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Subject to further revision.

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DECLARATION OF RESIDENTIAL COVENANTS, CONDITIONS AND RESTRICTIONS

FOR THE PALISADES

This Declaration of Covenants, Conditions and Restrictions for The Palisades, a residential subdivision (this "Declaration") is made effective this ____ day of May, 2025, by Tasi Vista Development, LLC, a Guam limited liability company ("Declarant").

Article One RECITALS

- A. The Property subject to this Declaration is the property legally described as Tract 1333, Municipality of Mongmong, Toto, Maite as shown on **Exhibit A** attached hereto.
- B. Declarant intends to develop the Property in accordance with existing development approvals obtained from the Government of Guam or any other development plan for which Declarant may from time to time obtain approval.

Article Two DECLARATION

1.1. Property Covered. The property subject to this Declaration is legally described on Exhibit A attached hereto and incorporated herein by this reference ("Property"). The covenants, conditions, and restrictions contained in this Declaration are hereinafter called "Restrictions".

1.2. Excluded Property. Notwithstanding anything herein to the contrary, the Property shall not include the following lots described more fully as:

- a. Lot R21, Block 1, Tract 1333, Municipality of Mongmong, Toto, Maite, Territory of Guam, Suburban, as said lot is marked and designated on Drawing Number DCAI-S-18-118, as L.M. Check Number 135-FY2019, as described in that Subdivision Survey Map of Tract 1333 (Formerly Lot 2056NEW) (Palisades Subdivision), dated September 09, 2024 and recorded September 17, 2024, at the Records Division, Department of Land Management, Government of Guam, under Document Number 1002108. Area: 5,134 ± square meters
- b. Lot R16, Block 2, Tract 1333, Municipality of Mongmong, Toto, Maite, Territory of Guam, Suburban, as said lot is marked and designated on Drawing Number DCAI-S-18-118, as L.M. Check Number 135-FY2019, as described in that Subdivision Survey Map of Tract 1333 (Formerly Lot 2056NEW) (Palisades Subdivision), dated September 09, 2024 and recorded September 17, 2024, at the Records Division, Department of Land Management, Government of Guam, under Document Number 1002108. Area: 11,260 ± square meters

1.3. Purpose of Declaration. The purpose of this Declaration is to subject the Property to the Restrictions to (i) insure the enhancement and preservation of property values, (ii) provide for the proper design, development, improvement and use of the Property by Declarant and all other persons or entities who may subsequently acquire an interest in the Property and (iii) create a residential single family development in which the aesthetic features and distinctive geographic beauty of the Property will be substantially preserved for the enjoyment and benefit of all persons living within the Development.

1.4. Declaration. Declarant hereby declares that the Property and each lot, tract or parcel thereof, shall be held, sold, conveyed, encumbered, hypothecated, leased, used, occupied and improved subject to the

Restrictions, all of which are declared and agreed to be for the protection, maintenance, subdivision, improvement and sale of the Property or any Lot therein, and to enhance the value, desirability and attractiveness thereof. These Restrictions shall run with the land constituting the Property and each estate therein and shall be binding upon all persons having or acquiring any right, title or interest in the Property or any Lot therein; shall inure to the benefit of every Lot in the Property and any interest therein and shall inure to the benefit for and be binding upon Declarant and each Owner, and each successor in interest of each; and may be enforced by Declarant, any Owner, and/or by the Association.

1.5. Declarant's Rights. Notwithstanding the foregoing, no provision of this Declaration shall be construed or enforced to prevent or limit Declarant's right to complete development of the Property in accordance with the plan therefor as the same exists or maybe modified from time to time by Declarant nor prevent normal construction activities during the construction of Improvements upon any Lot in the Property. No development or construction activities shall be deemed to constitute a nuisance or violation of this Declaration by reason of noise, dust, presence of vehicles or construction machinery, erection of temporary structures, posting of signs or similar activities. In the event any dispute concerning the foregoing shall arise, a temporary waiver of the applicable provision(s) of this Declaration may be granted by the Architectural Committee provided that such waiver shall be for a reasonable period of time and shall not be violation of any law or regulation applicable to the Property. Any such waiver need not be recorded and shall not constitute an amendment of this Declaration.

1.6. Interpretation of Declaration. In the event of a conflict between the provisions of this Declaration and the requirements of the ordinances of the Government of Guam applicable to the Property, the more restrictive shall control.

Article Three DEFINITIONS

As used in this Declaration, unless the context otherwise specifies or requires, the following words and phrases shall be defined as follows:

3.1. Articles. The Articles of Incorporation of the Association, as they may be amended from time to time.

3.2. Architectural Committee or Committee. The Committee created by Declarant pursuant to Article Twelve.

3.3. Assessment. Regular Assessments, Special Assessments or Limited Assessments.

3.4. Association. The Palisades Owners Association, Inc., a Guam non-profit corporation, its successor and assigns.

3.5. Board. The duly elected and qualified board of directors of the Association.

3.6. Bylaws. The Bylaws of the Association, as they may be amended from time to time.

3.7. Common Area. All real property or interest therein (including the Improvements thereto) owned, held or maintained by the Association for the common use of the Owners including, without limitation, the guard house and related facilities at the entrance to the Property, storm water and/or drainage facilities, common landscaped areas, green areas, private streets or drives, and common parking areas.

3.8. Declaration. This instrument as it may be amended from time to time.

3.9. Declarant. The undersigned owner of the land comprising the Property, including a successor of the undersigned Declarant, which successor succeeds to the ownership of all of Declarant's interest in the whole of the Property.

3.10. Design Guidelines. The design guidelines and rules promulgated, published, amended and supplemented from time to time pursuant to Article Twelve.

3.11. Development. The project to be undertaken by Declarant resulting in the improvement of the Property, including landscaping, amenities, construction of roadways, utility services and other Improvements.

3.12. Dwelling Unit. The residential Improvements to be constructed on each Lot by Declarant.

3.13. Improvements. All structures, facilities or systems, and appurtenances thereto of all kinds and types, including but not limited to, Dwelling Units, roads, driveways, parking lots, sidewalks, walkways, bus stops, recreational areas, ponding basins, mailboxes, walls, fences, screens, landscaping, poles, signs, lighting, stormwater and/or drainage facilities, and fixtures of any kind whatsoever. Improvements shall not include those items which are located totally on the interior of a Dwelling Unit and cannot be readily observed when outside thereof.

3.14. Limited Assessment. A charge against a particular Owner and such Owner's Lot, directly attributable to the Owner, equal to the cost incurred by the Association in repair, maintenance or replacement performed pursuant to the provision of this Declaration including, without limitation, damage to the Common Area, or the failure of an Owner to keep such Owner's Lot or Dwelling Unit in proper repair.

3.15. Lot. A portion of the Property which is a legally described tract or parcel of land within the Property or which is designated as a Lot on any recorded subdivision Plat relating to the Property.

3.16. Maintenance Area. That portion of the Property which is not Common Area, but is owned or leased, adopted, operated, or maintained by the Association. Maintenance Area may be established from time to time by Declarant on any portion of the Property by describing such area on a recorded Plat, by granting or reserving it in a deed or other instrument, or by designating it as such in this Declaration or the Design Guidelines. In addition, the Association may acquire any Maintenance Area it deems necessary and/or beneficial to the Property and /or the Owners.

3.17. Member. Any person(s) who is an Owner of a Lot within the Property.

3.18. Mortgage. Any mortgage or deed of trust or other hypothecation of land located in the Property to secure the performance of an obligation or payment of a debt. Unless otherwise specifically provided, the reference to a "Mortgage" in this Declaration shall be limited to a "first Mortgage," including a "first deed of trust," on a Lot within the Property.

3.19. Mortgagee. The holder of a Mortgage or the beneficiary under a deed of trust encumbering a Lot within the Property.

3.20. Owner. A person or persons or other legal entity or entities, including Declarant, holding fee simple title to a Lot within the Property, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

3.21. Person. Any individual, partnership, corporation or other legal entity, including Declarant.

3.22. Plat. A final subdivision map covering any portion of the Property, as recorded in the office of the Recorder, Department of Land Management, Government of Guam, as the same may be amended by duly recorded amendment thereto.

3.23. Regular Assessment. The portion of the cost of maintaining, improving, repairing, managing and operating the Common Area, and Maintenance Area including all improvements thereon or thereto, and all other costs and expenses incurred to conduct the business and affairs of the Association which is levied against the Lot of each Owner by the Association, pursuant to the terms of this Declaration.

3.24. Special Assessment. That portion of the costs of the capital improvements or replacements, equipment purchases and replacements or shortages in Regular Assessments paid to the Association pursuant to the provisions of this Declaration.

Article Four GENERAL AND SPECIFIC RESTRICTIONS

4.1. Use. All Lots within the Property shall be used solely for residential purposes. Each Owner shall use, operate, maintain and repair such Owner's Lot in accordance with all applicable, federal and local laws, rules, regulations and ordinances, and shall not otherwise commit or allow any waste to occur in the Common Area, Maintenance Area, any Lot or any Dwelling Unit.

