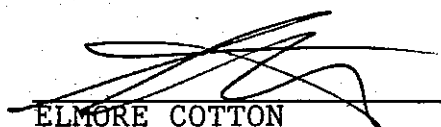


CERTIFICATE OF AMENDMENT OF
DECLARATION OF HORIZONTAL PROPERTY REGIME OF
YPAO GARDEN CONDOMINIUM

Registration No. 15

We, the undersigned, the Board of Directors of the Homeowners Association of Ypao Garden Condominium, including the President and Secretary thereof, certify that the following Amendment to the Declaration was unanimously adopted at meetings of the Board of Directors and the Homeowners of the corporation, duly called, noticed on May 30, 1987, and ninety-six percent (96%) of the Homeowners attended and the attached copy is true and correct:


ELMORE COTTON


HARUKO COTTON


CARL DOMINQUEZ

ATTEST:


Secretary.

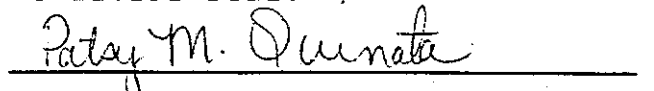
Secretary.

)SEAL(

Agana, Guam)ss.:

BEFORE ME, a Notary Public in and for the Territory of Guam, personally appeared the above signatories, known to me to be the persons whose names are subscribed to the foregoing instrument and acknowledged to me that they executed the same of their own free will.

WITNESS my hand and official seal.


NOTARY PUBLIC
In and for the Territory of Guam.
My commission expires:
PATSY M. QUINATA
NOTARY PUBLIC
In and for the Territory of Guam
My Commission Expires: August 20, 1991

)SEAL(

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AMENDED DECLARATION OF HORIZONTAL PROPERTY REGIME

OF

YPAO GARDEN CONDOMINIUM

Registration No. 15

WHEREAS, MARGARITA H. INOCENTES, a married woman, of 1633 Scenicview Drive, San Leandro, California 94577, ("Lessor"), owns in fee simple certain real property described in Exhibit A, attached hereto and incorporated herein by reference (the "Property"); and

WHEREAS, Lessor has leased the Property to H. HSIA, ("Lessee"), by that certain lease dated March 13, 1972, and recorded at the office of the Recorder, Territory of Guam, under Instrument No. 110349, ("said lease"); and

WHEREAS, said Lease was then modified by a written amendment thereto, dated February 8, 1973, and recorded at the office of the Recorder, Territory of Guam, under Instrument No. 221496; and

WHEREAS, said lease was then assigned by Lessee to MICRONESIA INDUSTRIAL CORPORATION, a Guam corporation, ("Sublessor"), by assignment dated May 4, 1973, and recorded at the office of the Recorder, Territory of Guam, under Instrument No. 224889; and

WHEREAS, said lease was then again modified by a written amendment thereto, dated September 17, 1974, and recorded at the office of the Recorder, Territory of Guam, under Instrument No. 240817, (all future references herein to the master lease shall mean said lease as modified; and

WHEREAS, Sublessor had undertaken to improve

the Property under the terms of the master lease by constructing thereon three (3) three-storey apartment buildings containing a total of fifty-four (54) two-bedroom and one (1) three-bedroom apartment units and parking area in accordance with plans incorporated herein by reference and recorded herewith as Condominium Map No. 241091 at the office of the Recorder, Territory of Guam;

WHEREAS, the original Declaration was recorded with the Department of Land Management under Document Number 241140.

WHEREAS, the Final Report was recorded with the Department of Land Management under Document Number 242685.

WHEREAS, the First Supplementary Final Report was issued on October 10, 1985 and filed under Document No. 364390.

WHEREAS, the Second Supplementary Final Report was issued on January 30, 1986 and filed under Document No. 368329.

