

1 Filing with the)
 registrar of land)
 2 titles pursuant to)
 the Land Title)
 3 Registration Act)
 requested by)
 4 HATSUHO INTERNA-)
 TIONAL, INC. After)
 5 filing, deliver)
 copies to Gayle &)
 6 Teker, Agana Bay)
 Building, Agana,)
 7 Guam. The real)
 property affected)
 8 by this instrument)
 is registered)
 9 land, the name)
 of the registered)
 10 owner being)
 Hatsuho Interna-)
 11 tional, Inc.,)
 and the of the)
 12 certificate of)
 last registration)
 13 being No. 79071.)

TERRITORY OF GUAM, DEPARTMENT OF LAND MANAGEMENT
 OFFICE OF THE RECORDER

INSTRUMENT NUMBER 412698
 This instrument was filed for record on Feb 9 1970 11:15 AM
 Day of _____, 19____, at _____ P.M.
 duly recorded in Book _____ At Page _____
 Recording Fee _____ Voucher No. 110035

 Deputy Recorder

(Space above this line for Recorder's use only.)

DECLARATION OF HORIZONTAL
 PROPERTY REGIME
 OF
 HATSUHO OKA TOWERS

A Commercial and Residential Condominium

24 **Developer:** Hatsuho International, Inc.
 25 **Project:** One Hundred Seventy (170) bedroom units.
 26 **Location:** Lot 2, Block 8, Tract 108, Tamuning, Dededo, Guam.

1 subsequent owners and lessees of all or any part of the Project
2 and their respective successors, heirs, executors, administra-
3 tors, and assigns.

4 *Description of Project*

5 §1.02. The Project will consist of one (1) concrete
6 building, a swimming pool, two (2) tennis courts, and one (1) or
7 more parking areas to be located at the Property, in accordance
8 with the plans and specifications prepared by Willy Watson, and
9 the floor plans recorded with the office of the Recorder, Guam,
10 as Condominium Map No. 41 (the "Condominium Map"). The building
11 will have one hundred seventy (170) units and two (2) commercial
12 spaces. The parking areas will have a total of two hundred
13 fifty-four (254) parking spaces.

14 1.02.01. *Description of layout.* There
15 will be one (1) fourteen (14)-story building, situated so as to
16 overlook the Pacific Ocean, and containing one hundred seventy
17 (170) units.

18 1.02.02. *Construction methods.* The build-
19 ing will be of concrete construction. Its foundations will be
20 concrete footings on engineered fill. The bearing walls will be
21 concrete; interior partitions will feature gypsum board on steel
22 studs. Unit entrance doors will be steel and interior doors
23 will be of wood construction.

24 1.02.03. *Air conditioning.* Each apartment
25 will be air conditioned by means of an individual split system
26 which will supply cooled air to the living room, bedrooms and

1 kitchen; each apartment unit and commercial space will have an
2 individual temperature control and a separate power meter.

3 1.02.04. *Building layout.* The building
4 will have four (4) stairways leading to each of the floors, and
5 will also be serviced by two (2) elevators.

6

7

ARTICLE II

8

DIVISION AND INTERESTS

9

Division of Project

10 §2.01. The Project is hereby divided into the sepa-
11 rate and freehold estates set out in the following sections.

12

Commercial space

13

14 §2.02. There are two (2) commercial space units,
15 designated "Commercial Space-1" and "Commercial Space-2", on the
16 aforesaid map located and marked and identified between the
17 second and third floors, respectively, Commercial Space-1 having
18 556.70 square feet and Commercial Space-2 having 1,329.00 square
19 feet. These units have immediate access to the lobby which is a
20 part of the common elements.

21

Apartments

22

23 §2.03. One hundred seventy (170) freehold estates are
24 hereby separately designated and described in the spaces within
25 the perimeter walls, floors and ceilings of each of the one hun-
26 dred seventy (170) apartment units, (and also spaces within the
balcony area appurtenant to each apartment unit), which spaces
(including the balconies) are defined and referred to herein as

1 "apartments", are designated on the Condominium Map, and are
 2 described as follows:

3 2.03.01. Number, location and room num-
 4 bers. There are one hundred seventy (170) apartment units
 5 located in the building, and are numbered as follows:

	<u>Apt No.</u>	<u>Bedrooms</u>	<u>Sq. Ft.</u>	<u>Undivided Interest</u>
6				
7	B-1 (GROUND) FLOOR:			
8	001	2	957.06	0.005258
	002	2	910.00	0.005000
	003	3	1127.58	0.006195
9	004	1	497.50	0.002733
10	FIRST FLOOR:			
	101	1	497.50	0.002733
	102	3	1127.58	0.006195
11	103	2	910.00	0.005000
	104	2	957.06	0.005258
12	105	3	1156.35	0.006353
	106	2	952.92	0.005235
13	107	2	952.92	0.005235
	108	3	1156.35	0.006353
14	109	2	957.06	0.005258
	110	2	910.00	0.005000
15	111	3	1127.58	0.006195
	112	1	497.50	0.002733
16	SECOND FLOOR:			
	201	1	497.50	0.002733
17	202	3	1127.58	0.006195
	203	2	910.00	0.005000
18	204	2	957.06	0.005258
	205	3	1156.35	0.006353
19	206	2	952.92	0.005235
	207	2	952.92	0.005235
20	208	3	1156.35	0.006353
	209	2	957.06	0.005258
21	210	2	910.00	0.005000
	211	3	1127.58	0.006195
22	212	1	497.50	0.002733
23	Commercial Space No. 1.		556.70	0.003058
	Commercial Space No. 2.		1329.00	0.007301
24	THIRD FLOOR:			
	301	1	497.50	0.002733
25	302	3	1127.58	0.006195
	303	2	910.00	0.005000
26	304	2	957.06	0.005258