4.2. Dwelling Units. Only one (1) Dwelling Unit shall be constructed on each Lot, subject to the following restrictions:

- (a) Dwelling Units shall have 2,200 square feet of net living area, excluding garage space.
- (b) All Dwelling Units shall have a garage constructed for no less than 2 cars and no more than 4 cars.
- (c) All garages must be erected as part of the Dwelling Unit on each Lot.
- (d) All Dwelling Units shall have concrete roofs and walls.
- (e) All roofing materials shall be approved by the Architectural Committee.
- (f) All driveways and parking bays shall constructed of concrete, concrete aggregate, or asphalt unless the Architectural Committee approves another material in writing.
- (g) No Dwelling Unit shall be more than 2 stories in height, and shall not exceed thirty feet in height from the top of the floor of the first story to the underside of the ceiling of the second story.
- (h) All exterior painting shall be from among the paint colors approved by the Architectural Committee.
- (i) No fence or wall higher than six feet shall be erected or maintained along the opposing rear property line or along the side property line of any Lot. No chain link fence shall be erected or maintained on any Lot. The style and design of all fences and walls must be approved by the Architectural Committee.
- (j) No hedge higher than three feet shall be erected or maintained along the road side portion of a Lot.
- (k) Except for trees, no plants or shrubs higher than six feet shall be erected or maintained on any Lot. The height of any trees may be otherwise regulated by the Association.
- (l) No Owner shall do any work or construct any Improvement, including without limitation, any fence or wall, which shall alter or interfere with the drainage pattern as established in the subdivision and parcel maps of the Development.
- (m) Owners shall commence construction on the Improvements to be erected on each Lot within

- eighteen months from the date the Owner takes title to a Lot. Said construction shall be substantially completed within twelve months from the date the construction commences.
- (n) All Owners shall provide and maintain proper facilities to control storm water run-off onto adjacent properties and to insure that sediments do not enter the natural drainage system.
 - (o) All construction work performed on the exterior of any Improvement in the Development shall be performed between the hours of 8:00 a.m. and 6:00 p.m. on Monday through Friday. Construction work on the interior of buildings and houses may be performed on any day of the week during daylight hours. Building materials shall be stored only on the Lot for which the materials are being used. Building materials shall be stored off-site when not in use.
 - (p) No Lot shall be improved or used except by a Dwelling Unit or structure designed to accommodate no more than a single family plus a garage, and such other Improvements as are necessary or customarily incident to a single-family residence; provided, however, that separate guest houses or accessory dwelling units may be erected on any Lot in accordance with the Architectural Committee's guidelines as well as any and all applicable law. Exceptions to the square footage requirements may be made only if approved by the Declarant and the Architectural Committee in writing.

4.3. Approval of Use and Plans. No Improvements (including fences) shall be built, erected, placed or materially altered on the Property unless and until the building plans specifications have been reviewed and approved in writing by the Architectural Committee. The scope of the Architectural Committee's review and approval may include, without limitation, type, pitch and roof covering materials, lighting requirements, topography, finish ground elevations, architectural symmetry, landscaping, drainage, color, material design, physical or aesthetic impacts on Common Areas, and artistic conformity to the terrain and the other Improvement on the Property. This Declaration is not intended to serve as authority for the Architectural Committee to control the interior layout or design of Dwelling Units except to the extent incidentally necessitated by use and size restrictions.

4.4. Set-Backs. No Dwelling Unit or other structure (exclusive of fences and similar structures) shall be placed nearer to the Lot lines than permitted by the Plat and/or by any applicable zoning restriction or conditional use permit.

4.5. Antennae. All exterior radio antenna, television antenna, satellite dish antenna or other antenna of any type shall be screened by a fence, landscaping or similar structures in accordance with the Design Guidelines or as otherwise required to ensure the safety of the residents of the Project, except that screening shall not be required where it would be unreasonably delay installation or unreasonably increase the cost of installation, maintenance or use of the antennae, or preclude the reception on an acceptable quality signal. No antennae may be installed until after an Owner has received Architectural Committee approval for construction of Improvements on the Owner's Lot.

4.6. Animals. No animals, livestock or poultry of any kind shall be raised, bred, kept, or permitted within any Lot other than a reasonable number of domestic household pets which are not kept, bred, or raised for commercial purposes and which are reasonably controlled so as not to be a nuisance. Any inconvenience, damage or unpleasantness caused by such pets, including noise, shall be the responsibility of the respective Owners thereof. No dogs shall be permitted to roam the Property unattended, and all dogs shall be kept on a leash while outside a Lot. It is the sole responsibility and requirement of any pet owner to immediately clean up any pet waste deposited upon any Lot, Common Area, or Association maintained easement area. An Owner may be required to remove a pet from the Property upon the receipt of the third notice in writing from the Association of violation any rule, regulation, or restriction governing pets within the Property. A "reasonable number of domestic household pets" and the definition of "domestic household pets" shall be subject to rules adopted and approved by the Association in its sole

discretion.

4.7. Sewage Disposal Systems. No individual sewage disposal system shall be used on any Lot, including without limitation, septic tanks and/or cesspools.

4.8. Grading and Drainage. There shall be no interference with the established drainage pattern over any portion of the Property, unless an adequate alternative provision is made for proper drainage and is first approved in writing by the Architectural Committee. For the purposes hereof, "established" drainage is defined as the system of drainage, whether natural or otherwise, which exists at the time the overall grading of any portion of the Property is completed by Declarant, or that drainage which is shown on any plans approved by the Architectural Committee, which may include drainage from Maintenance Area or Common Area over any Lot in the Property. The Owner of any Lot in which grading or other work has been performed pursuant to a grading plan approved under applicable provisions of the Guam Code or by the Architectural Committee, shall maintain and repair all graded surfaces, drainage structures, means or devices which are not the responsibility of any public agency or the Association at such Owner's cost and expense.

4.9. Commercial Use Prohibited. No Lot shall be used at any time for commercial or business activity, provided, however, that Declarant or persons authorized by Declarant may use a Lot(s) for development and sales activities relating to the Property, model homes or real estate sales. The rental by an Owner of a Lot and the Improvements thereon for residential purposes shall not be a use in violation of this Section.

4.10. Mining and Drilling. No Lot shall be used for the purpose of mining, quarrying, drilling, boring or exploring for or removing water, steam, oil, gas or other hydrocarbons, minerals, rocks, stones, gravel or earth, except for an existing and future water wells.

4.11. Boats, Campers and Other Vehicles. The use of all vehicles, including but not limited to automobiles, trucks bicycles and motorcycles, shall be subject to Association rules and regulations, which may prohibit or limit the use thereof within the Property, provide parking regulations and other rules regulating the same. Without limiting the foregoing, trailers, mobile homes, trucks larger than standard pickups, boats, tractors, campers, garden or maintenance equipment and vehicles other than automobiles, when not in actual use, shall be kept at all times in an enclosed structure and at no time shall any of said vehicles or equipment be parked or stored on a public or private right-of-way within the Property. No operative vehicle or equipment shall be parked or stored for a period of seventy-two (72) consecutive hours on any portion of a Lot between the front of a Dwelling Unit and the abutting public or private right-of-way. No inoperative vehicle shall be parked or stored at any time on a Lot unless wholly within an enclosed structure. The primary purpose of the garage required on each Lot is for the parking and storage of automobiles and other vehicles (hereafter "automobiles"). No other use of a garage which prohibits or limits the use of a garage for the parking or storage of the number of automobiles for which it is designed shall be permitted. The Owner shall provide sufficient garage space or other enclosed parking approved by the Architectural Committee for an automobiles used by the Owners and occupants of a Lot, which automobiles shall be kept within the garage, and the parking thereof in the driveway on the Lot or in a public or private right-of-way within the Property, other than for temporary purposes (as determined by the Architectural Committee), is prohibited to the extent possible, garage doors shall remain closed at all times.

4.12. Exterior Energy Devices. No energy production device including, without limitation, generators of any kind and solar energy devices shall be constructed or maintained on any Lot without the prior written approval of the Architectural Committee.

4.13. Generators. No generator shall be constructed or maintained on any Lot which is less than 10KVA or greater than 20KVA or exceeds a decibel level of 65.

