

Exhibit 5
to Disclosure Statement

Rules and Regulations of the Association

**San Mateo de Santa Fe,
a Condominium Community
RULES & REGULATIONS
Effective 8-7-07**

A. General

The following are the rules and regulations pertaining to the conduct of persons and the use of the Project including the Units, Limited Common Elements, and Common Elements within the San Mateo de Santa Fe Condominium Community, which rules and regulations have been duly adopted by the Board of Directors of the San Mateo Condominiums Homeowners' Association, Inc. (the "Association") pursuant to the Declaration. All words and phrases defined in the Declaration shall have the same meaning when used herein.

1. The Association may retain a pass key to each Unit, and no Owner shall alter or permit the alteration of any lock or permit the installation of any new lock on any exterior door of such Owner's Unit without the prior written consent of the Association. If such consent is given, the requesting Owner shall forthwith deliver to the Association a key, which opens such altered or new lock. The Association shall have the right to enter into Units for maintenance, emergency, security, or safety purposes, which right may be exercised by the Board of Directors, officers, agents, employees, managers, and all police officers, fire personnel, ambulance personnel and similar emergency personnel in the performance of their respective duties. Except in an emergency situation, entry shall be only during reasonable hours and after reasonable notice is given to the Owner or Occupant of the Unit.
2. All persons requesting from the Management Office Staff entry or keys to any condominium unit must show proper identification and proof of ownership or right of entry.
3. No articles shall be placed on or in any of the Common Elements except for those articles of personal property which are the common property of all of the Owners. Abandoned or discarded personal property is prohibited from being stored, kept or allowed to remain for any period of time upon any portion of the Common Elements.
4. Decks and patios, if any, shall be used only for the purposes intended and shall not be used for hanging garments or other articles or for cleaning rugs, household articles or other items. No rugs or other materials shall be dusted from windows, courts, decks or patios. The Association may remove and dispose of personal property that is in violation of this provision.
5. All rubbish, trash, and garbage shall be regularly removed from the Unit and shall not be allowed to accumulate therein. No garbage or trash shall be placed on the Common Elements or Limited Common Elements outside the Unit, temporarily, or otherwise. All rubbish, trash and garbage shall be placed in plastic garbage bags and placed in the trash compactor enclosure located on the South Central section of the property near Building 21. Un-bagged trash, boxes, furniture, or large items will not be allowed. Such items must be taken to the nearest dump or landfill by the owner or tenant.

6. No vehicle shall be parked in an assigned parking space, other than the vehicles of the Owner assigned to that space. The Association may otherwise reasonably restrict parking in particular spaces, such as handicapped spaces, spaces assigned for temporary parking, for mail, or other uses. If any vehicle is parked on any portion of the Property in violation of the Homeowners' Association's Rules and Regulation, other rules established by the Association, the Declaration (and amendments thereto), and/or Bylaws, the Board may place a notice on the vehicle specifying the nature of the violation and stating that after a specified period the vehicle may be towed. Any vehicle illegally parked in a reserved space, a fire lane, an area obstructing the flow of traffic, any area prohibited by law, or otherwise creating a hazardous condition, or vehicles without current and valid vehicle registration tags or plates, may be towed immediately by a representative of the Association or by the Owner or Occupant to which the reserved space belongs.
7. Common sidewalks, drive ways, entrances and passageways shall not be obstructed or used by any Owner or Occupant for any purpose other than ingress and egress from the Units. Owners, Occupants, members of their families, or their guests, shall not use sidewalks, entrances and passageways as a play area. Children shall not be permitted to loiter or play on the stairways, hallways, or entryways nor in any parking, driveway or maintenance areas.
8. Children under the age of 18 are not allowed to use the fitness center and its equipment. Children under the ages of 15 are not allowed to use the swimming pool without parental supervision. CHILDREN are NOT permitted in the Hot Tub. All other rules are posted in the pool area, fitness center, and hot tub area. Such rules shall have the same force and effect as these Rules. Each owner or tenant is allowed one guest per Unit unless they have reserved the pool or clubhouse areas pursuant to Rule 10 below.
9. The barbeque and gathering areas are provided for the enjoyment of the Owners' and the Occupants. These areas are to be maintained in a safe and sanitary condition and no equipment used in these areas is to be removed from the site. Any damage caused to these areas by an Owner, an Owner's Occupant or any guest of such, will be the responsibility of the Owner and the assessed damages must be paid immediately upon notice to the Owner by the Association.
10. Owners of Units, or Owner's Occupants may use the pool and community room for private events, subject to availability, and subject to reasonable prior written approval by the management of the proposed uses of such areas, with a limit of 15 people or less at any one event. No usage fee will be charged. The Association may, at its discretion, require a deposit not to exceed \$500. Any damages or cleaning fees will be withheld from this deposit. Any charges over and above the deposit amount will be due and payable immediately upon assessment. The use of these facilities will be limited to the hours between 8 a.m. and 10 p.m.
11. No Owner or Occupant of a Unit may use or allow the use of the Unit or any portion of the Condominium Project at any time, in any way or for any purpose which may endanger the health or unreasonably annoy or disturb or cause embarrassment, discomfort, or nuisance to other Owners or Occupants. Reasonable care should be exercised to avoid making or permitting to be made loud, disturbing or objectionable noises, and in the using of loud music of any kind that may disturb Owners or Occupants in surrounding Units whether in the Common Elements, Limited Common Elements or any Unit. Any persons

