



Diamond Head Ambassador

*2957 Kalakaua Avenue
Honolulu, Hawaii 96815*

Tel (808) 923-5522

Fax (808) 923-5522

House and Ground Rules

2013 Revision

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I. GENERAL AND ADMINISTRATION

A. ADMINISTRATION

1. Suggestions, Complaints, Requests

All requests, complaints, or suggestions for Board action shall be made in writing, signed, and placed in the suggestion box in the library.

2. Assessments

Monthly assessments include water, electricity, property taxes, and normal maintenance charges. The fees are due and payable on or before the first of the month, and are late after the tenth of the month. Delinquent accounts will be assessed a late charge of \$25.00 per month plus 2% if payment is received after the 11th of the month.

B. APPLICATIONS AND HOUSE AND GROUND RULES

1. Owners and agents will be given one application and one copy of the House and Ground Rules.

2. Each additional copy requested from the DHA will COST \$8.00.

C. RESIDENCY POLICIES AND PROCEDURES

1. Definitions

- a. Owner is a shareholder.
- b. Resident is any approved occupant of an apartment.
- c. Guest is a non-paying person authorized to be on the property by a resident.
- d. Tenant is a resident renting directly from an owner or through a realtor for an owner under a rental agreement filed with and approved by the Board.

2. The sale, leasing, renting, or loaning of apartments is subject to the control and approval of the Association. Decisions concerning eligibility to purchase, rent, lease, or borrow an apartment will not be made based on race, religion, sex, color, handicap, familial status, age, national origin, sexual orientation or any other legally prohibited status.

All persons desiring to reside at Diamond Head Ambassador must complete an Application to Occupy and will be interviewed by the Board or Welcoming Committee, prior to moving in. Tenants must be accompanied by the owner or the owner's agent.

A \$40.00 non-refundable processing fee for each application to occupy is payable to Diamond Head Ambassador at the time of interview. Each application to occupy will be submitted for the Board or Welcoming Committee. These fees will be deposited in the general maintenance fund and will be used to defray administrative expenses.

3. Open House

Open house showings are prohibited, except for Broker's Open. Hours shall not exceed 10:00 a.m. to 2:00 p.m. on Wednesdays. No exterior signs are permitted on Diamond Head Ambassador property. Signs off property in the park must state that the open house is a broker's open, not an open house. The term open house includes private sales such as estate, garage, etc.

4. Use and Rental of Apartments

All new tenants are on a probationary period for the first six months. If during the first five months of occupancy the building manager and the Board has accumulated ample complaints and violations of the House and Ground Rules against the tenant then the owner of the unit will be notified that the lease shall not be extended beyond the sixth month.

The Association owns and operates all of the buildings, grounds, facilities and apartments located on the premises. The right of stockholders regarding the use and occupancy, including the right to rent or lease their apartments to third parties, is subject to the Bylaws, the House and Ground Rules and the Proprietary Lease.

Owners are limited to two rentals per year with a minimum of a three-month lease. Extension of leases are not automatic and are subject to approval of the Board of Directors.

If any resident is found to be in violation of the Federal Drug Enforcement act of 1988 or in violation of HRS Chapter 712A of July 1, 1990 which includes association of certain crimes such as murder, kidnapping, gambling, promotion of detrimental drugs or intoxicating compounds, promotion of marijuana, manufacture, sale or distribution of controlled substances, the tenancy will be immediately terminated even if you have a fixed lease.

The Association has the right to require the execution and delivery of application forms and to request and, if necessary, enforce the removal of tenants who file false information, or who violate the House and Ground Rules, or who become public nuisances within the meaning of the

applicable statutes of the State of Hawaii and the applicable ordinances of the City and County of Honolulu.

The occupation of an apartment shall be for residential purposes only. They shall not be used for any other purpose including timeshare or other business purposes.

Tenants desiring to extend current leases or transfer from one unit to another without a break in occupancy are not required to submit a new Application to Occupy. However, Board review and approval are required prior to the transfer or to the extension of the lease.