4.14. Nuisances. No noxious or offensive activity shall be carried on in any Dwelling Unit, Common Area, Maintenance Area or Lot, or shall anything be done therein which may be or become an annoyance or nuisance to other Owners or Persons. No rubbish or debris or any kind shall be placed or permitted to accumulate anywhere upon the Property, including the Common and Maintenance Area, and no odor shall be permitted to arise from any portion of the Property so as to render the Property or any portion thereof unsanitary, unsightly, offensive or detrimental to the Property or to its occupants or residents, or to any other property in the vicinity thereof or to its occupants or residents. No noise, no exterior fires, no obstructions of pedestrian walkways, no unsightliness, or other nuisance shall be permitted to exist or operate upon any portion of the Property so as to be to be offensive or detrimental to the Property or to its occupants or residents or to other property in the vicinity or to its occupants or residents, as determined by the Board, in its reasonable judgment, or in violation of any local law or ordinance. Without limiting the generality of any of the foregoing, no whistles, bells or other sound devices (other than security devices used exclusively for security purposes which have been approved by the Architectural Committee), flashing lights or searchlights, shall be located, used for placed on the Property. No unsightly articles shall be permitted to remain on any Lot so as to be visible from any other portion of the Property. Without limiting the generality of the foregoing, refuse, garbage, garbage cans (see also Section 4.20 for specific rules on garbage cans), dog houses, equipment, gas canisters, propane gas tanks, barbecue equipment, heat pumps, compressors, containers, lumber, firewood, grass, shrub or tree clippings, metals, bulk material, and scrap shall be screened from view at all times. No clothing or fabric shall be hung, dried or aired in such away as to be visible to any other portion of the Property. In addition, no activities shall be conducted on the Property, and no Improvements shall be constructed on any Property which are or might be unsafe or hazardous to any person or property.

4.15. Common and Maintenance Areas. Nothing shall be altered or constructed in or removed from the Common Area or Maintenance Area except upon written consent of the Board and in accordance with procedures required herein or by law.

4.16. Insurance. Nothing shall be done or kept in a Dwelling Unit, Lot, Maintenance Area or Common Area which will increase the rate of insurance on Maintenance Area, Common Area or any other Dwelling Unit without the prior written consent of the Board. Each Owner must maintain a homeowner's insurance policy insuring the homeowner and the related Dwelling Unit from loss by fire, typhoon, or all other loss or damage unless waived by the Association.

4.17. Signs. No signs of any kind shall be displayed on or from any portion of the Property, except those approved by the Architectural Committee, signs of Declarant or its representatives, agents, employees or assigns, or signs required by law. Notwithstanding the foregoing, one "for sale" sign may be displayed on the Owner's Lot for the sale of such Lot.

4.18. No Hazardous Activities. No activities shall be conducted on the Property and no Improvements shall be constructed on any Property which are or might be unsafe to person or property.

4.19. Subdivision. No Lot may be further subdivided unless expressly approved by Declarant and the Board.

4.20. Fence/Wall. No fence or wall of any kind shall be constructed on a Lot unless the plan and specifications therefore, including the location, design, material and color thereof, have been approved in writing by the Architectural Committee prior to the construction or installation. Fences and walls shall

not extend closer to any street than twenty feet (20) nor project beyond the front setback of the principal Dwelling Unit on the Lot, whichever is less. No fence higher than six feet (6') shall be allowed without the prior approval of the Architectural Committee. The type, design, material and finish of all privacy fences shall be as specified in the Design Guidelines. All fences and walls shall be constructed and installed and maintained in good appearance and condition at the expense of the owner of the Lot on which they are located and all damaged fencing and walls shall be repaired or replaced to original design, material and color within a reasonable time after said damage occurs. No fence or wall shall interfere with the use and enjoyment of any easement reserved in this Declaration or shown on a Plat of the Property. All fences and/or walls constructed on a Lot shall be in compliance with the ordinances of the Government.

4.21. Garbage Cans. No garbage cans or trash containers of any kind shall be placed along the roads abutting the Owner's Lot, or placed on any part of the Owner's Lot so that it can be seen from the road, unless placed there temporarily on the same day when the sanitation company is to pick up the trash. Unless placed temporarily outside for said pick-up, all garbage cans or other trash containers shall be hidden from view and stored within each Owner's Lot. The placement of garbage cans outside for pick-up must be done in accordance with the sanitation company's rules and regulations and must be secured with lids or covers.

4.22. Water Rights Appurtenant to Development. Declarant reserves unto itself any and all water rights appurtenant to the Property, and accordingly, Owners of any and all Lots shall have no right, title or interest in any of said water rights.

4.23. Exterior Maintenance; Owner's Obligations. Each Owner agrees to maintain all Improvements on the Owner's Lot in good condition and repair and no Improvement shall be permitted to fall into disrepair. In the event that any Owner shall permit any Improvement, including trees and landscaping, which is the responsibility of such Owner to maintain, to fall into disrepair so as to create a dangerous, unsafe unsightly or unattractive condition, or damages property or facilities on or adjoining such Owner's Lot, the Association, upon thirty (30) days prior written notice to the Owner of such Lot, shall have the right to correct such condition, and to enter upon such Owner's Lot for the purpose of doing so, and such Owner shall promptly reimburse the Association for the cost thereof. Such cost shall be a Limited Assessment and shall create a lien enforceable in the same manner as other Assessments as set for the herein. The Owner of the offending property shall be personally liable, and such Owner's property may be subject to a lien for all cost and expenses incurred by the Association in taking such corrective acts, plus all cost legal or otherwise incurred in collecting the amounts due. Each Owner shall pay all amounts due for such work within ten (10) days after receipt of written demand therefore, or the amounts may, at the opting of the Board, be added to the amounts payable by such Owner as Regular Assessments.

4.24. Interior Maintenance. Each Owner shall be responsible for all maintenance required for the interiors of the Owner's Dwelling Unit, including, without limitation, maintaining, repairing and replacing the electrical wiring and fixtures, plumbing pipes and conduits, all fixtures and appliances, whether built-in or freestanding, air conditioning, sewage disposal and interior fire protection systems and all amenities and hardware located therein. All damage to any Improvements shall be repaired by the relevant Owner as promptly as reasonable possible.

4.25. Vacant Dwelling Units. A Dwelling Unit which is vacant for any reason shall be kept locked and the windows glazed in order to prevent entrance by vandals. Vacant Dwelling Units and unimproved Lots shall not be exempt from the provisions of this Declaration.

4.26. Planting Strip. If applicable, Owner shall be responsible to maintain the planting strip paralleling his or her property line and all roads by cutting the grass thereon to maintain a neat, attractive, and clean

appearance.

4.27. Temporary Structures and Storage. No structure of a temporary character, trailer, tent, shack, garage, barn or other outbuilding may be used on any lot at any time as a residence, either temporarily or permanently. No Lot shall be used for the purpose of storing or parking any truck, trailer, or other temporary structure as defined or included herein.

Article Five EASEMENTS

5.1. Reservation of Easements. There are hereby reserved for the use and benefit of Declarant and granted for the use and benefit of each Lot, and for the use and benefit of each Owner, the Association, and their successors and assigns, for the purposes incident to such use, development and maintenance of the Property, the following easements:

5.1.1. For the installation and maintenance of public utility and drainage facilities of all kinds, including radio and television and transmission cables, and the easements so designated on the recorded Plat(s) for any portion of the Property.

5.1.2. For the purpose of permitting Declarant or the Association, their contractors and agents, to enter onto those portions of Lots contiguous to any Maintenance Area and Common Area to maintain, replace and restore landscaping and other Improvements within the Common Area and Maintenance Area.

5.1.3. Reciprocal appurtenant easements of encroachment, not to exceed one (1) foot, as between each Lot and such portion(s) of the Common Area and Maintenance Area adjacent thereto, or between adjacent Lots, due to the unintentional placement or settling or shifting of the improvements constructed thereon, easements of encroachment shall be valid so long as they exist and the rights and obligations of Owners shall not be altered in any way by said encroachments, settling or shifting; provided, however, that in no event shall a valid easement for encroachment occur due to the willful or negligent act or omission of an Owner.

5.1.4. For the purpose of permitting the Association, its contractors and agents, to enter upon the Lots within the Development and, if required, within the Dwelling Units, for the purpose of performing all maintenance, repair and replacement rights and duties set forth in this Declaration; provided, that entry upon a Lot or within a Dwelling Unit shall be at reasonable times and intervals with a minimum of inconvenience to the owners and the occupants of the Dwelling Unit(s). Any additional easements, if any, as shown and designated on a recorded Plat(s) for any portion of the Property. Declarant hereby reserves to the Association and for the benefit of the Lots reciprocal easements on, over and under said Maintenance Area, for the installation, operation, construction, maintenance, repair and replacement of said Maintenance Area.

5.1.5. For the purpose of accomplishing all maintenance, repair and replacement rights and duties set forth in this Declaration including without limitation mowing, removing, clearing, cutting, pruning underbrush, weeds, stumps or other unsightly growth and removing trash so as to maintain reasonable standards of health, fire, safety and appearance within the Development, there is hereby reserved to the Association, its contractors, successors and agents, a permanent and perpetual right and easement to enter upon any Lot. Said easement shall not impose any duty or obligation upon Declarant or the Association to perform any of the foregoing actions.

5.1.6. A general easement is hereby reserved and granted to all police, fire protection, ambulance and other similar emergency agencies or persons to enter upon the Property in the proper performance of their duties.