	<u>Apt No.</u>	<u>Bedrooms</u>	<u>Sq. Ft.</u>	<u>Undivided Interest</u>
1				
2				
3	305	3	1156.35	0.006353
	306	2	952.92	0.005235
	307	2	952.92	0.005235
4	308	3	1156.35	0.006353
	309	2	957.06	0.005258
5	310	2	910.00	0.005000
	311	3	1127.58	0.006195
6	312	1	497.50	0.002733
7	FOURTH FLOOR:			
	401	1	504.17	0.002770
	402	3	1138.81	0.006257
8	403	2	920.35	0.005056
	404	2	968.32	0.005320
9	405	3	1167.41	0.006414
	406	2	962.76	0.005289
10	407	3	1167.41	0.006414
	408	3	1202.72	0.006607
11	409	3	1202.72	0.006607
	410	3	1167.41	0.006414
12	411	2	962.76	0.005289
	412	3	1167.41	0.006414
13	413	2	968.32	0.005320
	414	2	920.35	0.005056
14	415	3	1138.81	0.006257
	416	1	504.17	0.002770
15	FIFTH FLOOR:			
	501	1	504.17	0.002770
16	502	3	1138.81	0.006257
	503	2	920.35	0.005056
17	504	2	968.32	0.005320
	505	3	1167.41	0.006414
18	506	2	962.76	0.005289
	507	3	1167.41	0.006414
19	508	3	1202.72	0.006607
	509	3	1202.72	0.006607
20	510	3	1167.41	0.006414
	511	2	962.76	0.005289
21	512	3	1167.41	0.006414
	513	2	968.32	0.005320
22	514	2	920.35	0.005056
	515	3	1138.81	0.006257
23	516	1	504.17	0.002770
24	SIXTH FLOOR:			
	601	1	504.17	0.002770
	602	3	1138.81	0.006257
25	603	2	920.35	0.005056
	604	2	968.32	0.005320
26	605	3	1167.41	0.006414

		<u>Apt No.</u>	<u>Bedrooms</u>	<u>Sq. Ft.</u>	<u>Undivided Interest</u>
1					
2					
3		606	2	962.76	0.005289
4		607	3	1167.41	0.006414
5		608	3	1202.72	0.006607
6		609	3	1202.72	0.006607
7		610	3	1167.41	0.006414
8		611	2	962.76	0.005289
9		612	3	1167.41	0.006414
10		613	2	968.32	0.005320
11		614	2	920.35	0.005056
12		615	3	1138.81	0.006257
13		616	1	504.17	0.002770
14	SEVENTH FLOOR:				
15		701	1	504.17	0.002770
16		702	3	1138.81	0.006257
17		703	2	920.35	0.005056
18		704	2	968.32	0.005320
19		705	3	1167.41	0.006414
20		706	2	962.76	0.005289
21		707	3	1167.41	0.006414
22		708	3	1202.72	0.006607
23		709	3	1202.72	0.006607
24		710	3	1167.41	0.006414
25		711	2	962.76	0.005289
26		712	3	1167.41	0.006414
27		713	2	968.32	0.005320
28		714	2	920.35	0.005056
29		715	3	1138.81	0.006257
30		716	1	504.17	0.002770
31	EIGHTH FLOOR:				
32		801	1	504.17	0.002770
33		802	3	1138.81	0.006257
34		803	2	920.35	0.005056
35		804	2	968.32	0.005320
36		805	3	1167.41	0.006414
37		806	2	962.76	0.005289
38		807	3	1167.41	0.006414
39		808	3	1202.72	0.006607
40		809	3	1202.72	0.006607
41		810	3	1167.41	0.006414
42		811	2	962.76	0.005289
43		812	3	1167.41	0.006414
44		813	2	968.32	0.005320
45		814	2	920.35	0.005056
46		815	3	1138.81	0.006257
47		816	1	504.17	0.002770
48	NINTH FLOOR:				
49		901	1	516.22	0.002836
50		902	3	1158.25	0.006363

	<u>Apt No.</u>	<u>Bedrooms</u>	<u>Sq. Ft.</u>	<u>Undivided Interest</u>
1				
2	903	2	938.01	0.005153
3	904	2	989.11	0.005434
	905	3	1187.15	0.006522
4	906	2	980.69	0.005388
	907	3	1187.15	0.006522
5	908	3	1218.68	0.006695
	909	3	1218.68	0.006695
6	910	3	1187.15	0.006522
	911	2	980.69	0.005388
7	912	3	1187.15	0.006522
	913	2	989.11	0.005434
8	914	2	938.01	0.005153
	915	3	1158.25	0.006363
9	916	1	516.22	0.002836
10	TENTH FLOOR:			
	1001	3	1282.45	0.007046
	1002	4	1930.12	0.010604
11	1003	3	1187.15	0.006522
	1004	2	980.69	0.005388
12	1005	3	1187.15	0.006522
	1006	3	1218.68	0.006695
13	1007	3	1218.68	0.006695
	1008	3	1187.15	0.006522
14	1009	2	980.69	0.005388
	1010	3	1187.15	0.006522
15	1011	4	1930.12	0.010604
	1012	3	1282.45	0.007046
16	ELEVENTH FLOOR:			
	1101	4	1655.43	0.009095
17	1102	3	1187.15	0.006522
	1103	2	980.69	0.005388
18	1104	3	1187.15	0.006522
	1105	3	1218.68	0.006695
19	1106	3	1218.68	0.006695
	1107	3	1187.15	0.006522
20	1108	2	980.69	0.005388
	1109	3	1187.15	0.006522
21	1110	4	1655.43	0.009095
22	TWELFTH FLOOR:			
	1201	4	1751.36	0.009622
	1202	2	980.69	0.005388
23	1203	3	1187.15	0.006522
	1204	3	1218.68	0.006695
24	1205	3	1218.68	0.006695
	1206	3	1187.15	0.006522
25	1207	2	980.69	0.005388
	1208	4	1751.36	0.009622
26				

	<u>Apt No.</u>	<u>Bedrooms</u>	<u>Sq. Ft.</u>	<u>Undivided Interest</u>	
1					
2	FOURTEENTH FLOOR:	1401	4	1615.72	0.008877
3		1402	4	2411.87	0.013251
4		1403	4	2411.87	0.013251
5		1404	4	1615.72	0.008877

6 2.03.02. *Floor plans.* The amenities and
7 rooms in each apartment are as shown on the floor plans shown on
8 the Condominium Map.

9 2.03.03. *Access.* Each of the apartments
10 has immediate access to the corridors and entrances of the
11 building, the staircases and elevators connecting the floors of
12 such building and the walkways connecting such building with the
13 parking areas and the street entrances adjacent to the Property.