WHEREAS, MOE AND MAE DEVELOPMENT CO., a Guam corporation, hereinafter called "Developer" has purchased the forty-one (41) units which were not sold by MICRONESIA INDUSTRIAL CORPORATION

NOW, THEREFORE, in order to create a condominium project consisting of the Property and improvements, (the "Project"), and to be known as YPAO GARDEN APARTMENT, MOE AND MAE DEVELOPMENT CO. SUBMITS the Property and all of its interest therein to the horizontal property regime established by the Horizontal Property Act, Title VI, Part IV, Division II, Civil Code of Guam, and in furtherance thereof make the following declaration as to divisions, limitations, restrictions, covenants, and conditions, and hereby DECLARE and AGREE that the Property is held and shall be held, conveyed, mortgaged, encumbered, leased,

rented, used, occupied and improved SUBJECT to said DECLARATIONS, which declarations shall constitute covenants running with the land and shall be binding on and for the benefit of the parties hereto, their respective successors and assigns, and all subsequent owners and lessees of all or any part of the Project and their respective successors, heirs, executors, administrators, and assigns:

Section 1. Division of Project: The Project is hereby divided into the following separate and freehold estates:

1.1. Apartments: Fifty-five (55) separately designated and described freehold estates consisting of each of the fifty-five (55) apartment units, (and also the concreted lanai area immediately outside of the glass doors appurtenant to each apartment unit on each floor of the Buildings I and II), which spaces, (including the lanai) are defined and referred to herein as "apartments", and are designated on said plans and are described as follows:

1.1.1. Number, Located and Room Numbers: There are fifty-four (54) two-bedroom and one (1) three-bedroom units located in three (3) three-storey reinforced concrete and masonry buildings with no basements. One (1) three-storey building is designated Building I and has twenty-five (25) apartment units, seven (7) on the ground floor and nine (9) on the second and third floors. The second three-storey building is designated Building II and has twenty-four (24) apartment units, eight (8) on

each floor. The third three-storey building is designated Building III and has six (6) apartment units, two (2) on each floor. The apartments in Building I are numbered as follows:

First (ground) Floor:

102, 103, 104, 105, 106-107, 108, 109;

Second Floor:

201, 202, 203, 204, 205, 206, 207, 208, 209;

Third Floor:

301, 302, 303, 304, 305, 306, 307, 308, 309.

The apartments in Building II are numbered as follows:

First (ground) Floor:

110, 111, 112, 113, 114, 115, 116, 117;

Second Floor:

210, 211, 212, 213, 214, 215, 216, 217;

Third Floor:

310, 311, 312, 313, 314, 315, 316, 317.

The apartments in Building III are numbered as follows:

First (ground) Floor:

A1, B1;

Second Floor:

A2, B2;

Third Floor:

A3, B3.

1.1.2. Floor Plans: Each of the apartments contains a number of rooms and approximate gross floor

area according to its respective plan, which plans are designated Plans A, B, C, D, E and F as follows:

Plan A. Two (2) apartments (201 and 301). Each contains six (6) rooms, including one (1) living-dining room, two (2) bedrooms, two (2) bathrooms, one (1) kitchen and one (1) enclosed lanai, and a net floor area (including the lanai) of 793 square feet.

Plan B. Twenty-three (23) apartments (102, 202, 302, 104, 204, 304, 206, 306, 108, 208, 308, 101, 210, 310, 112, 212, 312, 114, 214, 314, 116, 216 and 316 in Buildings I and II). Each contains six (6) rooms, including one living-dining room, two (2) bedrooms, two (2) bathrooms, one (1) kitchen, and one (1) unenclosed lanai, and a net floor area (including the lanai) of 825 square feet.

Plan C. Twenty-three apartments (103, 203, 303, 105, 205, 305, 207, 307, 109, 209, 309, 111, 211, 311, 113, 213, 313, 115, 215, 117, 217 and 317 in Buildings I and II). Each contains six (6) rooms, including one (1) living-dining room, two (2) bedrooms, two (2) bathrooms, one (1) kitchen and one (1) unenclosed lanai, and a net floor area (including the lanai) of 825 square feet.

Plan D. Three (3) apartments (A1, A2, and A3 in Building III). Each contains five (5) rooms,

including one (1) living-dining room, two (2) bedrooms, one (1) bathroom, one (1) kitchen, and a net floor area of 684 square feet.

Plan E. Three (3) apartments (B1, B2 and B3 in Building III). Each contains five (5) rooms, including one (1) living-dining room, two (2) bedrooms, one (1) bathroom, one (1) kitchen, and a net floor area of 684 square feet.

Plan F. One (1) apartment (106-107 in Building I). It contains twelve (12) rooms, including one (1) living-dining room, one (1) family room, one (1) kitchen, one (1) laundry room, three (3) bedrooms, three (3) bathrooms, and two (2) unenclosed lanais, and a net floor area (including the lanais) of 1651 square feet.