5.2. Utility Easements. Except as otherwise provided in this Declaration, the easement areas (excluding any equipment or appurtenances owned by Declarant, the Association or a utility company located thereon) herein reserved shall be maintained by the Owner of the Lot upon which they are situated. Wherever utility house connections are installed within the Property, which connections or any portions thereof lie in or upon Lots owned by an Owner other than the Owner of the Lot served by the connections, the Owner of the Lot served by the connections shall have the right, and is hereby granted an easement to the full extent necessary therefore, to enter upon any Lot or to have their agent enter upon any Lot in or upon which said connections or any portion thereof lie, to repair, replace and generally maintain the connections as and when it may be necessary. Whenever utility house connections are installed within a Lot, which connections serve more than one Lot, the Owner of each Lot served by the connections shall be entitled to full use and enjoyment of such portions of said connections as service such Owner's Lot.

5.3. Non-Obstruction of Easements. No Improvements shall be placed or permitted to remain on such easement areas located within any Lot which shall interfere with the intended use or purpose of such easement(s), and no other activity shall be undertaken on any Lot which may interfere with the use and access intended to be provided by such easement or the installation or maintenance of the utilities or other facilities, if any, located thereon or therein.

Article Six

DESIGNATION USE AND REPAIR OF MAINTENANCE AREA

6.1. Designation. Declarant hereby designates the Guard House and Entrance Area (Lot 1, Block 2) the Ponding Basin (Lot 1, Block 5) and any other areas designated as such as Maintenance Area to be maintained by the Association.

6.2. Liability for Damage. In the event that any maintenance, repair or replacement of all or any portion of the Maintenance Area is performed by the Association as a result of the negligent or willful act or omission of an Owner, an Owner's family, guest or invitees, the cost of such maintenance, repair or replacement shall be reimbursed by said Owner to the Association and/or the Association may assess the cost of the same against the Owner and the Owner's Lot as a Limited Assessment.

6.3. Modification. The easements, restrictions and covenants contained in this Article shall not be modified or terminated unless expressly agreed to by at least eighty percent (80%) of the Lots covered by this Declaration.

Article Seven

ROADS AND PONDING BASIN

7.1. Roads and Ponding Basin. Title to the Roads and Ponding Basin shall be conveyed by Declarant to the Association subject to any easements, conditions and reservations then of record, including those set forth in this Declaration. Such conveyance shall be made prior to, on concurrently with, the transfer or conveyance of ownership by Declarant of fifty percent (50%) of the lots in the Property. Upon such conveyance, the Association shall have title to the Roads, the Ponding Basin and other areas of the Development other than the Lots.

7.2. Maintenance of Roads and Ponding Basins. The Association shall maintain the Roads and Ponding

Basin located on the Property. Such maintenance shall include, but not limited to, the repairing, patching, sealing, sweeping, cleaning, replacing and caring for the said Roads, and the cleaning, clearing, extracting, excavating, repairing offences, for the said Ponding Basins. As used herein, "Roads" shall include without limitation the roadway surface, curbs, gutters and sidewalks, if any, and storm water and/or drainage facilities, and any appurtenant Improvements located thereon or therein, such as streetlights, street signs and landscaping. As used herein, "Ponding Basins" shall include without limitation the storm or flood water drainage facilities, basins, holes, drains, and any appurtenant Improvements located thereon or therein, such as fences and gates. The Association's obligation to maintain the Roads and the Ponding Basins under this section 7.2 shall be deemed a covenant running with the Property and shall benefit and bind the Owners and their respective heirs, successors and assigns.

7.3. Liability for Damage. In the event that any maintenance, repair or replacement of all or any portion of the Roads is performed by the Association as a result of the negligent or willful act or omission of an Owner, an Owner's family, guest or invitees, the cost of such maintenance, repair or replacement shall be reimbursed by said Owner to the Association and/or the Association may assess the cost of the same against said Owner and the Owner's Lot as a Limited Assessment.

7.4. Cost of Maintenance, Repairs and Replacement. The cost of the maintenance, repairs and replacements of the Roads and/or Ponding Basins within the Property and the continuing operational expenses, including taxes and insurance, shall be paid by the Board from the funds of the Association obtained by Regular or Special Assessments against the Lots. Such costs and expenses shall be apportioned among the Lots within the Property on an equal basis. In the event the Association does not have adequate funds to pay the cost and expenses deemed by the Association to be required, the efficiency shall be assessed to each Lot, on an equal basis, as a Special Assessment. The decision as to what costs and expenses are required with respect to the Private Roads and the timing of the payment thereof shall rest solely with the Board.

7.5. Reserve for Maintenance, Repair and Replacement. The Association shall have the right to establish a reserve account for the payment of the costs and expenses as set forth herein with regard to the maintenance, repair and replacement of the Roads and/or the Ponding Basins and the Board shall have the right to assess each Lot an amount to be included in a Regular or Special Assessment. The amount of said regular or Special Assessment for the purpose of funding the maintenance, repair and replacement reserve account shall be determined by the Board.

Article Eight PALISADES OWNERS ASSOCIATION

8.1. Organization of Association. Declarant shall organize the Association as an Guam non-profit corporation, which shall be charged with the duties and vested with the powers prescribed by law and set forth in its Articles, its By-Laws and this Declaration.

8.2. Members. Each Owner (including Declarant) of a Lot by virtue of being such an Owner shall be a Member of the Association. A membership in the Association shall be appurtenant to and inseparable from the Lot owned by such Owner. A membership in the Association shall not be transferred, pledged or alienated in any way except upon the transfer of title to said Lot and then only to the transferee of title to said Lot. Any attempt to make a prohibited transfer of a membership shall be void and shall not be reflected on the books of the Association.

8.3. Voting.

8.3.1. Declarant's Exclusive Control. Notwithstanding anything contained in this Declaration to the contrary, the Declarant shall have exclusive control of the Association until the earliest of: (i) two and one-half years from the date of the approval of a final subdivision plan for the for the Development by the Guam Land Use Commission, (ii) three years from the issuance of a Certificate of Incorporation for this Association, or (iii) the filing by Declarant with the Department of Revenue and Taxation of a notice of surrender of control. During the aforesaid period, all Members other than Declarant shall be considered non-voting members with rights to only receive notice of and attend meetings, and any requirements set forth in the Articles, Bylaws or this Declaration requiring the vote of the Members or any Member shall be exclusively determined by the Declarant.

8.3.2. Voting Rights. Upon the expiration of the time period set forth above, all Members shall be voting Members and shall have all the rights and privileges as are set forth in the Articles, Bylaws and this Declaration. In exercising such voting privileges, all Owners shall be entitled to one (1) vote for each Lot owned. When more than one (1) person holds an interest in a Lot, all such persons shall be Members, and the vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one (1) vote be cast with respect to any one Lot.

8.4. Annual Meeting. The Association shall hold an annual meeting of the Association at least once a year, on a date set by Declarant or the Board.

8.5. Board of Directors and Officers. The affairs of the Association shall be conducted by a board of directors and such officers as the Board may elect or appoint, in accordance with the Articles and Bylaws, as the same may be amended from time to time.

8.6. Powers of Association. The Association shall have all powers of a non-profit corporation organized under the laws of Guam subject only to such limitations as are expressly set forth in the Articles, the Bylaws or this Declaration. It shall have the power to do any and all lawful things which may be authorized, required or permitted to be done under the Articles, By-Laws, this Declaration, and to do and perform any and all acts which may be necessary or proper for, or incident to, the proper management and operation of the Common Area and the Maintenance Area and the performance of the duties of the Association and other responsibilities set forth in this Declaration, including, but not limited to, the following;

8.6.1. Assessments. The power to determine the amount of and to levy Assessments on the Owners and/or Lots and to enforce payment thereof in accordance with the provisions of this Declaration.

8.6.2. Right of Enforcement. The power and authority from time to time in its own name, on its own behalf, or on behalf of any Owner(s) who consent thereto, to commence and maintain actions and suits to restrain and enjoin any breach or threatened breach of the Articles, By-Laws, Declaration or Design Guidelines, and to enforce by mandatory injunction or otherwise, all provisions thereof.

8.6.3. Delegation of Powers. The authority to delegate its power and duties to committees, officers, employees, or to any person, firm or corporation to act as manager, and to pay to such manager such compensation as shall be reasonable.

8.6.4. Licenses, Easements and Right-of-Way. The power to grant and convey to any third party such licenses, easements, rights-of-way or fee title in, on, through, or under the Common Area as may be necessary or appropriate for the orderly maintenance, preservation and enjoyment thereof and for the preservation of healthy, safety, convenience and welfare of the Owners, for the purpose of construction, erecting, operation or maintaining: (a) underground lines, cables, wires, conduits and other

devices for the transmission of any utility or other service; (b) public sewers, storm drains, water drains and pipes, water systems, sprinkling systems, water, heating and gas lines or pipes; and (c) any similar public or quasi-public improvements or facilities.

8.7. Liability of Board Members and Officers. Neither any member of the Board nor any officers of the Association shall be personally liable to any Owner, or to any other Person, for any damage, loss or prejudice suffered or claimed on account of any act or omission of the Association, the Board, its officer, a manager or any other representative or employee of the Association, or the Architectural Committee, provided that said Board Member, officer, manager or other person has, upon the basis of such information as was available, acted in good faith without willful or intentional misconduct.