14 2.03.04. *Included within apartments.* The
15 respective apartments and the commercial spaces shall *not* be
16 deemed to include the undecorated or unfinished surfaces of the
17 perimeter walls or interior loadbearing walls, the floors and
18 ceilings surrounding each apartment, or any pipes, wires, con-
19 duits, or other utility lines running through each apartment
20 which are utilized for or serve more than one (1) apartment, the
21 same being deemed common elements as provided in §2.03.
22 *infra.* Each apartment shall be deemed to include all the
23 walls and partitions which are *not* load-bearing within its
24 perimeter walls, the inner decorated or finished surfaces of all
25 walls, floors, and ceilings, and the built-in fixtures, inclu-
26 ding, without limitation, ranges, ovens, garbage disposal units,
range hoods, refrigerators, hot water heaters, and split air-

1 conditioning systems.

2 *Common elements*

3 §2.04. A freehold estate consisting of all remaining
4 portions of the Property is hereby designated, and is referred
5 to herein as the "common elements", which definitions includes
6 the apartment building, the land within the Property on which it
7 is to be located, and all elements mentioned in the Horizontal
8 Property Act which are actually constructed on the Property, and
9 specifically includes, but is not limited to:

10 2.04.01. *Property.* The Property in fee
11 simple;

12 2.04.02. *Building elements.* All founda-
13 tions, floor slabs, floors, piles, columns, supports, load-bear-
14 ing walls, roofs, driveways, entries, corridors, stairways, and
15 walkways of the buildings;

16 2.04.03. *Grounds and facilities.* All
17 yards, grounds, fences, landscaping, swimming pool, tennis
18 courts, walkways, loading areas, retaining walls, mail boxes,
19 refuse facilities, driveways and pavement;

20 2.04.04. *Fixtures.* All pipes, cables,
21 conduits, ducts, electrical equipment, wiring, and other central
22 and appurtenant installations over, under and in the Project
23 which serve more than one (1) apartment for services such as and
24 including power, light, water, gas, sewer, telephone and televi-
25 sion signal transmission, if any;

26 2.04.05. *Offices.* The reception area.

1 manager's office and the multi-purpose room, may be utilized by
2 the manager or by the hotel operator.

3 2.04.06. *Parking stalls.* Two hundred
4 fifty-four (254) separately designated and described parking
5 stalls, as such stalls are hereinafter described in subsection
6 2.05.01, *infra*, for the use of tenants and visitors to the
7 Project.

8 2.04.07. *Other personal property.* All
9 articles of personal property acquired for common use in the
10 operation or maintenance of the common elements; and

11 2.04.08. *Other parts of Property.* All
12 other parts of the Property existing for the common use or
13 necessary to the existence, maintenance, and safety of the
14 apartment buildings.

15 *Limited common elements*

16 §2.05. Certain parts of the common elements, herein
17 called and designated "limited common elements", are hereby set
18 aside and reserved for the exclusive use of certain apartments,
19 and such apartments shall have appurtenant thereto an exclusive
20 easement for the use of such limited common elements. The
21 limited common elements so set aside and reserved are those
22 which are rationally related only to a single floor as against
23 others on the Property, if any, to the extent of such rational
24 relationship. In addition, certain parking stalls are appurte-
25 nant to the apartment units with the same numbers and are fur-
26 ther described as follows:

1 2.05.01. *Parking stalls.* There are a total
 2 of two hundred fifty-four (254) parking stalls, each having an
 3 area of one hundred eighty (180) square feet, more or less, for
 4 the parking of motor vehicles, twenty-four (24) of which are
 5 covered stalls. Seventy-four (74) stalls will be reserved for
 6 tenant, guest parking, managing staff and the commercial spaces.
 7 Every four (4) bedroom apartment is entitled to two (2) stalls,
 8 and every other apartment is entitled to one (1) stall.

9 ARTICLE III

10 COMMON INTEREST AND VOTING

11 *Common interest*

12 §3.01. Each apartment and commercial space shall have
 13 appurtenant thereto an undivided interest in all common elements
 14 of the Project (herein called the "common interest") as follows:

	<u>Apt No.</u>	<u>Bedrooms</u>	<u>Sq. Ft.</u>	<u>Undivided Interest</u>
15				
16	B-1 (GROUND) FLOOR:	001	957.06	0.005258
17		002	910.00	0.005000
		003	1127.58	0.006195
18		004	497.50	0.002733
19	FIRST FLOOR:	101	497.50	0.002733
		102	1127.58	0.006195
20		103	910.00	0.005000
		104	957.06	0.005258
21		105	1156.35	0.006353
		106	952.92	0.005235
22		107	952.92	0.005235
		108	1156.35	0.006353
23		109	957.06	0.005258
		110	910.00	0.005000
24		111	1127.58	0.006195
		112	497.50	0.002733
25	SECOND FLOOR:	201	497.50	0.002733
26		202	1127.58	0.006195

	<u>Apt No.</u>	<u>Bedrooms</u>	<u>Sq. Ft.</u>	<u>Undivided Interest</u>
1				
2	203	2	910.00	0.005000
	204	2	957.06	0.005258
3	205	3	1156.35	0.006353
	206	2	952.92	0.005235
4	207	2	952.92	0.005235
	208	3	1156.35	0.006353
5	209	2	957.06	0.005258
	210	2	910.00	0.005000
6	211	3	1127.58	0.006195
	212	1	497.50	0.002733
7				
8	Commercial Space No. 1.		556.70	0.003058
	Commercial Space No. 2.		1329.00	0.007301
9	THIRD FLOOR:			
	301	1	497.50	0.002733
10	302	3	1127.58	0.006195
	303	2	910.00	0.005000
11	304	2	957.06	0.005258
	305	3	1156.35	0.006353
12	306	2	952.92	0.005235
	307	2	952.92	0.005235
13	308	3	1156.35	0.006353
	309	2	957.06	0.005258
14	310	2	910.00	0.005000
	311	3	1127.58	0.006195
15	312	1	497.50	0.002733
16	FOURTH FLOOR:			
	401	1	504.17	0.002770
	402	3	1138.81	0.006257
17	403	2	920.35	0.005056
	404	2	968.32	0.005320
18	405	3	1167.41	0.006414
	406	2	962.76	0.005289
19	407	3	1167.41	0.006414
	408	3	1202.72	0.006607
20	409	3	1202.72	0.006607
	410	3	1167.41	0.006414
21	411	2	962.76	0.005289
	412	3	1167.41	0.006414
22	413	2	968.32	0.005320
	414	2	920.35	0.005056
23	415	3	1138.81	0.006257
	416	1	504.17	0.002770
24	FIFTH FLOOR:			
	501	1	504.17	0.002770
25	502	3	1138.81	0.006257
	503	2	920.35	0.005056
26	504	2	968.32	0.005320