Tenants who discontinue occupancy for 30 days or longer must complete and submit a new Application to Occupy, with fee.

Owners and Residents will be responsible for any damage caused by themselves or their guests anywhere on the property.

5. Tenants and Guests

Occupancy is specifically limited to the tenants named on the lease. No sub-leasing or assignment is allowed.

A guest who stays in an apartment while the stockholder is absent will be considered as a tenant. The guest/tenant must participate in the interview process prior to occupancy, accompanied by the Owner or the owner's agent. Such use will not be restricted by the minimum period on rentals but will be counted as one rental for that calendar year.

Any stay in excess of 30 days requires the execution of a lease and approval of the prospective lessee by the Board or Welcoming Committee.

D. STOCK TRANSFER

The following fees are payable on any stock transfer:

1. *A \$175 consent fee to Diamond Head Ambassador Hotel, Ltd.
2. *A \$330 transfer fee to Hawaiiana Management Co., Ltd.
3. *If a consent to mortgage is also involved, an additional \$175 consent fee is payable to Diamond Head Ambassador Hotel, Ltd.
4. *A \$100 legal review fee to Stephen Mau, the DHA attorney, for document review, unless our attorney prepares the documents for the

transfer. Only Directors, the Property Manager or the Resident Manager are authorized to contact the attorney on Cooperative matters. Any owner or other person who contacts Mr. Mau in connection with a transfer or any other matter is responsible for any fees incurred and will be billed directly.

*Rates are subject to change from time to time in the future

E. EMERGENCY INFORMATION

Residents are required to provide the Manager with the name, address, and phone number of the persons and physicians who should be notified in case of emergency.

F. FORWARDING ADDRESS

Residents are required to provide the Manager with the forwarding address and a contact number and instructions on the use of their units prior to leaving on extended trips. Residents are encouraged to deposit a key with a friend to facilitate access in case of emergency while they are absent and to provide the Manager with the name and phone number of the person who has the key.

G. BULLETIN BOARD

A bulletin board has been placed in the library for the use and convenience of the Residents. Residents who would like to place notices on the bulletin board may submit notices no larger than 3 x 5 inches to the Manager. Apartments available for sale or rent shall not be posted on the bulletin board. Notices will be removed after one week.

Information regarding Diamond Head Ambassador will also be provided by the Board and Manager. Residents are encouraged to check the bulletin board regularly for information of importance to them and the Cooperative.

H. WEBSITE ACCESS INFORMATION

Go to HMC Website (hmcmt.com)
Place mouse on "Links"
Click on "Community Lookup"
Type in "Diamond head Ambassador" in space provided.

I. EMERGENCIES

911 is the all-purpose emergency number.

Emergency stairways and exits are clearly marked. Stairways to the 5th floor may be used at all times, the stairway between the 5th and 6th floors is to be used only in case of emergency. The elevators will not operate in case of FIRE.

J. SECURITY KEYS

Each owner or agent has been given two security keys by the Association, at no charge. For each additional key there will be a \$100.00 non-refundable fee.

II. COMMON AREAS

A. GARDEN/SWIMMING POOL AREA

1. Gates

The gates at the entrance to the garden and at the sea wall are to be kept closed and locked at all times. Persons entering and leaving the garden /pool area should make sure the gate is firmly, but GENTLY, closed. Climbing over the gates or walls is strictly prohibited.

2. Sports Equipment

Bicycles, scooters, skates, skateboards and other wheeled vehicles, except infant carriages, wheel chairs, and walkers may not be operated in the garden/pool area or on the walkways in the building. Infant carriages must be attended at all times. Surfboards, boogie boards, diving equipment, rubber floating mats, tubes, paddles, balls, swim fins, and similar paraphernalia are not permitted in the garden/pool area. Swim goggles, masks, or safety equipment may be worn for health or safety reasons. Any life vests worn in the pool area shall be Coast Guard approved.