8.8. Association Rules. The power to adopt, amend and repeal such rules and regulations as the Association deems reasonable. Such rules shall govern the use by Owners or any other Person of Common Area, Maintenance Area and other property owned or controlled by the Association; provided, however, Association rules shall not discriminate among Owners and shall not be inconsistent with the Articles, Bylaws or this Declaration. A copy of Association rules as they may from time to time be adopted, amended or repealed shall be mailed or otherwise delivered to each Owner. Upon such mailings said Association rules shall have the same force and effect as if they were set forth in and were part of this Declaration. In the event of any conflict between an association rule and any provision of the Articles, By-Laws or this Declaration, the conflicting provisions of the Association rules shall be deemed superseded to the extent of any such inconsistency.

8.9. Emergency Powers. The Association, or any person authorized by the Association may enter onto any Lot or into any Dwelling Unit or other structure on a Lot in the event of any emergency involving illness or potential danger to life or property or when necessary in connection with any maintenance or construction for which it is responsible. Such entry shall be made with as little inconvenience to the Owners as practicable and any damage caused thereby shall be repaired by the Association unless said entry was necessitated by a condition caused by the Owner.

8.10. Fiscal Year. The Board shall have the right to select a fiscal year for the Association instead of a calendar year for budget, Assessment and accounting purposes.

8.11. Duties of Association. In association to the powers delegated to it by the Articles, Bylaws and this Declaration, without limiting the generality thereof, the Association or its authorized agents, if any, shall have the obligation to conduct all business affairs of common interest to all Owners and to perform each of the following duties:

8.11.1. Operation and Maintenance of Common Area and Maintenance Area. Perform, or provide for the performance of, the operation, maintenance and management of the Common Area, Maintenance Area, Public and Private Roads, and landscape easement areas, if any, owned or controlled by the Association, including the repair and replacement of property or Improvements thereon damaged or destroyed by casualty loss, the maintenance, repair and replacement of any facilities, if any, installed by Declarant, and the maintenance, management, repair or replacement of all other property owned or controlled by the Association.

8.11.2. Taxes and Assessments. Pay all real and personal property taxes and assessments levied against the Common Area, Maintenance Area, or against the Association and/or any property owned by the Association. Such taxes and assessments may be contested or compromised by the Association; provided, however, that they are paid or a bond insuring payment is posted prior to the sale or the disposition of any property to satisfy the payment of such taxes. In addition, the Association shall pay all

other taxes, federal, state or local, including income or corporate taxes, levied against the Association in the event that the Association is denied the status of a tax exempt corporation.

8.11.3. Utilities. Acquire, provide and/or pay for water, sewer, refuse collection, electrical, telephone, gas and other necessary services for the Common Area, Maintenance Area, or property owned or controlled by Association.

8.11.4. Insurance. Obtain, from reputable insurance companies authorized to do business in Guam and maintain in effect the policies of insurance specified in Section 9.8, below.

8.11.5. Identification Signs. Maintain, repair and replace all permanent entry and special identification signs for the Property, whether the same is located within or without the boundaries for the Property.

8.11.6. Association Rules. The Association shall make, establish and promulgate, and in its discretion amend or repeal and reenact, such Palisades Owners' Association Rules, not in contradiction to this Declaration, as it deems proper covering any and all aspects of its functions, including the use and occupancy of the Property including the Common Area and the Maintenance Area. Without limiting the generality of the foregoing sentence, such Rules may set dues and fees and prescribe the regulations governing the operation of the Property including the Common Area and the Maintenance Area. Each Member shall be entitled to examine such Rules at any time during normal working hours at the principal office of the Association.

8.11.7. Budgets and Financial Statements. Prepare and distribute copies to each Member of the following financial statements of the Association:

8.11.7.1. A proforma operation statement (budget) for each fiscal year shall be distributed not less than thirty (30) days after the beginning of each fiscal year.

8.11.7.2. Within ninety (90) days after the close of each fiscal year, the Association, or its agent, shall cause to be prepared and delivered to each Owner, a balance sheet as of the last day of the Association's fiscal year and an annual operation statement reflecting the income and expenditures of the Association for that fiscal year.

8.12. Insurance. The Association shall obtain insurance from insurance companies authorized to do business in Guam, and maintain in effect any insurance policy the Association deems necessary or advisable, which shall include, without limitation, the following policies to the extent it is possible for the Association to obtain the same: (a) Fire insurance including those risks embraced by coverage of the type known as the broad form or "All Risk" or special extended coverage endorsement on a blanket agreed amount basis for the full insurable replacement value of all equipment and fixtures located within the Common Area and Maintenance Area; (b) Comprehensive general liability insurance insuring the Association and the Owners, and the individual grantees, tenants, agents and employees, invitees and guests of each of the foregoing against any liability incident to the ownership, management, maintenance and/or use of the Common Area and Maintenance Area. Limits on liability of such coverage shall be as follows: Not less than One Million Dollars (\$1,000,000) per occurrence with respect to property damage or such amounts in excess thereof which the Association determines is commercially reasonable and prudent under the circumstances after taking into account inflation occurring after the execution of this Declaration; (c) Such other insurance, including motor vehicle insurance and worker's compensation insurance, to the extent necessary to comply with all applicable laws and indemnity, faithful performance, fidelity and other bonds as the Association shall deem necessary or required to carry out the Association

functions or to insure the Association against any loss from malfeasance or dishonesty of any employee or other person charged with the management or possession of any Association funds or other property.

8.12.1. Insurance Proceeds. The Association shall be deemed trustee of the interests of all Owners in connection with any insurance proceeds paid to the Association under such policies, and shall have full power to receive such Owner's interest, if any, in such proceeds and to deal therewith.

8.12.2. Premiums Included in Assessments. Insurance premiums for the above insurance coverage shall be deemed a common expense to be included in the Regular Assessments levied by the Association. The Association shall have the right to establish a reserve account (hereafter "Insurance Reserve Account") for the payment of insurance premiums relating to the insurance policies purchased and maintained by the Association under this Article or otherwise. The amount of said Assessments to funding the Insurance Reserve Account shall be determined by the Board consistent with the terms of this Declaration. The right to assess each Lot to fund the Insurance Reserve Account shall include the right to make an initial Assessment in the amount of the first (1st) year's premium(s) for said insurance. The Board of Association shall have the right to place all funds collected for the Insurance Reserve Account in an interest-bearing account at a financial institution approved by the Board.

Article Nine

RIGHT OF USE FOR COMMON AREA

9.1. Owner's Easements of Enjoyment of Common Area. Every Owner shall have a right to use each parcel of Common Area, which shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

9.1.1. The rights of the Association to levy and increase assessments for the construction protection, maintenance, repair, management and operation of improvements on the Common Area;

9.1.2. The rights of the Association to suspend the voting rights and right to use any common Area by an Owner for any period during which any Assessment against the Owner's Lot remains unpaid; and for a period not to exceed sixty (60) days for any infraction of the Association's published rules and regulations;

9.1.3. The rights of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as any be agreed to by the Board. No such dedication or transfer shall be effective, however, unless approved by a majority of members of the Association.

9.2. Delegation of Use. Any Owner may delegate that Owner's right of enjoyment to the Common Area and facilities to the members of that Owner's family, tenants, guests, invitees or contract purchases who resides on the property.

9.3. Encumbrance of Common Area. The Common Area cannot be mortgaged or conveyed without the approval of at least two-third (2/3) of the Owners. If ingress or egress to any Dwelling Unit is through the Common Area, any conveyance or encumbrance of the Common Area shall be subject to an easement for the benefit of the Owners of such Dwelling Units for the purpose of ingress and egress.

9.4. Damages. An Owner shall be liable for any damages to the Common Area which may be sustained by reason of the negligent or willful act or omission of said Owner or of said Owner's family, licensees, invitees, lessees or contract purchasers, both minor and adult. In the case of joint ownership of a Lot, the liability of such Owners shall be joint and several. The cost of correcting such damage shall constitute a

Limited Assessment against that Owner's Lot.

9.5. Damage and Destruction. In the case of damage by fire or other casualty to the Common Area or other property owned by the Association, insurance proceeds to compensate for damage and destruction shall be paid to the Association, and the recipient thereof shall thereafter determine what repair or reconstruction shall be undertaken.

9.6. Condemnation. If at any time any part of a Common Area or other property owned by the Association be taken or condemned by any public entity or sold or otherwise disposed of in lieu thereof, all compensation, damages or other proceeds shall be paid to the Association, The recipient of said payment shall then use all or a portion of the funds to pay obligations secured by any lien on the property taken and thereafter may determine to use the funds to (1)improve other Common Area; (ii) acquire and/or improve additional Common Area; or (iii) use such proceeds to reduce future Assessments.

Article Ten ASSESSMENTS

10.1. Covenant to Pay Assessments. Each Owner hereby, and by acceptance of a Deed to a Lot covenants and agrees to pay when due all Assessments or charges made by the Association. AU such Assessments, together with interest, costs and reasonable attorneys' fees which may be incurred in collecting the same, shall be a charge on the land and shall be a continuing lien upon the Lot against which each such Assessment is made, and shall be also the personal obligation of the Owner of such Lot at the time when the Assessment become due and payable. The personal obligation for delinquent Assessment shall not pass to an Owner's successors in title unless expressly assumed by them. No Owner may waive or otherwise avoid liability for any Assessment by non-use of the Common Area or by abandonment of such Owner's Lot.