		<u>Apt No.</u>	<u>Bedrooms</u>	<u>Sq. Ft.</u>	<u>Undivided Interest</u>
1					
2		505	3	1167.41	0.006414
3		506	2	962.76	0.005289
		507	3	1167.41	0.006414
4		508	3	1202.72	0.006607
		509	3	1202.72	0.006607
5		510	3	1167.41	0.006414
		511	2	962.76	0.005289
6		512	3	1167.41	0.006414
		513	2	968.32	0.005320
7		514	2	920.35	0.005056
		515	3	1138.81	0.006257
8		516	1	504.17	0.002770
9	SIXTH FLOOR:	601	1	504.17	0.002770
		602	3	1138.81	0.006257
10		603	2	920.35	0.005056
		604	2	968.32	0.005320
11		605	3	1167.41	0.006414
		606	2	962.76	0.005289
12		607	3	1167.41	0.006414
		608	3	1202.72	0.006607
13		609	3	1202.72	0.006607
		610	3	1167.41	0.006414
14		611	2	962.76	0.005289
		612	3	1167.41	0.006414
15		613	2	968.32	0.005320
		614	2	920.35	0.005056
16		615	3	1138.81	0.006257
		616	1	504.17	0.002770
17	SEVENTH FLOOR:	701	1	504.17	0.002770
18		702	3	1138.81	0.006257
		703	2	920.35	0.005056
19		704	2	968.32	0.005320
		705	3	1167.41	0.006414
20		706	2	962.76	0.005289
		707	3	1167.41	0.006414
21		708	3	1202.72	0.006607
		709	3	1202.72	0.006607
22		710	3	1167.41	0.006414
		711	2	962.76	0.005289
23		712	3	1167.41	0.006414
		713	2	968.32	0.005320
24		714	2	920.35	0.005056
		715	3	1138.81	0.006257
25		716	1	504.17	0.002770
26	EIGHTH FLOOR:	801	1	504.17	0.002770

	<u>Apt No.</u>	<u>Bedrooms</u>	<u>Sq. Ft.</u>	<u>Undivided Interest</u>
1				
2				
3	802	3	1138.81	0.006257
4	803	2	920.35	0.005056
5	804	2	968.32	0.005320
6	805	3	1167.41	0.006414
7	806	2	962.76	0.005289
8	807	3	1167.41	0.006414
9	808	3	1202.72	0.006607
10	809	3	1202.72	0.006607
11	810	3	1167.41	0.006414
12	811	2	962.76	0.005289
13	812	3	1167.41	0.006414
14	813	2	968.32	0.005320
15	814	2	920.35	0.005056
16	815	3	1138.81	0.006257
17	816	1	504.17	0.002770
18				
19	NINTH FLOOR:			
20	901	1	516.22	0.002836
21	902	3	1158.25	0.006363
22	903	2	938.01	0.005153
23	904	2	989.11	0.005434
24	905	3	1187.15	0.006522
25	906	2	980.69	0.005388
26	907	3	1187.15	0.006522
27	908	3	1218.68	0.006695
28	909	3	1218.68	0.006695
29	910	3	1187.15	0.006522
30	911	2	980.69	0.005388
31	912	3	1187.15	0.006522
32	913	2	989.11	0.005434
33	914	2	938.01	0.005153
34	915	3	1158.25	0.006363
35	916	1	516.22	0.002836
36				
37	TENTH FLOOR:			
38	1001	3	1282.45	0.007046
39	1002	4	1930.12	0.010604
40	1003	3	1187.15	0.006522
41	1004	2	980.69	0.005388
42	1005	3	1187.15	0.006522
43	1006	3	1218.68	0.006695
44	1007	3	1218.68	0.006695
45	1008	3	1187.15	0.006522
46	1009	2	980.69	0.005388
47	1010	3	1187.15	0.006522
48	1011	4	1930.12	0.010604
49	1012	3	1282.45	0.007046
50				
51	ELEVENTH FLOOR:			
52	1101	4	1655.43	0.009095
53	1102	3	1187.15	0.006522

	<u>Apt No.</u>	<u>Bedrooms</u>	<u>Sq. Ft.</u>	<u>Undivided Interest</u>
1				
2	1103	2	980.69	0.005388
3	1104	3	1187.15	0.006522
	1105	3	1218.68	0.006695
4	1106	3	1218.68	0.006695
	1107	3	1187.15	0.006522
5	1108	2	980.69	0.005388
	1109	3	1187.15	0.006522
6	1110	4	1655.43	0.009095
7	TWELFTH FLOOR:			
	1201	4	1751.36	0.009622
	1202	2	980.69	0.005388
8	1203	3	1187.15	0.006522
	1204	3	1218.68	0.006695
9	1205	3	1218.68	0.006695
	1206	3	1187.15	0.006522
10	1207	2	980.69	0.005388
	1208	4	1751.36	0.009622
11	FOURTEENTH FLOOR:			
	1401	4	1615.72	0.008877
12	1402	4	2411.87	0.013251
	1403	4	2411.87	0.013251
13	1404	4	1615.72	0.008877

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Voting and percentage in the common elements

§3.02. The common interest and the proportionate shares in the profits and common expenses of the Project shall be allocated on the basis of the percentage set out in §3.01, *supra*. As to the representation for voting purposes in the Association of Apartment Owners of the Project (the "Association"), the voting shall be one vote for each apartment and commercial space. No change in the common interest shall be valid or effective unless all holders of first mortgage liens on the apartments affected thereby shall have given their written consent.

