

## EXHIBIT E

### RULES AND REGULATIONS of The Horizon Condominium Association, Inc.

Section 1. Condominium Documents: These rules and regulations shall be supplementary and in addition to the provisions of the Declaration of Condominium for The Horizon Condominium (the "Declaration") and the Articles of Incorporation and By-Laws of The Horizon Condominium Association, Inc. Capitalized terms used in these Rules and Regulations are as defined in the Declaration. The Board may alter, amend, delete or change these Rules and Regulations at any time upon a majority vote thereof.

Section 2. Residential Use: Except as provided in Section 3.01 of the Declaration, no part of the Condominium Property shall be used for other than private residential use and the related common purposes for which Condominium Property was designed. All use of the Condominium Property and any Condominium Unit therein shall conform to applicable zoning ordinances and all other laws and regulations of the State of Alabama, and any county and municipal authorities having jurisdiction.

The Common Elements and Limited Common Elements shall be used only for access, ingress and egress to and from the respective Condominium Units by the persons residing therein and their respective family members, guests, invitees, household help and other authorized visitors, and for other purposes incidental to the designated use of the respective Common Elements and Limited Common Elements. Designated walkways and paved areas shall be used at all times and shortcuts shall be avoided both to prevent accidents and to preserve the appearance of planted areas. The sidewalks, driveways and parking areas must not be obstructed or encumbered or used for any purpose other than access, ingress, egress and for parking. Bicycles, tricycles and skateboards shall not be used on the Common Elements and Limited Common Elements, except for egress, ingress and storage. The Association, the Board and their authorized employees, agents and representatives shall have such access to any Condominium Unit as may be necessary for the repair, maintenance, replacement, alteration, care or protection of the Common Elements, Limited Common Element, the Condominium Units or any portion thereof. Any alteration or repair of the Common Elements and Limited Common Elements is the responsibility of the Association, except for those matters which are stated in the Declaration to be the responsibility of the Owner. No part of the Common Elements or Limited Common Elements shall be used for commercial activities of any character, including solicitation of business.

#### (a) Swimming Pool

The Shelby County Department of Health regulates the operation and use of the Horizon swimming pool. Many of the following rules and regulations are those of the Health Department. Non-compliance with such rules and regulations will result in suspension of pool operation or the owner of the pool, Horizon Condominium Owners Association, Inc., being fined or both. All rules and regulations are for the purpose of ensuring maximum safety and pleasure for homeowners and their guests. These rules and regulations will be enforced. At any time a homeowner becomes aware of an infraction of the rules and

regulations, that owner is requested to put in writing such infractions and send to the Management Company for investigation.

(b) Pool Season

The Horizon pool season shall be late Spring to early Fall, unless changed by the Board of Directors. The pool decks may be used at certain other times when not locked; however, swimming is prohibited, as chlorine levels will not conform to the standards of the Shelby County Department of Health.

(c) Pool Rules

The following Rules & Regulations will also apply, however, before the opening of the pools in the Spring:

1. Pool Hours 10:00 AM to 10:00 PM
2. Two guests permitted when accompanied by a resident
3. 14 years old and younger must be accompanied by an adult
4. No pets, glass, gum or tobacco allowed in the pool area
5. Management is not responsible for accidents or injuries
6. Running or boisterous play is not allowed on deck
7. Street clothes and shoes are not allowed in the water
8. Proper swim attire must be worn
9. The bathing load is 107 persons
10. No Diving
11. In case of emergency call 911

(d) Use of Swimming Pool, Fitness Center and Tennis Courts: Indemnification by Owners.

All Owners, Occupants and their guests who use the swimming pool, fitness center and tennis courts (collectively, the "Amenities") do so at their owner risk. All Amenities shall be used only for their intended purpose, with due regard for the safety and enjoyment of other users, in accordance with any posted rules, instructions and/or cautions and any additional rules and regulations that may from time to time be promulgated by the Board, and with due care not to cause any damage to, or unsafe condition of, any Amenity or equipment. No children under the age of 14 years may use an Amenity unless accompanied by an adult Owner or Occupant. No person of any age shall use the swimming pool such person knows how to swim or unless he or she is accompanied by an adult Owner or Occupant capable of rescuing such person if need be. All persons using the Amenities shall report any unsafe or unsound condition to the Board or an officer of the Association. Each Owner hereby agrees to indemnify and hold harmless the Association, the Board, all officers of the Association or the Board and the Developer and their respective agents and employees from and against all loss damage, liability and claims of every kind arising out of the use of the Amenities or any portion thereof by such Owner, the Occupants (including without limitation tenants) of the Owner's Condominium Unit and the guests of such Owner and Occupants.