10.2. Regular Assessments. Regular Assessments shall be made by the Association in such amounts and at times and intervals deemed appropriate by the Board. The Regular Assessments shall be based upon advance estimates of cash requirements as determined by the Board for the operation, maintenance, repair and replacement of the Private Roads, buildings and the Common Area and all easement areas, if any, owned or controlled by the Association and for the performance by the Association of its other duties and responsibilities. Such estimates may include, but shall not be limited to, expenses of management, taxes and special assessments of local governmental units, premiums for all insurance which the Association is required or permitted to maintain hereunder, legal and accounting fees, and any deficit remaining from previous periods and the creation of a reserve, surplus and/ or sinking fund(s) for such purposes as deemed necessary and prudent by the Board.

10.3 Special Assessments. In addition to Regular Assessments, the Association may levy at any time a Special Assessment payable over such period, as the Board may deem appropriate for the following purposes:

10.3.1. To defray, in whole or in part, the cost of any construction or reconstruction of improvements on a Common Area, unexpected repair or replacement of a Common Area or any facility located thereon or an easement area controlled by the Association, the furnishing of a special service or services (other than those appropriate for a limited Assessment), or for any other expenses incurred or to be incurred as provided in this Declaration.

10.3.2. To cure a deficit in the common and ordinary expenses of the Association for Regular Assessments for a given calendar or fiscal year are or will be inadequate to pay, as determined by the Board.

10.3.3. At the closing of the sale of each Lot by Declarant, a Special Assessment of \$1,000 shall be collected from the purchaser of the Lot as payment for the set-up costs and the maintenance of the Common Area and Maintenance Area to be maintained by the Association.

10.4 Limited Assessments. In addition to Regular Assessments, Owners shall pay Limited Assessments as follows:

10.4.1. Maintenance and Repair. The Association shall have the power to incur expenses for maintenance and repair of any Lot or any Improvements on a Lot, which maintenance and repair is the responsibility of the owner of said Lot, if such maintenance and repair is necessary, in the opinion of the Board, to protect the Property or the Dwelling Unit(s), and if the Owner of said Lot has failed or refused to perform said maintenance or repair within a reasonable time after written notice of the necessity thereof has been delivered by the Board to said Owner. The Board shall levy a Limited Assessment against the Owner of the Lot owned by said Owner to pay for the cost of such maintenance and repair, and any other cost or expense, including attorneys' fees, arising out of or incident to such maintenance and repair and the Assessment therefore.

10.4.2. Correction of Violations. In addition to maintenance and repair, the Board, upon certification from the Architectural Committee of the failure or refusal of an Owner to correct a violation of this Declaration or the Design Guidelines, shall have the power to correct any such violation on a Lot or any Improvement on a Lot, and incur costs necessary in connection therewith. The cost of such corrective action, together with interest, related expenses and attorneys' fees shall be assessed and collected as a Limited Assessment.

10.4.3. Limited Purpose. The Association shall have the power to levy a Limited Assessment against Owners and Lots for any limited special purpose which the Board believes necessary with respect to certain Lots but not an appropriate expense for payment by the Association. Such Limited Assessment shall not be made until the Owners of said Lots subject thereto have been given an opportunity, after notice, to participate in a hearing with respect to said Limited Assessment.

10.5. Commencement of Regular Assessments. Regular Assessments of the Association against each Lot shall commence the date of the closing of the sale of said Lot by Declarant to a Person and the conveyance of title to said Person. Declarant shall not be obligated to pay any Regular Assessment on a Lot owned by Declarant for so long as Declarant owns the same. If Declarant pays all or any portion of the expenses of the Association, such amounts so paid shall constitute a loan by Declarant to the Association, which loan, without interest, shall be repaid by the Association to Declarant from the funds of the Association when funds are available to make such repayment.

10.6. Uniform Rate of Assessment. Except as provided to the contrary in this Declaration, Regular and Special Assessments of the Association shall be fixed at a uniform rate.

10.7. Assessment Due Date. The due dates for Assessments shall be the first (1st) day of each calendar month, unless some other due date is established by the Board. Each installment of an Assessment shall be delinquent if not paid within fifteen (15) days after the due date thereof. Nothing herein contained shall prohibit the Board from requiring that Special or Limited Assessments be paid in lumpsum instead

of installments.

10.8. Interest and Penalties. Any Assessment levied by the Association on Lots, if not paid when due, shall bear interest at an annual rate as shall be set by the Board from time to time, or if none is so set, at a rate of one percent (1.0%) per month. Such interest shall commence on the date the Assessment becomes due and payable. In addition to the interest charge the Board may, in accordance with rules and regulations promulgated by it, impose additional fines or charges for the failure of an Owner to timely pay any Assessment when due. The right of the Board to charge interest or impose additional fines or charges shall be in addition to, and not in lieu of, any other right of enforcement or sanction available to the Board in the event of non-payment of an Assessment.

10.9. Estoppel Certificate. The Association, within seven (7) days of a written request, shall execute, acknowledge and deliver to a Person making such request a statement in writing stating whether or not to the knowledge of the Association, a particular Owner is in default under the provisions of this Declaration and further stating the dates to which Assessments have been paid by said Owner, it being intended that any such certificate delivered pursuant to this Section may be relied upon by any prospective purchaser or Mortgagee of said Lot, but reliance on such certificate may not extend to any default as to which the signer shall have had no actual knowledge. The Association shall have the right to charge a reasonable fee for the certification herein provided.

10.10. Notice and Quorum Requirements. Notwithstanding anything to the contrary contained in either the Articles or the By-Laws, written notice of any meeting called for the purpose of levying a Special Assessment or a Limited Assessment shall be sent to each Owner whose Lot is subject to the levy of such Special or Limited Assessment not less than ten (10) nor more than fifty (50) days in advance of the meeting. The presence of Owners or of proxies entitled to cast sixty percent (60%) of the total votes of each class Members of the Association subject to the levy of such Special or Limited Assessment shall constitute a quorum. If the required quorum is not present, the meeting may be rescheduled by the Board for a date not later than sixty (60) days after the date of initial meeting and at the rescheduled meeting the presence of Owners or of proxies entitled to cast ten percent (10%) of the total votes of each class of Members shall constitute a quorum. No written notice of the rescheduled meeting shall be required. Notwithstanding the foregoing, in a case involving the levying of a Limited Assessment on a Lot, as provided in Section 10.4, above, there shall be no requirement of a quorum at a meeting rescheduled because of lack of the required quorum at the initial meeting, and the Board may approve and levy such Limited Assessment even though the Owner of the Lot subject thereto is not present in person or by proxy.

Article Eleven ENFORCEMENT OF ASSESSMENTS

11.1. Right to Enforce. The right to collect and enforce payment of the Assessments made by the Association is vested in the Association. Each Owner of a Lot hereby agrees to the enforcement of the payment of all Assessments in the matter herein provided. In the event an attorney is employed for the collection of an Assessment, whether by suit or otherwise, or to enforce compliance with or specific performance of any of the terms and conditions of this Declaration, the Owner against whom such enforcement is sought shall pay reasonable attorneys' fees in connection therewith.

11.2. Creation of Assessment Liens. There is hereby created a continuing claim of lien with power of sale on each and every Lot to secure payment of any and all Assessments levied against any and all Lots pursuant to this Declaration, together with interest thereon and all costs of collection which may be paid or incurred by the Association in connection therewith, including reasonable attorneys' fees. Such lien shall be prior and superior to all other liens or claims created subsequent to the recordation of this

Declaration except only for (a) valid tax and special assessment liens on Lots in favor of any governmental unit assessing authority; (b) a lien for all sums unpaid and secured by a first Mortgage or first Deed of Trust, duly recorded in Guam, including all unpaid obligatory advances to be made pursuant thereto; and (c) labor or material man's liens, if the same are prior and superior by reason of applicable law. All other lienholders acquiring liens on any Lot after recordation of this Declaration shall be deemed to consent that such liens shall be inferior lien for Assessments levied by the Association, whether or not such consent is specifically set forth in the instruments creation such other liens.

11.3 Notice of Assessment. If an Owner fails to pay an Assessment within thirty (30) days of its due date, the Association shall prepare a written notice of assessment setting forth the type of Assessment, the amount of the Assessment, the due date thereof, including the amount and due date of installments (if the same are permitted), the amount remaining unpaid at the time of filing, the name of the record Owner of the Lot and a legal description of the Lot. Such notice shall be signed by an officer of the Association, acknowledged by a Notary Public and recorded in the office of the Recorder, Department of Land Management, Government of Guam. At such time as a delinquent Assessment, which is described in the notice, is paid, the Association shall prepare and record a notice of satisfaction with respect thereto.