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ARTICLE IV
EASEMENTS

Apartments and common elements subject

§4.01. In addition to any exclusive easements hereby established in the limited common elements in the Project, the apartments and common elements shall also have and be subject to the easements set out in this article.

Common elements easements

§4.02. Each apartment and commercial space shall have appurtenant thereto non-exclusive easements in the common elements designed for such purposes for ingress to, egress from, utility services for, and support, maintenance, and repair of such apartment; in the other common elements for use according to their respective purposes, *subject* always to the exclusive use of the limited common elements as provided herein; and in all other apartments and limited common elements of the building or structure for support.

Encroachments

§4.03. If any part of the common elements encroaches upon any apartment or limited common element, a valid easement for such encroachment and the maintenance thereof, so long as it continues, shall and does exist. In the event the building shall be partially or totally destroyed and then rebuilt, minor encroachments of any parts of the common elements due to construction shall be permitted, and valid easements for such encroachments and the maintenance thereof shall exist.

1 *Right of Association to enter*

2 §4.04. The Association shall have the right, to be
3 exercised by its board of directors or the managing agent, to
4 enter into each apartment and the limited common elements from
5 time to time during reasonable hours as may be necessary for the
6 operation of the Project or for making emergency repairs therein
7 necessary to prevent damage to any apartments or common ele-
8 ments, or for the installation, repair or replacement of any
9 common element.

10 ARTICLE V

11 TRANSFERS

12 *Alteration and transfer of interests*

13 §5.01. The common interest and easements appurtenant
14 to each apartment shall have a permanent character *except* as
15 otherwise stated herein and shall not be altered without the
16 consent of all the apartment owners affected, expressed in an
17 amendment to this Declaration duly recorded. The common inter-
18 est and easements shall not be separated from the apartment to
19 which they appertain and shall be deemed to be conveyed, leased,
20 or encumbered with such apartment even though such interest or
21 easements are *not* expressly mentioned or described in the con-
22 veyance or other instrument. The common elements shall remain
23 undivided, and no right shall exist to partition or divide any
24 part thereof *except* as provided by the Horizontal Property Act.

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1 ceases for any reason, at which time his membership in the
2 Association shall automatically cease; *provided*, however, that
3 to such extent and for such purposes, including the exercise of
4 voting rights, as may be provided by lease of any apartment
5 filed with the board of directors of the Association (the
6 "Board"), the lessee of such apartment shall be deemed to be the
7 owner thereof.

8 ARTICLE VIII

9 ADMINISTRATION

10 *Operation of Project*

11 §8.01. Operation of the Project and maintenance,
12 repair, replacement, and restoration of the common elements, and
13 any additions and alterations thereto, shall be in accordance
14 with the provisions of the Horizontal Property Act, this Decla-
15 ration, and the bylaws of the Association, and, specifically,
16 but without limitation, the Association shall:

17 8.01.01. *Maintenance of fences, etc.*
18 Make, build, maintain, and repair all fences, sewers, drains,
19 roads, curbs, sidewalks, swimming pool, tennis courts, and park-
20 ing areas which may be required by law to be made, built, main-
21 tained, and required upon or adjoining or in connection with or
22 for the use of the Project or any part thereof.

23 8.01.02. *Sanitary condition.* Keep all
24 common elements of the Project in a strictly clean and sanitary
25 condition, and observe and perform all laws, ordinances, rules,
26 and regulations now or hereafter made by any governmental

1 authority for the time being applicable to the Project or the
2 use thereof.

3 8.01.03. *Repair.* Well and substantially
4 repair, maintain, amend, and keep all common elements of the
5 Project, including, *without* limitation, the building therein,
6 with all necessary reparations and amendments whatsoever in good
7 order and condition *except* as otherwise provided herein, and
8 maintain and keep the Property and all adjacent land between any
9 street boundary of the Project and the established curb or
10 street line in a neat and attractive condition, and all trees,
11 shrubs, and grass thereon in good cultivation, and replant the
12 same as may be necessary, and repair and make good all defects
13 in the common elements of the Project herein required to be
14 repaired by the Association, of which notice shall be given by
15 any owner or his agent, within thirty (30) days after the giving
16 of such notice.

17 8.01.04. *Performance bond.* Before commen-
18 cing or permitting construction of any improvement on the Pro-
19 ject, obtain a bond or certificate thereof naming as obligees
20 collectively all apartment owners as their interests may appear,
21 in a penal sum not less than the full amount of the cost of such
22 construction, and with a corporate surety authorized to do busi-
23 ness in Guam, which would guarantee completion of such construc-
24 tion free and clear of all mechanics' and materialmen's liens.

25 8.01.05. *Setback lines.* Observe any set-
26 back lines affecting the Project and not erect, place, or main-

1 tain any building or structure whatsoever *except* approved
2 fences or walls between any boundary of the Project.

3 8.01.06. *Plans required.* Not erect or
4 place on the Property any buildings or structure, including
5 fences and walls, nor make additions or structural alterations
6 to, or exterior changes of, any common elements of the Project,
7 nor place or maintain thereon any signs or bills visible outside
8 of the Project, *except* in accordance with plans and specifica-
9 tions, including a detailed plot plan, prepared by a licensed
10 architect or registered engineer, first approved by a majority
11 of apartment owners (or such larger percentage required by law
12 or this Declaration), including all owners of apartments thereby
13 directly affected, and complete any such improvements diligently
14 after the commencement thereof.

15 8.01.07. *No waste.* Not make or suffer any
16 stripping or waste or unlawful, improper, or offensive use of
17 the Project.

18 8.01.08. *No outside antennas.* Not erect,
19 place or maintain any television or other antennas on the apart-
20 ment building visible from any point outside of the building,
21 *except* for a master television antenna for the benefit of such
22 building.

23 *Managing agent*

24 §8.02. Operation of the Project shall be conducted
25 for the Association by a responsible managing agent who shall be
26 appointed by the Association in accordance with the Bylaws. The

1 managing agent is hereby authorized to receive service of legal
2 process in all cases provided in the Horizontal Property Act.
3 The initial managing agent shall be Developer who is authorized
4 to receive service of legal process in all cases provided in the
5 Horizontal Property Act *prior* to appointment of a managing
6 agent by the Association.