experiencing any disturbances shall contact management personnel, who will be responsible for monitoring and enforcing compliance with this Rule 11.

12. The display or discharge of firearms or fireworks on the Common Elements or within the Limited Common Elements is prohibited.
13. Nothing shall be thrown or tossed from the balcony of any Unit. This, includes, but is not limited to, cigarettes, cigars, food, stones, missiles, incendiary or explosive devices. The proper authorities will be called to investigate such activity. The Association or any resident witnessing such activity may sign a complaint against the offending party.
14. The Fitness Center is available to all Owners and Occupants (18) eighteen years or older from 7:00 a.m. until 9:00 p.m., seven days per week. Anyone under the age of (18) eighteen must be accompanied by a parent or guardian when using the Fitness Center. A clubhouse key is necessary in order to access the Fitness Center after Management office hours. This key is provided to Owners, and if lost can be replaced in the management office for \$25.00. Occupants are responsible for obtaining a clubhouse key from the owner of their Unit. The Association will in no way be liable for the safety of any person(s) accessing this facility.
15. Personal barbeque grills cannot be used or stored within 10 feet of any overhang. Grills left within 10 feet of any overhang in the Common Element or Limited Common Element areas will be removed and discarded at the Associations discretion without further notice to the Owner.
16. The Association shall have the right to close, temporarily, any portion of the Common Elements for emergency, security, or safety purposes, or for any such other reasonable purpose, with no prior notice to the Owners, for a period not to exceed (1) one year.
17. Except as otherwise provided in the Declaration, no signs shall be placed or permitted within the Condominium Project, except those identifying this Condominium Project, the selection and location of which is reserved to Declarant until all of the Units have been sold, at which time such authority shall vest in the Board of Directors of the Association. Except as provided in the Declaration, so long as any Unit is owned by Declarant in the Condominium Project and remains unsold, no Owner of a Unit shall be permitted to place any sign on the Condominium Project or on his/her Unit or elsewhere on the Building advertising the Unit for sale or lease.
18. Solicitation within the Condominium Project is not permitted. All advertisements and postings must be approved by the Association. Except as may be required by legal proceedings, no signs, advertising posters, billboards, canopy or awnings, or any variation of the foregoing of any kind shall be erected, placed, or permitted to remain on the Property without the prior written consent of the Board of Directors or its designee.
19. All Units shall be used for residential purposes and for ancillary home office uses. No other business, trade, or similar activity shall be conducted upon a Unit without the prior written consent of the Board.