(e) Grilling Prohibited. The Association's insurance policies do not permit the use of outdoor grills on any part of the Condominium Property. Therefore, the use of outdoor grills on any part of the Condominium Property, including without limitation balconies, patios and yard areas, is prohibited.

Section 3. Nuisances: No unlawful, immoral, noxious or offensive activities shall be carried on in any Condominium Unit, the Common Elements, the Limited Common Elements or elsewhere on the Condominium Property, nor shall anything be done therein or thereon which shall constitute a nuisance or which shall in the judgment of the Board cause unreasonable noise or disturbance to others. All radios, televisions, phonographs, musical instruments or other items which cause noise shall be played at a level that does not annoy or interfere with other residents' enjoyment of the property.

Section 4. Maintenance and Repair: Each Owner shall maintain his or her Condominium Unit and any appurtenant Limited Common Elements associated with his or her Condominium Unit in good condition and in good order and repair and shall not do or allow anything to be done therein which may increase the rate or cause the cancellation of insurance on any Condominium Unit, the Common Elements or Limited Common Elements.

Section 5. Trash Disposal: Trash, garbage and other waste shall be disposed of only in designated areas and in containers and bags authorized. All refuse shall be disposed of in a clean and sanitary manner in sealed, waterproof bags, so as to avoid leakage in route to the refuse receptacles.

Section 6. Rights of Developer: Until all of the Units have been sold and occupied by Purchasers, the Developer may use and show one or more of such unsold or unoccupied Condominium Units as a model unit or sales office, and may maintain customary signs in connection therewith notwithstanding the provisions of Section 9 of these Rules and Regulations.

Section 7. Storage: Articles of personal property belonging to any Owner, such as baby carriages, bicycles, wagons, toys, furniture, firewood, clothing and other articles, shall not be stored or kept in the Common Elements or on any visible Limited Common Elements. All storage will be confined to the Condominium Unit or the individual storage areas assigned as Limited Common Elements appurtenant to the Condominium Unit. Hanging baskets, wind chimes or any other such items shall not be hung on the ceiling, railing or walls of the balconies of the Units and no ornament planter or statue will be allowed outside the entrance door of the Unit. No clothing, rugs, sheets, blankets, or other laundry articles shall be hung or exposed from the balconies or windows or hung in the Common Elements or Limited Common Elements.

Section 8. Pets:

8.1 The maintenance, keeping, breeding, boarding and/or raising of animals, livestock or poultry of any kind, regardless of number, shall be and is hereby prohibited within any Condominium Unit, or upon any Common Elements or Limited Common Elements, except that this shall not prohibit residents from keeping a well-behaved, orderly dog, cat and/or caged bird or other domestic pet, provided it is not kept or maintained for commercial purposes or for breeding.

8.2 Pets shall not be allowed on any part of the Common Elements or Limited Common Elements unattended for any period of time.

8.3 Pets shall not be permitted upon the Common Elements of the Condominium Property unless they are carried or on a leash shall not be allowed on any of the Common Elements inside the building except for purposes of ingress and egress as discussed herein. Pets should be taken to the adjoining designated grass areas, out of the way of sidewalks and pedestrian traffic to attend to their natural needs.

8.4 Pet owners are responsible for cleaning where pets foul the Common Elements or Limited Common Elements. Such fouling shall not be permitted to accumulate but shall be cleaned up immediately.

8.5 Any resident who has a pet on any portion of the Condominium property shall indemnify and hold the Condominium Association and each of its Members, their tenants, guests and employees, free and harmless from any loss, claim or liability of any kind or character whatever arising by reason of keeping or maintaining such pet within the Condominium Property.

8.6 Pets shall be registered with the Association and inoculated as required by local law. The Board shall have the right to order any person whose pet is a nuisance to remove such pet permanently from the premises upon three (3) days prior written notice.