11.4. Enforcement. Upon the failure of an Owner to pay an Assessment in accordance with its terms, the lien for Assessment herein created may be enforced by sale by the Association, such sale to be conducted in the manner provided by law in Guam for the exercise of the power of sale in a mortgage or in any other manner permitted by law elected by the Board.

11.5. Notice Required. Notwithstanding anything to the contrary contained in this Declaration, no action may be brought to foreclose the lien for any Assessment, whether by power of sale or otherwise, until the expiration of thirty (30) days after written notice of default has been deposited in the United States mail, certified or registered mail, postage prepaid, return receipt requested, addressed to the Owner of the Lot described in such notice at the last known address of the Owner as shown on the books and records of the Association. Said notice shall specify the amount and due date of the unpaid Assessment(s) and the legal description of the Lot.

11.6. Reporting. The Association shall provide a Mortgagee with a copy of a notice of default served on an Owner under Section 11.5, above. The duty to give such notice shall rise only after said Mortgagee furnishes to the Association written notice of a Mortgage, which shall contain the following: the Mortgage by Lot and Block; the name and address of said Mortgagee; a legal description of the Lot subject to the lien of; the name and address of the Owner; the date the lien of the Mortgage was filed of record with the Department of Land Management, and the instrument number thereof; the maturity date of the obligation secured by said Mortgage lien; a copy of the title insurance report evidencing that the Mortgagee is the holder of a first Mortgage; and the signature of the Mortgagee or authorized agent. In the event the Association shall be required to notify a Mortgagee as herein provided, the Association shall assess the Owner who is delinquent the sum of \$150.00 as a reasonable charge for such notification and such charge shall be a cost of collection secured by the Assessment lien described in Section 11.2, above. The charge for such notification shall be subject to change by the Board.

11.7. Term of Assessment. Unless sooner satisfied and released and released or the enforcement thereof initiated as provided in this Article, the lien for any Assessment levied under this Declaration shall expire and be of no further force or effect after a period of five (5) years from the later of (i) the date of said Assessment, or (ii) the date the last installment thereof is due and payable. Provided that the expiration of the lien as provided herein shall not release an Owner from the personal obligation to pay any Assessment.

11.8. Non-Exclusive Remedy. The remedies set forth in this Article or elsewhere in this Declaration shall not be deemed to be an exclusive remedy and the Association may pursue all other remedies available at law or in equity.

Article Twelve

ARCHITECTURAL COMMITTEE

12.1. Creation; Declarant's Right of Appointment. Within sixty (60) days of the date on which Declarant first conveys a Lot to an Owner, Declarant shall appoint three (3) individuals to serve on the Architectural Committee. The Board shall have the right to appoint, remove and replace all members of the Architectural Committee. If a vacancy on the Architectural Committee occurs and a permanent replacement has not yet been appointed, Declarant or the Board, as the case may be, may appoint an action Member to serve for a specified temporary period not to exceed one (1) year. A member of the Architectural Committee need not be an Owner. Pursuant to section 12.3 below, the Architectural Committee shall review; study, and either approve or reject the proposed Improvements on each Lot, an all in compliance with the Declaration and the Design Guidelines. The decision of the Architectural Committee in the exercise of its discretion by its approval or disapproval of the proposed Improvements on each Lot, or with respect to any other matter before it, shall be conclusive and binding on all parties.

12.2. Appointment of Architectural Committee Representative. The Architectural Committee may appoint in writing one (1) of its members to act as its designated representative (the "Committee Representative"). The Committee Representative may be delegated all duties and obligations of the Architectural Committee. In the event a Committee Representative is appointed, it is intended that the Architectural Committee shall look to the Committee Representative to perform all functions of the Architectural Committee; provided however, the Architectural Committee shall make all final determinations and decisions regarding all Architectural Committee duties and obligations. Any action or decision made by two (2) members of the Architectural Committee shall be a binding decision of the entire Architectural Committee.

12.3. Improvements Generally. The Architectural Committee shall draft the Architectural Guidelines for the construction and reconstruction of all Improvements on the Property. No Improvements on any portion of the Property shall be constructed, reconstructed, placed or removed without the Architectural Committee's prior written consent, and without being in compliance with this Declaration and the Architectural Guidelines. The Architectural Guidelines shall be used and drafted by the Architectural Committee to ensure that all Improvements conform and harmonize as to external design, quality and type of construction, architectural character, materials, color, location on the Lot, height grade and finish ground elevation, natural conditions, landscaping and all aesthetic considerations, including guidelines designed to protect the special qualities of the Property, and to encourage creative design, by providing general architectural, design and construction guidelines (including Lot guidelines), landscape guidelines (including a description of existing, natural conditions and vegetation), submittal and review procedures, and fees and charges for review. The Architectural Guidelines shall be drafted to conform to this Declaration, the Articles or Bylaws, as the case may be, shall govern. The content of the Architectural Guidelines may be modified and amended from time to time as provided in the Architectural Guidelines, and in all events can be modified and changed by a majority vote of the Board. Nothing contained in this Article Twelve limits any Owner's obligation and duty to ensure that the Owner's Lot development is in compliance with this Declaration, the Design Guidelines, any other applicable documents or applicable city and state laws.

12.4. Expenses. All expenses of the Architectural Committee shall be paid by the Association. The Architectural Committee shall have the right to charge a fee for each application submitted to it for review

in an amount which may be established by the Architectural Committee from time to time and such fees shall be collected by the Architectural Committee and remitted to the Association to help defray the expenses of the Architectural Committee's operation, including reasonable payment to each member of the Architectural Committee for their services as provided herein.

12.5. Non-Liability of Architectural Committee Members.

Approval by the Architectural Committee does not assure approval of the Improvements by any other governmental or quasi-governmental agency. Notwithstanding that the Architectural Committee has approved Improvements, plans and specifications, neither the Architectural Committee nor any of its members shall be responsible or liable to the Declarant, the Association or any Owner with respect to any loss, liability, claim or expense which may arise by reason of such approval of the Improvements, unless due to the willful misconduct or bad faith of the Architectural Committee. Neither the Board, Architectural Committee or any agent thereof nor Declarant, its employees, agents, or consultants shall be responsible in any way for any defects in any plans or specifications submitted, revised or approved in accordance with the provisions of the Declaration and the Architectural Guidelines, nor for any structural or other defects in any work done according to such plans and specifications. In any and all events, the Architectural Committee shall be defended, indemnified and held harmless by the Association in any such suite or proceeding which may arise by reason of the design Committee's decision. The Association, however, shall not be obligated to defend, indemnify and hold harmless any member of the Architectural Committee to the extent any such members of the Architectural Committee shall be adjudged to be liable for willful misconduct or bad faith in the performance of such member's duty as a member of the Architectural Committee, unless and only to the extent that the court in which such action or suit may be brought shall determine that, despite the adjudication of liability, but in view of all circumstances, such member is fairly and reasonably entitled to indemnification and defense for such expense.

12.6. Variances. The Architectural Committee may authorize variances from compliance with any of the Architectural Guidelines, including restrictions upon height, size, floor area or placement of structures, or similar restrictions, when circumstances such as topography, natural obstructions, hardship, aesthetic or environmental considerations may require. Such variances must be evidenced in writing, and must be signed by at least two (2) members of the Architectural Committee. If such variances are granted, no violation of the covenants, conditions and restrictions contained in this Declaration or the Architectural Guidelines shall be deemed to have occurred with respect to the matter for which the variance was granted. The granting of such a variance shall not operate to waive any of the terms and provisions of this Declaration, or the Architectural Guidelines for any purpose except as to the particular property and particular provision hereof covered by the variance, nor shall it affect in any way the Owner's obligation to comply with all federal and local laws, rules, regulations and ordinances.

12.7. Declarant's Exemption. Any and all Improvements constructed by Declarant on or to the Property or on any Lot is not subject to review and approval by the Architectural Committee.

Article Thirteen

ANNEXATIONS AND SUPPLEMENTAL DECLARATIONS

13.1. Declarant Annexations. Declarant shall have the right to annex all or any portions of the Development subsequently parceled or subdivided by Declarant, or any properties adjacent to the Development, to the Development so as to be subject to this Declaration and so that membership in the Association shall be appurtenant to ownership of Lots within the annexed portion.

13.2. Supplemental Declarations. Declarant and the Association shall have the right to Record a Supplemental Declaration against portions of any Lot not yet subdivided or annexed to the Development. The Supplemental Declaration may include restrictions which are different from the restrictions contained in this Declaration. A Supplemental Declaration may not alter the general common plan or scheme created by this Declaration, revise any restriction imposed by a governmental entity as a condition of subdivision map approval (without the consent of that entity) or revoke, modify or add to the covenants, conditions and restrictions imposed by this Declaration with respect to portions of the properties initially subject to this Declaration or any annexed properties.