7 *Common expenses*

8 §8.03. All charges, costs, and expenses whatsoever
9 incurred by the Association for or in connection with the admin-
10 istration of the Project, including, *without* limitation there-
11 of, operation of the Project and maintenance, repair, replace-
12 ment, and restoration of the common elements, any additions and
13 alterations thereto, all labor, services, materials, supplies,
14 and equipment therefor, all liability whatsoever for loss or
15 damage arising out of or in connection with the common elements,
16 or any accident or fire on the common elements or any nuisance
17 thereon, and all premiums for hazard and liability insurance
18 herein required with respect to the Project, shall constitute
19 common expenses of the Project, for their respective proportion-
20 ate shares of which the apartment owners shall be severally
21 liable. Special assessments and real property taxes referred to
22 in §1292 of the Horizontal Property Act shall not be common
23 expenses of the horizontal property regime hereby created and no
24 payments therefor shall be payments of such common expenses.
25 The Board shall from time to time assess the common expenses
26 against *all* the apartments and commercial spaces in their

1 respective proportionate shares. The Board reserves the right to
2 charge the commercial spaces a higher percentage of the common
3 area expenses based upon use.

4 *No waiver of use of common elements*

5 §8.04. No apartment owner may exempt himself from lia-
6 bility for his contribution to the common expenses by waiver of
7 the use or enjoyment of any of the common elements or by abandon-
8 ment of his apartment.

9 *Compliance with Declaration, Bylaws and decisions*

10 §8.05. All apartment owners, their tenants, families,
11 servants and guests, and any other persons who may in any manner
12 use the Project or any part thereof, shall be bound by, and shall
13 comply strictly with the provisions of this Declaration, the By-
14 laws of the Association, and all agreements, decisions, and deter-
15 minations of the Association as lawfully made or amended from time
16 to time, and failure to comply with any of the same shall be
17 grounds for an action to recover sums due, for damages, or injunc-
18 tive relief, or both, maintainable by the managing agent or Board
19 on behalf of the Association, or, in a proper case, by an
20 aggrieved apartment owner. In addition, the Association shall
21 send written notification to the mortgagee of an apartment or of
22 an apartment lease demising the same of any default by the mortga-
23 gor of such apartment in the performance of such mortgagor's obli-
24 gations hereunder, which is not cured within thirty- (30)-days.

25 *Unpaid common expenses constitute lien*

26 §8.06. All sums assessed by the Association but unpaid

1 for the share of the common expenses chargeable to any apartment
2 shall constitute a lien on such apartment prior to all other liens
3 except only (i) liens for taxes and assessments lawfully imposed
4 by governmental authority against such apartment, and (ii) all
5 sums secured by mortgages of record. Such lien may be foreclosed
6 by suit by the Association or the managing agent, acting on its
7 behalf, in like manner as a mortgage of real property; *provided*
8 that thirty (30) days' prior written notice of the intention to
9 foreclose shall be mailed, postage prepaid, to all persons having
10 an interest in such apartment as shown in the Association's record
11 of ownership. The managing agent, acting on behalf of the Asso-
12 ciation pursuant to directions of its Board, shall have the power
13 to bid in such apartment at foreclosure sale and to acquire, hold,
14 lease, mortgage, and convey such apartment. Suit to recover a
15 money judgment for unpaid common expenses shall be maintainable
16 without foreclosing or waiving the lien securing the same.

17 *Acquisition by foreclosure*

18 §8.07. Where the mortgagee of a mortgage of record or
19 other purchaser of any apartment obtains title to such apartment
20 or any interest therein, pursuant to the remedies provided in the
21 mortgage, or by its foreclosure, or deed in lieu of foreclo-
22 sure, such acquirer of title, his heirs, executors, successors
23 and assigns, shall not be liable for the share of the common
24 expense or assessments by the Association chargeable to such
25 apartment by such acquirer. Such unpaid share of common expenses
26 or assessment shall be deemed to be common expenses

1 collectible from all of the apartment owners including such
2 acquirer, his heirs, executors, successors, and assigns.

3 ARTICLE IX

4 INSURANCE

5 *Casualty insurance*

6 §9.01. The Board, on behalf of the Association, at
7 its common expense shall keep all buildings of the Project
8 insured against all loss or damage by fire and typhoon with
9 extended coverage in an insurance company which has a financial
10 rating by *Best's Insurance Reports* of BBB+ or better, and is
11 authorized to do business in Guam, in an amount equal to the
12 full replacement cost thereof without deduction for deprecia-
13 tion, payable in case of loss to the Board as trustee for all
14 apartment owners and mortgages according to the loss or damage
15 to their respective apartments and appurtenant common interests,
16 as their interests may appear, without prejudice to the right of
17 each apartment owner to insure his apartment for his own bene-
18 fit. In every case of such loss or damage, all insurance pro-
19 ceeds shall be used as soon as reasonably possible by the Asso-
20 ciation for rebuilding, repairing, or otherwise reinstating the
21 same buildings in a good and substantial manner according to the
22 original plans and elevation thereof or such modified plans con-
23 forming to laws and ordinances then in effect as shall be first
24 approved as herein provided, and the Association at its common
25 expense shall make up any deficiency in such insurance pro-
26 ceeds. Every such policy of insurance shall:

1 9.01.01. *No contribution.* Provide that
2 the liability of the insurer thereunder shall not be affected
3 by, and that the insurer shall not claim any right of set-off,
4 counterclaim, apportionment, proration or contribution by reason
5 of any other insurance obtained by or for any apartment owner;

6 9.01.02. *Increase in hazard.* Contain no
7 provision relieving the insurer from liability for loss occur-
8 ring while the hazards to such building or any of them are
9 increased, whether or not within the knowledge or control of the
10 Board, or because of any breach of warranty or condition or any
11 other act or neglect by the Board or any apartment owner or any
12 other persons under either of them;

13 9.01.03. *No cancellation.* Provide that
14 such policy may not be cancelled (whether or not requested by
15 the Board) *except* by the insurer giving at least thirty (30)
16 days' prior written notice thereof to the Board and every other
17 person in interest who shall have requested such notice of the
18 insurer;