Section 9. Signs: No signs of any character shall be erected, posted, or displayed upon, in, from or about any Condominium Unit, the Common Elements or Limited Common Elements, including any window or door of a Condominium Unit, without the prior written consent of the Board.

Section 10. Parking and Driving:

10.1 The maximum speed limit on the Condominium Property is 12 MPH. Posted traffic signs must be followed, including all stop and one-way signs. All traffic regulations must be observed by each Owner's family members, guests, tenants, or employees. Violation of this section may result in a fine.

10.2 No vehicle shall be parked on the Common Elements or Limited Common Elements except in an authorized and designated parking space. Access to the parking areas shall not be made available to anyone except Owners, family members or tenants.

10.3 No boats, campers, trailers, or oversized vehicles may be parked on the Common Elements or Limited Common Elements. No vehicle may be parked on the roads providing ingress or egress or on the Condominium Property or Limited Common Elements except in those spaces which have been designated as parking areas. Any illegally parked vehicle will be towed away at the Owner's expense and the Owner shall be subject to a fine. No motorized vehicle shall be operated on any walkway or other area except upon the driveways and parking area designated for vehicular use.

10.4 No vehicle which cannot operate on its own power shall remain on the Common Elements or Limited Common Elements for more than twenty-four hours without the express permission of the Board and no vehicle repair other than washing and waxing or the changing of a flat tire shall be made on the Condominium Property. A violation of this rule will result in the vehicle being towed away at the expense of the Owner and/or the imposition of a fine.

#### Section 11. Common Elements and Limited Common Elements:

11.1 Only authorized maintenance personnel are allowed to adjust water valves, sprinklers, light timers, or any other Common Element equipment.

11.2 Any damage to the building or equipment, other Common Elements or Limited Common Elements or adjacent property caused by an Owner, his family members, guests, tenants, invitees or pets shall be repaired by the Association and shall be assessed against the Owner as a special assessment.

11.3 No item of common ownership shall be removed or damaged by any resident or guest from the Common Elements or Limited Common Elements. Any Owner, resident, family member, guest, tenant or invitee violating this rule shall be sanctioned, fined or subject to criminal prosecution by the Association. The owner of the Unit in which said resident resides or guest visits shall be held responsible for the cost of any item so removed or damaged.

#### Section 12. Association Management:

12.1 Complaints or suggestions regarding the management of the Condominium or regarding the actions of other owners or residents shall be made in writing to the Board.

12.2 No Owner shall request or cause an employee of the Association, or of any management company employed by the Association, to do any private work in the Unit except as authorized in writing by the Association.

Section 13. Structures: No structures or appurtenances such as a doghouse, tent, shack, treehouse, trailer, fence, aerial antenna or playground equipment shall be placed or erected on any part of the Condominium Property. Outdoor clotheslines shall not be maintained upon any Common Elements or Limited Common Elements at any time.

Section 14. Window Treatments: Draperies, shades or mini blinds used to cover windows in the Units shall be lined in white or neutral shades.

Section 15. Access: The Board or its designated agent may request access to individual Condominium Units for use in emergency situations and the Owners must provide this access upon reasonable request.

Section 16. Rules and Regulations: These Rules and Regulations may be supplemented, amended, revised, restated or otherwise modified by the Board from time to time. There shall be no violation of any of these Rules and Regulations or of the terms and provisions of the Condominium Documents, or other supplemental Rules which may from time to time be adopted by the Board and promulgated among the members in writing. Any consent or approval given under these Rules and Regulations may be added to, amended, or repealed at any time by resolution of the Board. Each Owner shall inform the Occupants (including without limitation any tenants) of his Condominium Unit and the guests of the Owner and such Occupants of these rules and regulations.

Section 17. Enforcement of Rules and Regulations: Non-pool & non-pet related fines begin at \$250 plus the cost of any clean-up (starting at \$100) and then increase by \$250 increments for any subsequent violations. So, for example, if the first offense is \$250, the second offense would be \$500, the third would be \$750, etc. Pool & pet-related fines begin at \$500, and then increase by \$250 for each subsequent violation. Violations at the pool result in immediate loss of amenities privileges until the fine is paid. Fines are intended to dissuade people from committing violations that violate the Covenants and detract from the beauty and enjoyment of the neighborhood for all residents.