20. No Owner or Occupant of a Unit may keep more than 2 pets. Pets may not be left unattended outdoors or kept unattended outdoors, including on any porch or balcony. All pets must be kept on a leash and be under the physical control of a responsible person at all times while outside the Owner's or Occupant's Unit and anywhere on or about the Common Elements. The owner of the pet or the person responsible for the pet must promptly remove any feces left upon the Common Elements or the Limited Common Elements by pets. Any damage to the Common Elements or the Limited Common Elements caused by the Owner's animal or the Occupant's animal shall be repaired at the expense of that Unit's Owner,
21. No water shall be needlessly consumed by any Owner or Occupant in his Unit or about the Common Elements. Waterbeds will be permitted in second floor units only with Association approval.
22. All windows which are part of a Unit shall have window treatments and any portion thereof visible from outside the Unit shall be white or off-white in color, unless otherwise approved in writing by the Board.
23. Garage sales, yard sales, flea markets, or similar activities are prohibited unless and to the extent conducted under the auspices of the Association.
24. Any damage to the Common Elements or common personal property caused by the Owner or a member of the Owner's family, or their respective guests, shall be repaired at the expense of that Unit's Owner.
25. The moving of furniture in and out of Units shall be accomplished only in accordance with any rules then established by the Association, and in accordance with a schedule prearranged between the Owner and the Association or a designated agent of the Association. Any damage to the Common Elements, including but not limited to medians and all other landscapes, resulting from the vehicle or the moving or carrying of articles to or from Units shall be repaired at the cost of the Owner to or from whose Unit such moving or carrying occurred.
26. Any alterations made to the interior of Units must comply with the all provisions of the Declaration.
27. Except as may otherwise be provided in the Declaration, no Unit Owner shall perform any kind of work on the exterior building walls or upon the Common Elements. Such work is the responsibility of the Association.
28. Except as may otherwise be approved by the Board of Directors or as may be permitted by the Declaration, no Owner, resident or lessee of a Unit shall install wiring for electrical or telephone installation or for any other purpose, nor shall any television, satellite dish, or radio antenna, machines or air conditioning units be installed on the exterior of the Condominium Project or protrude through the walls or the roof of the condominium improvements. However, Declarant/Seller may cause to be installed satellite dishes in sufficient numbers to service the Units in the Condominium Project.
29. No Owner, Occupant, or any other Person shall place or maintain any type of exterior television or radio antenna, or satellite equipment on the Property.
30. No Owner or Occupant and none of such Owner's or Occupant's guests may interfere in any manner with any common heating or lighting apparatus in or about the Project.

31. No Owner or Occupant shall contract for any plumbing, electrical or mechanical repairs to his/her Unit or the Common Elements, or allow any plumber, electrician or other contractor to make any such repairs to his/her Unit or the Common Elements, unless such plumber, electrician or contractor has been approved for such work in writing by the Association. The Association shall have the right to designate and approve in advance all electricians, plumbers and other contractors that do work or perform repairs in any of the Units or the Common Elements.
32. Owners and Occupants shall maintain, at a minimum, a temperature setting of (65) sixty-five degrees Fahrenheit when the temperature is forecasted to be or does reach (32) thirty-two degrees Fahrenheit or below to prevent breakage of water pipes during colder months of the year.
33. Each Owner shall have the obligation to maintain and keep in good repair all portions of his or her Unit and all improvements made to the Limited Common Elements assigned to the Unit.
34. The Unit Owner can request assistance from the Association's Maintenance Supervisor for repairs, preventative maintenance, or any other maintenance needs, pertaining to any part of the Unit or Limited Common Elements at an hourly rate of (\$65) sixty-five dollars per hour to be assessed on a quarter of an hour basis, or any other hourly rate approved by the Board of Directors.
35. Each Owner or Occupant shall have the responsibility to keep in a neat, clean, and sanitary condition any Limited Common Elements serving his/her Unit including, without limitation, terraces and balconies. The Owner of the Unit must report promptly to the Association or its agent any defect or need for repairs for which the Association is responsible.
36. The Association may, but shall not be obligated to, dispense chemicals for the extermination of insects and pests within the Units and Common Elements.
37. The Association may, but shall not be required to, from time-to-time, provide measures or take actions which directly or indirectly improve safety on the Condominium Project. Neither the Association nor the Declarant shall in any way be considered insurers or guarantors of security within the Condominium Project.
38. No Unit shall be used for or subject to any type of Vacation Time Sharing Ownership Plan, Vacation Time Sharing lease Plan or Vacation Time Plan unless the Owner of said Unit has obtained the prior written approval of the Board and, for so long as the Declarant owns a Unit, the prior written consent of the Declarant.
39. Units may be leased only in their entirety; no fraction or portion may be leased without prior written approval of the Board. Within (7) seven days after executing a lease agreement for the lease of a Unit, the Unit Owner shall provide the Board of Directors and the Management Office with a copy of the lease and the name of the lessee and all other people occupying the Unit. The Unit owner must make available to the lessee copies of the Declaration, Bylaws, and the Rules and Regulations. The Board may require that no adult person will be allowed to occupy any Unit subject to a lease unless they are signatory to and obligated by the lease.