19 9.01.04. *Waiver of subrogation.* Contain a
20 waiver by the insurer of any right of subrogation to any right
21 of the Board or apartment owners against any of them or any
22 other persons under them; and

23 9.01.05. *Mortgage clause.* Contain a
24 standard mortgage clause which shall:

25 9.01.05.01. *Mortgagees.* Pro-
26 vide that any reference to a mortgage in such policy shall mean

1 and include all holders of mortgages of any apartment or apart-
2 ment lease of the Project, in their respective order and prefer-
3 ence, whether or not named therein;

4 9.01.05.02. *Mortgagee's interest*
5 *not cancellable.* Provide that such insurance as to the inter-
6 est of any mortgagee shall not be invalidated by any act or
7 neglect of the Board or the apartment owners or any persons
8 under any of them;

9 9.01.05.03. *Waiver of*
10 *defaults.* Waive any provision invalidating such mortgage
11 clause by reason of the failure of any mortgagee to notify the
12 insurer of any hazardous use or vacancy, any requirement that
13 the mortgagee pay any premium thereon, and any contribution
14 clause; and

15 9.01.05.04. *Proceeds payable to*
16 *bank.* Provide that, without affecting any protection afforded
17 by such mortgage clause, any proceeds payable under such policy
18 shall be payable to said bank or trust company designated by the
19 Board.

20 *Liability insurance*

21 §9.02. The Board shall effect and maintain at all
22 times comprehensive general liability insurance, covering all
23 apartment owners with respect to the Project, in an insurance
24 company which has a financial rating by *Best's Insurance*
25 *Reports* of BBB+ or better, and is authorized to do business in
26 Guam, with minimum limits of not less than Five Hundred Thousand

1 Dollars (\$500,000) for injury to one (1) person, and One Million
2 Dollars (\$1,000,000) for injury to more than one (1) person in
3 any one (1) accident or occurrence, and Fifty Thousand Dollars
4 (\$50,000) for property damage, without prejudice to the right
5 of any apartment owners to maintain additional liability insur-
6 ance for their respective apartments.

7 *Separate account for premiums*

8 §9.03. All premiums for insurance herein required to
9 be obtained by the Board on behalf of the Association shall be a
10 common expense to be paid by monthly assessments thereof, and
11 such payments shall be held in a separate escrow account of the
12 Association and used solely for the payment of such premiums as
13 the same become due.

14 *Uninsured casualty*

15 §9.04. In case at any time or times any improvements
16 of the Project shall be substantially damaged or destroyed by
17 any casualty not herein required to be insured against, whether
18 to rebuild, repair or restore such improvements shall be deter-
19 mined by vote of seventy-five percent (75%) of the apartment
20 owners. Any such approved restoration of the common elements
21 shall be completed diligently by the Association at its common
22 expense, and the apartment owners shall be solely responsible
23 for any restoration of their respective apartments so damaged or
24 destroyed.

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ARTICLE X
EMINENT DOMAIN
Condemnation

§10.01. In case at any time or times the Project or any part thereof shall be taken or condemned by any authority having the power of eminent domain, all compensation and damages for or on account of any land or any improvements of the Project shall be payable to such bank or trust company authorized to do business in Guam as the Board shall designate as trustee for all apartment owners and mortgagees affected thereby according to the loss or damages to their respective apartments and appurtenant common interests and easements and shall be used promptly by the Board to the extent necessary for restoring or replacing such improvements on the remaining land according to plans therefor first approved as herein provided, *unless* the Association by a vote of not less than seventy-five percent (75%) of the apartment owners, determines within a reasonable time after such taking or condemnation that such restoration or replacement is impracticable in the circumstances, in which event the Board, on behalf of the Association and at the Association's common expense shall remove all remains of such improvements so taken or condemned and restore the site thereof to good orderly condition and even grade, and shall equitably distribute the remaining proceeds from such condemnation or taking to the apartment owners and mortgagees affected thereby according to the loss or damage to their respective apartments and appurtenant common

1 interests and easements.

2 ARTICLE XI

3 ALTERATION AND MAINTENANCE

4 *Alteration of Project*

5 §11.01. Restoration or replacement of the Project or
6 any building thereof, or construction of any additional building
7 or structural alterations or additions to any building, differ-
8 ent in any material respect from the Condominium Map, shall be
9 undertaken by the Association or any apartment owner only pur-
10 suant to an amendment of this Declaration, duly executed by or
11 pursuant to vote of *all* the apartment owners and accompanied
12 by the written consent of the holders of all liens affecting any
13 of the apartments, and in accordance with complete plans and
14 specifications therefor first approved in writing by the Board,
15 and promptly upon completion of such restoration, replacement,
16 or construction, the Association shall duly record such amend-
17 ment in the office of the Recorder, Guam, together with a com-
18 plete set of floor plans of the Project as so altered, certified
19 as built by a registered architect or professional engineer.

20 *Certain work prohibited*

21 §11.02. No apartment owner shall do any work which
22 would jeopardize the soundness or safety of the Project, reduce
23 the value thereof, violate the uniform external appearance of
24 the apartment building, or impair any easement or hereditament,
25 nor may any apartment owner add any material structure *without*
26 in every such case the unanimous consent of all the other apart-

1 ment owners being first obtained; *provided*, however, that
2 additions to or alterations of an apartment made within such
3 apartment or within a limited common element appurtenant to and
4 for the exclusive use of the apartment shall require approval
5 only by the Board.

6 *Maintenance reserve fund*

7 §11.03. The Board shall establish and maintain a main-
8 tenance reserve fund by the assessment of and payment by all the
9 apartment owners in equal monthly installments of their respec-
10 tive proportionate shares of such reasonable annual amount as
11 the Board may estimate as adequate to cover each apartment
12 owner's obligations to provide for utilities, insurance, mainte-
13 nance and repair of the common elements, and other expenses of
14 administration of the Project, which shall be deemed conclu-
15 sively to be a common expense of the Project. The Board may
16 include reserves for contingencies in such assessment, and such
17 assessment may from time to time be increased or reduced at the
18 discretion of the Board. The proportionate interest of each
19 apartment owner in said fund cannot be withdrawn or separately
20 assigned but shall be deemed to be transferred with such apart-
21 ment even though not expressly mentioned or described in the
22 conveyance thereof. In case the horizontal property regime
23 hereby created shall be terminated or reconstituted, said fund
24 remaining after full payment of all common expenses of the Asso-
25 ciation shall be distributed to all apartment owners in their
26 respective proportionate shares *except* for the owners of any

1 apartments then reconstituted as a new horizontal property
2 regime.