Section 18. Monthly Condominium Assessments: All monthly Assessments are due and payable on the first day of each month unless otherwise specified. Payment should be made directly to The Horizon Condominium Association Inc. at 1 Morning Sun Drive, Birmingham, Alabama 35242. Failure to pay by the 15<sup>th</sup> day of each month will result in a \$50.00 late penalty per month that the Assessment is late. All Water Assessments are due the 28th of each month, unless otherwise specified. Failure to pay by the 15th day of the following month will result in a \$25.00 late penalty per month that the Water Assessment is late. After Assessments are sixty days late, the matter may be turned over to the Association's attorney who shall be responsible for the payment of any attorney's fees and costs arising from the legal action.

Section 19. Moving: When moving furniture, boxes and large parcels (which are not related to moving in or out of the Condominium), the resident must schedule the delivery or removal with maintenance personnel. The cost of repairing any damage to the building and any other Condominium Property by the delivery or removal will be assessed against the Owner of the Condominium Unit in which the resident lives as a special assessment.

Section 20. Construction or Improvements to Units: In addition to any approvals required under the Declaration, prior to the commencement of any construction in any Condominium Unit or improvement to any Condominium Unit which cost exceeds \$500.00, the Owner must obtain the written approval of the Board. Prior written approval will only be given after submission of drawings or plans showing in detail the nature and extent of construction or improvement. All applications for approval of any construction shall be deemed made under Section 3.03 of the Declaration and all approvals shall be given subject to the qualifications set out in Section 3.03 (e) of the Declaration. Before beginning any proposed alterations that cost \$5,000 or more, an Owner shall first post a refundable deposit in the amount of \$1,000 with the Association, and for alterations that cost between \$500 and \$4,999 the Owner shall post a refundable deposit in the amount of \$500.00 with the Association. A walk through will be conducted of the Common Elements in the general area of the construction prior to the commencement of construction to determine the preexisting condition of the area.

During construction, such contractors, workmen, suppliers and employees are not permitted on any other part of the Condominium Property and will be ejected if they are observed on any other portion of the Property. The Owner shall be totally responsible for the contractors, workmen, suppliers and employees while they are on the Condominium Property and the cost to repair any damage or loss to the Condominium Property caused by the contractor, workmen, suppliers and employees will be assessed as a special assessment against the Owner. The Common Elements of the Condominium must be cleaned each day after construction activities at the Owner's expense. Unless otherwise approved by the Board, construction activities are limited to Monday through Friday, 8:00 a.m. to 5:00 p.m. and such activities may not interfere with the quiet enjoyment of the other Owners. No portion of the Common Elements or Limited Common Elements may be altered in any way by any Owner. Contractors may not dump anything in the dumpsters or compactors on the property, as these items are for resident use only. Any contractor found dumping items in, at, or around these areas will result in fines beginning at \$500 for the first offense, and increasing by \$500 for each subsequent violation.

After the construction or improvements are completed, the Owner must notify the Manager and a walk through of the general area of the construction will be performed by an appointed agent of the Association before any portion of the deposit will be returned. The cost to repair any damage caused by the construction will be deducted from the deposit. If the cost to repair any damage caused by the construction exceeds the deposit, a special assessment will be made against the Owner.

Section 21. Lease Agreements: An Owner may lease his Condominium Unit only pursuant to a standard lease agreement / Lease Addendum provided and approved by the Association entered into between such Owner and his tenant. All leases executed or renewed after the date of adoption of this rule shall be in the form and manner approved by the Association.

Section 22. Tenants: The Board shall have the authority to contact any tenant of a Condominium Unit and counsel or discuss any relevant issue concerning the Condominium Documents, Rules and Regulations or any violation thereof.

Section 23. Admission of Guest on Condominium Property:

23.1 No garage sales may be held on the property.

23.2 Each Owner is responsible for every person such Owner admits into the Condominium Property and such entry shall not be permitted except to invited or expected family members, guests and invitees. Any damage caused by the invited person or guest will be assessed against the Owner and the Owner will be responsible for paying any fine assessed by reason of the invited guest or family member of the Owner.

23.3 Any owner who has his or her Condominium Unit for sale is responsible for any person on the Condominium Property viewing such Unit and is responsible for providing ingress and egress to such prospective purchaser or sale agent.