3. General

Smoking is prohibited in all common areas including lanais.

The garden/pool area and furniture are for the use and enjoyment of the Residents of Diamond Head Ambassador and their invited guests, who must be accompanied by the Resident host. Due to restricted space, the number of guests should be limited. Furniture other than that provided by the Association shall not be used in the garden/pool area. The Cooperative furniture shall not be removed from the garden/pool area. Residents and guests must remove all articles brought into the garden/pool area including towels, foodstuff, books, and magazines.

Barbecuing is strictly prohibited anywhere on Diamond Head Ambassador Property.

Swimmers use the pool at their own risk. The Association will not be responsible for any accidents or injuries. Non-swimmers must be accompanied by a responsible and competent swimmer at all times.

All children under the age of 11 must be accompanied by an adult Resident at all times.

Children under the age of 5 in the pool must have an adult present in the pool at all times. At no time shall a child be left unattended in the pool area. If needed, Coast Guard approved personal floatation devices should be used. Children in diapers must also wear rubber pants in the pool area.

The pool may only be used between 6 a.m. and 9 p.m.

Showers must be taken at the makai shower before entering the pool. Soaps and shampoos are not to be used at the garden/pool area shower.

Non-residents shall not use the pool unless accompanied by a responsible Resident.

All persons shall comply with the requests of the Manager regarding personal conduct in and about the garden/pool area. Horseplay, running, screaming or yelling in the garden/pool area are forbidden.

The life ring is available for safety purposes only and shall not be used for any other purpose.

Small groups may use the pool on special occasions with prior approval of the Manager. A \$100 deposit is required for such use, and it will be returned upon completion of the event without incident. The deposit may be forfeited in whole or in part if damage occurs or if the event does not end with all guests out of the area by 9:00 p.m. The owner reserving the pool area for the group shall complete a form supplied by the manager at the time of reservation indicating the nature of the function and number of invited guests. Excessive numbers of guests (as determined by the manager) shall be grounds for refusing the reservation. Only one table and associated chairs may be reserved by one party on a first come- first served basis for a time period on any given day. The use of the pool on such occasions shall be in accordance with the instructions of the Manager. On all occasions the resident host must be present and responsible for safety and decorum.

Swimmers must thoroughly dry themselves before entering the building.

No objects may be placed on the ocean sea wall. This includes towels, surfboards, and any other equipment.

Cordial gatherings for dinner in the garden/pool area may be held by owners or tenants up to the hour of 9 p.m. This means everyone will have cleaned up, and left the garden/pool area by 9 p.m. There are NO exceptions. Lighting will not be provided unless it is an event sponsored by the cooperative.

ALL glassware or ceramic ware is prohibited in garden/pool area.

Stockholders whose apartments are occupied by a tenant may use the facilities during the occupancy period.

No sitting on the Sea Wall is allowed. Access to the upper viewing level is by the stone stairway, use of the retaining walls are strictly prohibited for passageways.

B. LIBRARY

The library is provided for the use and enjoyment of the residents and shall be used for quiet pursuits. Residents must leave the library in a neat and clean condition. Materials borrowed from the library should be returned within two weeks. Please check your mail and remove it promptly from the racks in the library.

C. ELEVATORS

1. The use of the elevators for transporting furniture, appliances and other items that could cause damage to the elevator must have prior approval of the Manager. Padding must be arranged with the manager 24 hours prior to using the elevators for any such transport. Nothing may be transported in the elevator that is over seven feet in length as it may cause damage to the ceiling. A \$250 deposit may be required.
2. The elevator is not to be used for the transportation of surfboards or bicycles. Transport to the basement areas must be by the stairs.
3. Moving in or out is limited to the hours between 8 a.m. and 4:30 p.m., Monday through Friday, except for small items, clothing, and suitcases. Please notify the Manager 24 hours in advance so that the elevator may be padded. NO moving on state or federal holidays, or weekends. There are no exceptions to this rule.
4. No wet bathing suits or equipment are permitted in the elevators. All residents and guests entering the elevators from the pool or ocean areas

must be thoroughly dry, including bathing attire, so that excess water does not accumulate on the elevator floor causing a hazard.