The immediate common elements to which the apartments have access are: (i) The concrete walkways running across the faces of the buildings and connected to the stairways and elevator structure in the case of apartments on the upper floors of Buildings I and II; and (ii) the concrete walkway running along the faces of the buildings and the grounds next to the lanais in the case of the ground floor apartments of Buildings I and II.

1.1.3 Access: Each of the apartments in Buildings I and II has immediate access to the corridors and entrances of the respective buildings, the staircases and elevator connecting the three (3) floors of said buildings and the walkways connecting said buildings with the parking areas

and street entrances adjacent to the Property. Each of the apartments in Building III has immediate access to the corridor and entrance of the buildings, the staircase connecting the three (3) floors, and the walkways connecting said building with the parking area and street entrances adjacent to the property.

1.1.4 Included Within Apartments: The respective apartments shall not be deemed to include the undecorated or unfinished surfaces of the perimeter walls or interior load-bearing walls, the floors and ceilings surrounding each apartment, or any pipes, wires, conduits, or other utility lines running through each apartment which are utilized for or serve more than one (1) apartment, the same being deemed common elements as hereinafter provided. Each apartment shall be deemed to include all the walls and partitions which are not load-bearing within its perimeter walls, the inner decorated or finished surfaces of all walls, floors, and ceilings, and the built-in used fixtures including, without limitation, ranges, garbage disposal units, range hoods and refrigerators.

1.2 Common Elements: A leasehold estate consisting of all remaining portions of the Property being described and referred to herein as "common elements", which definition includes the apartment buildings, and the land in the Property on which they are located and all elements mentioned in the Horizontal Property Act which are actually constructed on the Property, and specifically includes, but is not limited to:

1.2.2 Parking Stalls: Twenty-six (26) separately designated and described parking stalls, as such stalls are hereinafter described in §1.3.1, infra, for the use of guests and visitors to the Project.

1.2.3. Building Elements: All foundations, floor slabs, columns, supports, load-bearing walls, roofs, driveways, entries, stairways, walkways, entrances and exits of the buildings;

1.2.4. Grounds and Facilities: All yards, grounds, landscaping walls, mail boxes and refuse facilities;

1.2.5. Fixtures: All pipes, cables, conduits, ducts, electrical equipment, wiring, fan-coiled air conditioning system, water heating system, and other central and appurtenant installations over, under and in the Project which serve more than one (1) apartment for services such as and including power, light, water, gas, sewer, telephone and television signal transmission, if any;

1.2.6. Offices: The lobby and manager's office in Building I designated as unit 101;

1.2.7. Laundry: The laundry and utility building;

1.2.8. Tennis Courts: The tennis courts and appurtenant installations and apparatus;

1.2.9. Elevators: The one elevator, elevator shaft and well, and appurtenant installations and apparatus;

1.2.10 Swimming Pool: The swimming pool and surrounding recreation area;

1.2.11. Other Personal Property: All articles of personal property acquired for common use in the operation

or maintenance of the common elements; and

1.2.12. Other Parts of Property: All other parts of the Property existing for the common use or necessary to the existence, maintenance, and safety of the buildings, or normally in common use.

1.3. Limited Common Elements: Certain parts of the common elements, herein called and designated "limited common elements", are hereby set aside and reserved for the exclusive use of certain apartments, and such apartments shall have appurtenant thereto an exclusive easement for the use of such limited common elements. The limited common elements so set aside and reserved are those which are rationally related only to a single building as against the other buildings on the Property, or are rationally related only to Building I as against Buildings II and II and vice versa, to the extent of such rational relationship. In addition, two (2) parking stalls are appurtenant to the apartments as assigned, and are further described:

1.3.1. Parking Stalls: One Hundred Ten (110) separately designated and described parking stalls, which maybe marked with the apartment number of the apartment to which it is assigned and appurtenant, and the air spaces above them, for the parking of motor vehicles;

1.3.2. Lockers: Some units of buildings I and II have storage lockers marked with the apartment number to which they are assigned.

Section 2. Common Interest: Each apartment shall have appurtenant thereto an undivided percentage

interest in all common elements of the Project (herein called the "common interest"). The common interest shall be as follows:

1.7509% common interest in the common elements for each apartment in Plan A;

1.8216% common interest in the common elements for each apartment in Plan B;

1.8216% common interest in the common elements for each apartment in Plan C;

1.5102% common interest in the common elements for each apartment in Plan D;

1.5102% common interest in the common elements for each apartment in Plan E;

3.6453% common interest in the common elements for the apartment in Plan F.