Article Fourteen

DECLARANT'S DEVELOPMENTAL RIGHTS

14.1. Declarant's Right to Develop the Properties. The Association and Owners shall not do anything to interfere with the right of Declarant to subdivide, parcel, sell, or rent any portion of the properties within the Development, or the right of Declarant to complete excavation, grading, construction of improvements or other development activities to and on any portion of Development or to alter the foregoing and its construction plans and designs, or to construct such additional improvements as Declarant deems advisable in the course of developing the Development so long as any Lot or any portion of the Development is owned by Declarant. Such right shall include, but shall not be limited to, all grading work as may be approved by the Department of Public Works, Government of Guam, or other agency having jurisdiction, and erecting, constructing and maintaining on or within the properties within the Development such structures, signs and displays as may be reasonably necessary for the conduct of its business of completing the work and disposing of the same by sale, lease or otherwise. Each Owner, by accepting a deed to a Lot hereby acknowledges that any construction or installation by Declarant may impair the view of such Owner, and hereby consents to such impairment.

14.2. Use of Common Elements by Declarant. Declarant may enter upon the Common Elements, for the benefit of Declarant or for the benefit of portions of the Development whether or not then annexed, or any combination of them, to complete the development, improvement and sale of Lots and the construction of any landscaping or other improvement to be installed on the Common Elements. Declarant shall also have the right of nonexclusive use of the Common Elements, without charge, for sales, display, access, ingress, egress, exhibition and occasional special events for promotional purposes, which right Declarant hereby reserves; provided, however, that such use rights shall terminate on the date on which Declarant no longer owns any Lots. Such use shall not unreasonably interfere with the rights of enjoyment of the other Owners as provided herein and all direct costs and expenses associated with Declarant sales and promotional activities (including, without limitation, any costs or expenses required to clean or repair any portion of the Common Elements that are damaged or cluttered in connection with such activities) shall be borne solely by the Declarant and any other sponsor of the activity or event. The rights reserved to the Declarant by this section shall extend to any employee, sales agents, prospective purchasers, customers and/or representatives of the Declarant.

14.3. Amendment of Development Plans. Declarant may amend its plans for the Development, combine or split Lots and apply for changes in any development agreements, changes in zoning, use and use permits, for any property within the Development. Declarant reserves the right to add or withdraw, annex or de-annex, redesign and change plans, real estate, Lots, Common Elements and Improvements in accordance with this Declaration.

14.4. Independent Architectural Review. For so long as the Declarant is serving as the Architectural Committee, or has the right to appoint any members of the Committee, the Declarant shall have the right to initiate action to correct or prevent any activity, condition or improvement that is not in substantial

compliance with approved plans and specifications to the same extent as the Association if: (i) the Architectural Committee has identified an instance of noncompliance; and (ii) the Association, after having a reasonable opportunity to do so, does not initiate enforcement action.

14.5. Termination of Declarant's Rights. If the Declarant conveys all of its rights, title and interest in the Development to any person or entity and the acquiring person or entity is designated as a successor Declarant as to all the property conveyed, then Declarant shall be relieved of the performance of any further duty or obligation hereunder, and successor Declarant shall be obligated to perform all such duties and obligations of Declarant. This section shall not terminate any responsibility of the Declarant for acts or omissions occurring prior to the conveyance to such person or entity. However, Declarant may enter into a contract or agreement dealing with such acts or omissions.

14.6. No Amendment or Repeal. So long as Declarant owns any Lots, the provisions of this section may not be amended or repealed without the consent of Declarant.

Article Fifteen MISCELLANEOUS

15.1. Term. This Declaration and all covenants, conditions, restrictions, and easements contained herein shall run the land and the lots known as Tract 1333, Mongmong Toto Maite until December 31, 2075, unless amended as hereafter provided. After December 31, 2075, said covenants, conditions, restrictions and easements shall be automatically extended for successive periods of ten (10) years each, unless extinguished by a written instrument executed by the Owners of at least eighty percent (80%) of the Lots covered by this Declaration and such written instrument is recorded with Office of the Recorder, Department of Land Management, Government of Guam.

15.2. Amendment.

15.2.1. By Declarant. Until the recordation of the first deed to a Lot, the provisions of this Declaration may be amended, modified, clarified, supplemented, added to or terminated (collectively "amended") by Declarant by recordation of a written instrument setting forth such amendment. In addition, Declarant, regardless of whether it has conveyed any Lot(s) to an Owner, shall have the exclusive right, power and authority to amend this Declaration, at any time and at its sole discretion, to comply with any and all requirements and conditions of Federal Home Loan Mortgage Corporation ("FHLMC"), the Government National Mortgage Association ("GNMA"), the Federal Housing Administration ("FHA"), the Veterans Administration ("VA") and the Federal National Mortgage Associating ("FNMA"), or any financial institution.

15.2.2. Effect of Amendment. Any amendment of this Declaration approved in the manner specified above shall be binding on and effective as to all Owners and their respective properties notwithstanding that such Owners may not have voted for or consented to such amendment. Such amendments may add to and increase the Restrictions applicable to the Property but shall not prohibit or unreasonably interfere with the allowed uses of such Owner's property, which existed prior to, said amendment.

15.3. Mortgage Protection. Notwithstanding any other provision of this Declaration, no amendment of this Declaration shall operate to defeat or render invalid the rights of the beneficiary under any first

Mortgage upon a Lot made in good faith and for value, and recorded prior to the recordation of such amendment, provided that after foreclosure of any such first Mortgage, such Lot shall remain subject to this Declaration, as amended. In order to induce FHLMC, GNMA, FHA, VA, FNMA, and any and or other financial institution to participate in the financing of the sale of Lots, any provisions hereof which conflict with or are not adequate to meet the requirements of FHLMC, FNMA, GNMA, FHA, or any other financial institution, may be amended and supplemented by Declarant, in its sole discretion, to meet such requirements.

In addition to the foregoing, the Board may enter into such contracts or agreements on behalf of the Association as are required in order to satisfy the guidelines of the VA, the FHA, the FHLMC, and the FNMA or the GNMA or any similar entity, or any other financial institution so as to allow for the purchase, guaranty or insurance, as the case may be, by such entities of first Mortgages encumbering Lots with Dwelling Units thereon. Each Owner hereby agrees that it will benefit the Association and the membership of the Associations, as a class of potential Mortgage borrowers and potential sellers of their Lots, if such agencies or financial institutions approve the Property as a qualifying subdivision under their respective policies, rules and regulations, as adopted from time to time. Mortgagees are hereby authorized to furnish information to the Board concerning the status of any Mortgage encumbering a Lot.

15.4. Books and Records. All books, records and minutes of the Board and all other books and records maintained by the Association shall be made available for inspection and copying by any Owner or by his duly authorized representative, at any reasonable time and for a purpose reasonably related to his interest as a Member, or at such other place and time as the Board shall prescribe.

15.5. Non-Waiver. The failure of Declarant, the Board or any Owner in any one or more instances to insist upon the strict performance of any of the covenants, conditions, restrictions, easements or other provisions of this Declaration or to exercise any right or option contained herein, or to serve any notice or to institute any action, shall not be construed as a waiver or relinquishment for the future of such covenant, condition, restriction, easement or other provision, but the same shall remain in full force and effect.

15.6. Acceptance. Each Owner of a Lot, each purchaser of a Lot under a contract or agreement of sale and each holder of an option to purchase a Lot, by accepting a deed, contract of sale or agreement or option, accepts the same subject to all of the covenants, conditions, restrictions, easements and other provisions set forth in this Declaration and agrees to be bound by the same.

15.7. Interpretation. The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the development and operation of the Property as set forth in the recitals of this Declaration.

15.7.1. Restrictions Construed Together. All of the provisions hereof shall be liberally construed together to promote and effectuate the fundamental concepts of the development of the Property as set forth in the recitals of this Declaration.

15.7.2. Restrictions Severable. Notwithstanding the provisions of the foregoing 15.7.1, each of the provisions of this Declaration shall be deemed independent and severable and the invalidity or partial invalidity of any provision or portion thereof shall not affect the validity or enforceability or any other provision herein.

15.7.3. Singular Includes Plural. Unless the context requires a contrary construction, the singular shall include the plural and the plural the singular; and the masculine, feminine or neuter shall

each include the masculine, feminine and neuter.

15.7.4. Captions. All captions and titles used in this Declaration are intended solely for convenience of reference and shall not affect that which is set forth in any of the provisions hereof.

15.8. Successors and Assigns. All references herein to Declarant, owners, Members, an Association or person shall be construed to include all successors, heirs, assigns, partners and authorized agents of such Declarant, Owners, Members, Associations or Person.

IN WITNESS WHEREOF, Declarant has executed this Declaration the day and, year first above written.

TASI VISTA DEVELOPMENT, LLC

By: _____
JENNIFER A. CALVO
Its Duly Authorized Representative

TERRITORY OF GUAM)
) ss:
 MUNICIPALITY OF HAGATNA)

On this ____ day of June, 2025, before me, a Notary Public in and for the Territory of Guam, personally appeared **JENNIFER A. CALVO**, the duly authorized representative of TASI VISTA DEVELOPMENT, LLC, known to me to be the person whose name is subscribed to the foregoing document, and acknowledged to me that she executed the same on behalf of said limited liability company.

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

Notary Public

)SEAL(