3 ARTICLE XII

4 MISCELLANEOUS

5 *Amendment of Declaration*

6 §12.01. *Except* as otherwise provided herein or in
7 the Horizontal Property Act, this Declaration may be amended by
8 a vote of a majority of apartment owners effective only upon the
9 recording of an instrument setting forth such amendment and vote
10 duly executed by such owners or by the proper officers of the
11 Association; *provided*, however, that Developer reserves the
12 right to amend this Declaration *without* the consent or joinder
13 of persons then owning or leasing the apartments by filing an
14 amendment to this Declaration pursuant to the provisions of
15 §1282 of the Horizontal Property Act, after completion of the
16 building described herein by attaching to such amendment a veri-
17 fied statement of a registered architect or professional engi-
18 neer certifying that the final plans theretofore filed or being
19 filed simultaneously with such amendment fully and accurately
20 depict the layout, location, apartment numbers and dimensions of
21 the apartments as built.

22 *Definitions*

23 §12.02. The term "apartment" also includes the "com-
24 mercial spaces" when the context so requires. The terms "major-
25 ity" or "majority of apartment owners" herein means the owners
26 of apartments to which are appurtenant more than fifty percent

1 (50%) of the common interest, and "any specified percentage of
2 the apartment owners" means the owners of apartments to which
3 are appurtenant such percentages of the common interest.

4 *Developer's units and privileges*

5 §12.03. The Developer shall have the right to transact
6 any business necessary to consummate sales of units, including
7 but not limited to the right to maintain models, have signs,
8 employees in the offices, use the elevators and common ele-
9 ments, and to show apartments. Sales office, signs and all
10 items pertaining to sales shall not be considered common ele-
11 ments, and remain the property of the Developer. In the event
12 there are unsold apartments, Developer retains the right to be
13 the owner of unsold apartments under the same terms and condi-
14 tions as all other apartments owners in said condominium, and
15 Developer, as apartment owner, shall contribute to the common
16 expenses in the same manner as other apartment owners, provided,
17 however, if the Developer retains any of said apartments, it may
18 rent them on any basis, notwithstanding anything to the contrary
19 which may be contained in this Declaration of Condominium.

20 *Easement*

21 §12.04. The Developer has reserved an easement through
22 the Property for egress, ingress, and utility lines to serve Lot
23 1, Block 8, situated on the back side of the Property.

24 *Latent defects*

25 §12.05. Developer hereby agrees to take no action
26 which would adversely affect the rights of the Association or

1 the apartment owners with respect to assurances against latent
2 defects in the Property or other right assigned to the Associa-
3 tion by reason of the establishment of this horizontal property
4 regime.

5 *Severability*

6 §12.06. The provisions of this Declaration shall be
7 deemed independent and severable, and the invalidity or partial
8 invalidity or unenforceability of any one (1) provision or por-
9 tion hereof shall not affect the validity or enforceability of
10 any other provision hereof.

11 *Captions*

12 §12.07. The captions to this Declaration and of its
13 index are inserted only as a matter of convenience and for
14 reference and in no way define, limit, or describe the scope of
15 this Declaration or the intent of any provision hereof.

16 *Law controlling*

17 §12.08. This Declaration, the condominium map, and the
18 Bylaws shall be construed and controlled by and under the laws
19 of Guam.

20 *Effective date*

21 §12.09. This Declaration shall take effect when
22 recorded.

23 *Execution*

24 IN WITNESS WHEREOF, the Developer has executed these
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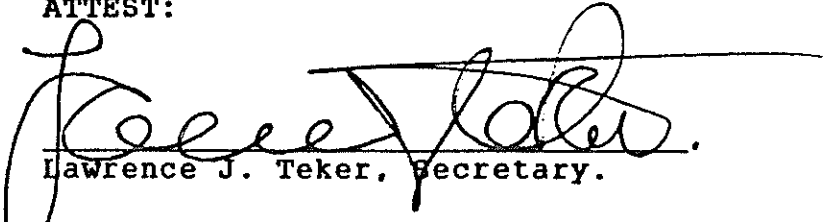
1 presents this 3rd day of January, 1989.

HATSUHO INTERNATIONAL, INC.,
Developer,

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3
4)SEAL(

by Toyomichi Kawano
Toyomichi Kawano,
General Manager.

7 ATTEST:

8 
9 Lawrence J. Teker, Secretary.

12 TERRITORY OF GUAM.)
(ss.:
13 City of Agana.)

14 On this 3rd day of January, 1989, before me,
15 CECILIA M.A. MAFNAS, a notary public in and for the territory of
16 Guam, personally appeared TOYOMICHI KAWANO, known to me to be
17 the General Manager of of HATSUHO INTERNATIONAL, INC., who exe-
18 cuted the foregoing Declaration of Horizontal Property Regime,
19 and he acknowledged to me that such corporation executed the
20 same.

21 IN WITNESS WHEREOF, I have hereunto set my hand and
22 affixed my official seal the day and year first above written.

24)SEAL(

Cecilia M.A. Mafnas
CECILIA M.A. MAFNAS,
Notary public in and for the
territory of Guam. My commission
expires: July 15, 1992.

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Description of the Property
[§1.01 of the Declaration]

Lot No. 2, Block 8, Fifth Increment Jonestown Block Subdivision, Tract 108, Subdivision of Lot No. 5172-3-4-1, Dededo, Guam, containing an area of 19,860.5 square meters, as shown on Drawing No. PRB86-16, and recorded at the Department of Land Management as Instrument No. 388116.

Exhibit A

GAYLE & TEKER
A PROFESSIONAL CORPORATION
AGANA BAY BUILDING
220 EAST MARINE DRIVE
AGANA, GUAM 96910
TELEPHONE (671) 477-9891