The common interest and the proportionate shares in the profits and common expenses of the Project shall be allocated on the basis of the foregoing percentages. As to the proportionate representation for voting purposes in the Association of Apartment Owners of the Project, the voting shall also be in the foregoing percentages. 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.

Section 3. Easements: 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 following easements:

3.1 Common Elements Easements: Each apartment shall have appurtenant thereto non-exclusive easements in the common elements designated 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 its building or structure for support.

3.2 Encroachments: 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 any buildings 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.

3.3 Right of Association to Enter: The Association of Apartment Owners shall have the right, to be exercised by its Board of Directors or the Managing Agent, to enter each apartment and the limited common elements from time to time during reasonable hours as may be necessary for the operation of the Project or for making emergency repairs therein necessary to prevent damage to any apartments or common elements.

Section 4. Alteration and Transfer of Interests:

The common interest and easements appurtenant to each apartment shall have a permanent character except as otherwise stated herein and shall not be altered without the consent of all the apartment owners affected, expressed in an amendment to this Declaration duly recorded. The common interest and easements shall not be separated from the apartment to which they appertain and shall be deemed to be conveyed, leased, or encumbered with such apartment even though such interest or easements are not expressly mentioned or described in the conveyance or other instrument.

Section 5. Partition: The common elements shall remain undivided, and no right shall exist to partition or divide any part thereof except as provided as said Horizontal Property Act.

Section 6. Use: The apartments may be occupied and used as private dwellings by the respective owners thereof, their tenants, families, domestic servants and social guests. The apartments may also be sold or leased for time sharing as allowed by the applicable laws and regulations of the Government of Guam and any incidental use related to time sharing including hotel use. The owners of the respective apartments shall have the absolute right to lease such apartments, subject to all provisions of this Declaration.

Section 7. Association of Apartments Owners: Administration of the Project shall be vested in its

Association of Apartment Owners, (the "Association"), consisting of all apartment owners of the Project in accordance with the Bylaws of the Association and the House Rules. The owner of any apartment upon acquiring title thereto shall automatically become a member of the Association and shall remain a member thereof until such time as his ownership in the Association shall automatically cease, provide, however, that to such extent and for such purposes, including the exercise of voting rights, as may be provided by lease of any apartment filed with the Board of Directors of the Association, (the "Board"), the lessee of such apartment shall be deemed to be the owner thereof.

Section 8. Administration of the Project:

8.1 Operation of Project: Operation of the Project and maintenance, repair, replacement, and restoration of the common elements, and any additions and alterations thereto, shall be in accordance with the provisions of said Horizontal Property Act, this Declaration, and the Bylaws of the Association, and, specifically, but without limitation, the Association shall:

8.1.1. Maintenance of Fences, etc.: Make, build, maintain, and repair all fences, sewers, drains, roads, curbs, sidewalks, and parking areas which may be required upon or adjoining or in connection with or for the use of the Project or any party thereof.

8.1.2. Sanitary Condition: Keep all common elements of the Project in a strictly clean and sanitary

condition, and observe and perform all laws, ordinances, rules, and regulations, now or hereafter made by an governmental authority for the time being applicable to the Project or the use thereof.

8.1.3. Repair: Well and substantially repair, maintain, amend, and keep all common elements of the Project, including, without limitation, the buildings thereof, with all necessary reparations and amendments whatsoever in good order and condition except as otherwise provided herein, and maintain and keep the Property and all adjacent land between any street boundary of the Project and the established curb or street line in a neat and attractive condition, and all trees, shrubs, and grass thereon in good cultivations, and replant the same as may be necessary, and repair and make good all defects in the common elements of the Project herein required to be repaired by the Association, of which notice shall be given by any owner or his agent, within thirty (30) days after the giving of such notice.

8.1.4. Performance Bond: Before commencing or permitting construction of any improvement on the Project, obtain and deposit with Developer a bond or certificate thereof naming as obligees Lessor and Developer and collectively all other apartment owners as their interest may appear, in a penal sum not less than one-half of the cost of such construction, and with a corporate surety satisfaction to Developer, which would guarantee completion of such construction free and clear of all mechanics' and

materialmen's liens.

8.1.5. Setback Lines: Observe any setback lines affecting the Project and not erect, place, or maintain any building or structure whatsoever except approved fences or walls between any boundary of the Project.

