 5,000.00	\$ 416.67
Lake Maintenance	\$ 8.67		
Fish Feed		\$ 1,700.00	\$ 141.67
Fertilizer		\$ 3,036.00	\$ 253.00
Lime		\$ 1,365.00	\$ 113.75
Annual Inspections		\$ 1,700.00	\$ 141.67
Pool Complex North Ridge	\$ 138.08		
Loan principle & interest (\$1m @ 5.5% for 15 yrs)		\$ 101,268.00	\$ 8,439.00
Operating Cost		\$ 12,000.00	\$ 1,000.00
Insurance		\$ 5,000.00	\$ 416.67
Maintenance Costs		\$ 6,000.00	\$ 500.00
Water Fall Pumps (TBD)	\$ -		
Operating Cost		\$ -	\$ -
Trails	\$ 2.22		
Maintenance		\$ 2,000.00	\$ 166.67
Pier	\$ 0.75		
Maintenance		\$ 500.00	\$ 41.67
Replacement Costs		\$ 175.00	\$ 14.58
Walkway/Bridge	\$ 2.67		
Maintenance		\$ 1,000.00	\$ 83.33
Replacement Costs		\$ 1,400.00	\$ 116.67
Pavilion	\$ 2.56		
Operating Cost		\$ 1,200.00	\$ 100.00
Maintenance		\$ 500.00	\$ 41.67
Roof		\$ 600.00	\$ 50.00
Pedestrian Tunnel	\$ 1.22		
Maintenance		\$ 500.00	\$ 41.67
Replacement Costs		\$ 600.00	\$ 50.00
Total HOA Fees		\$ 212,844.00	\$ 17,737.00
Number of Lots	75		
Total Monthly HOA Fees with pool	\$ 236.49		
Total Annual HOA Fees with pool	\$ 2,838		