40. Any violation of the Declaration, Bylaws, or the Rules and Regulations by the lessee, any Occupant, or any Person living with the lessee, is deemed to be a default under the terms of the lease and authorizes the Owner to terminate the lease without liability and to evict the lessee in accordance with the New Mexico law.
41. Except where the Owner also occupies the Unit, the Owner transfers and assigns to the lessee, for the term of the lease, any and all rights and privileges that the Owner has to use the Common Elements of the Condominium Project, including, but not limited to, the use of any and all recreational facilities.

B. Procedures and Enforcement

Separate collection procedures, including notice of alleged violations and opportunity to be heard, shall be implemented by the Association for enforcement of the within rules and regulations. Such collection procedures are a part of these Rules. All fees and charges imposed by the Association and all costs incurred by the Association in enforcement of these rules and regulations, including but not limited to the cost of any corrective actions, shall constitute assessments enforceable against Owners pursuant to the provisions of the Declaration. For each day any violation continues after notice, it shall be considered a separate violation. The Association shall have the authority to take any remedial action it deems appropriate in the event of a violation of these rules and regulations, the Bylaws, the Declaration or the Articles. The forgoing Rules and Regulations are subject to amendment and to the promulgation of further regulations.

No failure by the Association to insist upon the strict performance of any term or provision contained in the Rules and Regulations shall constitute a waiver of any such term or provision unless such waiver is made in writing by the Association. Any waiver of a breach of a term of provision of these rules and regulations shall not prevent a subsequent act, which would have originally constituted a violation under these Rules and Regulations, from having the effect of a violation or prevent the Association from exercising all of its rights and remedies under the Declaration, the Bylaws or these rules and regulations.

C. Penalties and Fine Schedule

In performing daily duties, the Property Manager is unrestricted in applying a wide range of options to solve problems. However, at a point when a Homeowner's violation of the rules is blatant, serious, or persistent, the Property Manager is empowered to implement, in the sequence in the Table below, a Schedule of Penalties and Fines. NOTE: Under no circumstances will this Schedule be imposed in lieu of sound management.

PROCEDURES. The Manager will determine if a homeowner's violation of rules is significant enough to warrant a fine or penalty. If yes, a formal notification letter of intent will be provided the alleged violator. The letter will contain:

- (a) Details of circumstances warranting issuance of the letter;
- (b) Explanation that the notification is a formal recognition of the FIRST OFFENSE (or SECOND or THIRD, see Table below) noted in which the Owner violated a specific Rule or Regulation;
- (c) Advice of intent to impose a fine or penalty after 10 days, which will be appropriate to the degree of offense,
- (d) An explanation that the accused has a right to be heard before the Board of Directors, depending on a written request which explains on what grounds the appeal will be made,
- (e) An advisement that a copy of this notification plus all other directly-related documentation will be retained for 12 months after the effective date of the offense.

TABLE SCHEDULE OF PENALTIES AND FINES

FIRST OFFENSE. Ten days after being notified of intent to impose a penalty, the violator will be issued a formal Letter of Admonition, including a specification of committing a FIRST OFFENSE, to the effect that the next violation will result in a fine of \$50.00. The Letter of Admonition will be filed in the Owner's property file for 12 months, and facts of the case given to the Board of Directors.

SECOND OFFENSE. Ten days after notification of intent, a \$50.00 fine will be imposed on the violator by a formal letter which specifies commission of a SECOND OFFENSE. A copy plus all related documents will be filed in the Owner's property file for 12 months, and facts of the case given to the Board of Directors.

THIRD OFFENSE. Ten days after notification of intent, the violator will be directed by letter, specifying commission of a THIRD OFFENSE, to appear before the Board of Directors which will determine (1) a monetary fine, not to exceed \$500, appropriate to the circumstances, and (2) further penalties. A copy of a formal description of the proceedings will be placed in the Owner's property file for 12 months, and all facts of the incident will be cited in Minutes of the Board of Directors meeting.

RIGHT OF APPEAL. In all cases the accused has the right of appeal, and must be afforded a right to be heard before the Board of Directors - before a fine is levied or penalty is effective. No later than 10 days after receiving a letter of notification that a fine or penalty may be imposed, the alleged violator may indicate that an appeal will be made - and must include details to support the appeal.

CONSEQUENCES OF TARDINESS IN PAYING FINES. If the fine or penalty is still applicable after an appeal has been made by the Respondent then acted upon by the Board, the violator must comply within 7 days of the Board's decision. Exceeding this limit will require an additional \$25.00 fine for each day thereafter in order to defray legal fees and the costs of administration.