8.1.6. Plans Required: Not erect or place on the Property any building or structure, including fences and walls, nor make additions or structural alterations to, or exterior changes of, any common elements of the Project, nor place or maintain thereon any signs or bills visible outside of the Project, except in accordance with plans and specifications, including detailed plot plan, prepared by a licensed architect or registered engineer, if so required by Developer, first approved in writing by Developer and also approved by a majority of apartment owners (or such larger percentage required by law or this Declaration), including all owners of apartments thereby directly affected, and complete any such improvements diligently after the commencement thereof.

8.1.7. No Waste: Not make or suffer any stripping or waste or unlawful, improper, or offensive use of the Project.

8.1.8. Elevator Contract: Keep in full force and effect at all times an elevator contract covering the maintenance and replacement of parts for the elevator and its related equipment, or if such contract is allowed to expire, accrue to the maintenance reserve fund such additional amount as shall be sufficient to provide for

deferred maintenance and future replacement of such elevator parts and related equipment.

8.1.9 No Outside Antennas: Not erect, place or maintain any television or other antennas on the Project visible from any point outside of the Project, except for a master television antenna for the benefit of the entire Project.

Section 9. Managing Agent: Operation of the Project shall be conducted for the Association by a responsible corporate Managing Agent who shall be appointed by the Association in accordance with the Bylaws. The Managing Agent is hereby authorized to receive service of legal process in all cases provided in said Horizontal Property Act. The initial Managing Agent shall be REALTY MANAGEMENT who is authorized to receive service of legal process in all cases provided in said Horizontal Property Act prior to appointment of a Managing Agent by the Association.

Section 10. Common Expenses: All charges, costs, and expenses whatsoever incurred by the Association for or in connection with the administration of the Project, including, without limitation thereof, operation of the Project and maintenance, repair, replacement, and restoration of the common elements, any additions and alterations thereto, all labor, services, materials, supplies, and equipment therefor, all liability whatsoever for loss or damage arising out of or in connection with the common elements, or any accident or fire on the common elements

or any nuisance thereon, and all premiums for hazard and liability insurance herein required with respect to the Project, shall constitute common expense of the Project, for their respective proportionate shares of which the apartment owners shall be severally liable. Rent, special assessments and real property taxes referred to in Section 1292 of the Horizontal Property Act, shall not be common expenses of the horizontal property regime hereby created and no payments thereof shall be payments of such common expenses. The Board shall from time to time assess the common expenses against all the apartments in their respective proportionate shares.

Section 11. Waiver of Use of Common Elements:

No apartment owner may except himself from liability for his contribution to the common expenses by waiver of the use or enjoyment of any of the common elements or by abandonment of his apartment.

Section 12. Compliance with Declaration, Bylaws and Decisions: All apartment owners, their tenants, families, servants and guests, and any other persons who may in any manner use the Project or any part thereof, shall be bound by, and shall comply strictly with the provisions of this Declaration, the Bylaws of the Association and all agreements, decisions and determinations of the Association as lawfully made or amended from time to time, and failure to comply with any of the same shall be grounds for an action to recover sums due, for damages, or injunctive relief, or both, maintainable by the Managing Agent or

Board on behalf of the Association, or, in a proper case, by an aggrieved apartment owner. In addition, the Association shall send written notification to the mortgagee of an apartment or of an apartment lease demising the same of any default by the mortgagor of such apartment in the performance of such mortgagor's obligations hereunder, which is not cured with thirty (30) days.

Section 13. Unpaid Common Expenses Constitute Lien: All sums assessed by the Association but unpaid for the share of the common expenses chargeable by any apartment shall constitute a lien on such apartment prior to all other liens except only (i) all sums secured by mortgages of record.. Such lien may be foreclosed by suit by the Association or Managing Agent, acting on its behalf, in like manner as a mortgage of real property, providing that thirty (30) days' prior written notice of the intention to foreclose shall be mailed, postage prepaid, to Lessor, Sublessor, and all persons having an interest in such apartment as shown in the Association's record of ownership. The Managing Agent, acting on behalf of the Association pursuant to directions of its Board and Sublessor, shall have the power to bid in such apartment at foreclosure sale and to acquire, hold, lease, mortgage, and conveyed such apartment. Suit to recover a money judgment for unpaid common expenses, shall be maintainable without foreclosing or waiving the lien securing the same. In any such suit, the prevailing party shall be entitled to attorney's fees and costs.

Section 14. Acquisition by Foreclosure: Where the mortgagee of a mortgage of record or other purchaser