D. HALLWAYS

1. Residents and guests shall not loiter, cavort, run, or otherwise disrupt the orderly use of the hallways or bridges.
2. Shoes and slippers shall not be placed in the hallways. No rugs, plants or other personal items shall be placed in the walkways and hallways, which constitute our fire exits. Only flat rubber backed door mats are permitted. No thick sisal mats are allowed.

E. GROUNDS

No advertisements are allowed anywhere on the grounds. No solicitors are allowed on Diamond Head Ambassador property.

F. LAUNDRY

1. Laundry facilities are available 24 hours daily.
2. The laundry facilities are solely for the use of residents and may not be used for laundry of non-residents. Persons using the facilities are requested to do so with respect for others who wish to use the facilities at the same time. For example, it is inappropriate for one resident to use more than two washers or dryers at a time.
3. Clothes must be promptly removed from the washers, dryers, and the clothesline.
4. Mechanical defects shall be promptly reported to the Manager. Users shall not attempt to effect repairs.
5. If clothes are left in the washers or dryers after the cycle is completed, they may be removed by the next person waiting for a machine.
6. Avoid overloading and excess use of soap. All lint must be removed from filter screen of dryer after each use. If soap or other materials are spilled on a machine, please clean. Remember, this laundry facility is for your convenience.
7. Additional rules may be posted in the laundry room.

G. FREEZER AREA

1. The amount of floor space available for the use of refrigerators and freezers is limited. This space is under the control of, and will be allocated by, the Board. The space is not transferable by the user. The Board shall make a charge for the use of the space. That charge is \$20 per month as of the publishing of these House and Ground Rules. Those who desire space shall submit a written application to the Manager.
2. The use of all or any portion of the space may be revoked by the Board upon 30 days notice. Monthly user fees will be placed in the maintenance fund.
3. An initial deposit shall be required. The deposit will be returned when the space is cleared and vacated. If a refrigerator or freezer is abandoned in the space, and not removed after a reasonable time, the article will be sold and the proceeds and the deposit may be used to defray removal costs.

H. STORAGE LOCKERS

1. Each apartment is furnished a storage locker at no cost to the owners. These lockers may be used for storage of items that are not of hazardous nature (i.e. paints, chemicals, newspapers, or any other flammable materials). Only owners and residents may use the storage facilities, including lockers and rental space for bicycles, surfboards and appliances. Items in these areas belonging to outsiders may be disposed of without notice.
2. These lockers are for your convenience. The Association will not be responsible for any damage, included, but not limited to damage caused by theft, vandalism, flooding, breaks in main utility lines, or sewer back up. In the event that structural or other repairs are necessary in the locker area, lockers must be cleared of all items at the owner's expense while the work is in process.

I. BICYCLES AND SURFBOARDS

1. Bicycles and surfboards are not permitted in the elevators, the garden/pool area, parking lot or on lanais. Transport to the basement areas must be by the stairs. Space has been allocated for surfboard storage on the Ewa side of the building. Bicycle storage is available in the basement. Storage for both surfboards and bicycles is limited to current residents of Diamond Head Ambassador. Bicycles and surfboards shall be registered with the Manager and stored in the assigned space. The Board shall require a charge for the use of the storage facilities. The use of all or any portion of the space may be revoked by the Board upon 30 days notice. A Monthly user fee of \$15.00 will be placed in the maintenance fund. New tenants of this storage space shall make a deposit up to six months storage charge.

Anyone who has not paid their fees by the 10th of each month will be subject to immediate loss of their space. If an article is abandoned, the deposit will be forfeited and the article will be sold for the accrued cost.

2. The Association will not be responsible for the theft or damage caused to bikes or surfboards in the assigned areas, or any other areas.

J. TRASH

Trash chutes are provided behind the elevators on each floor. All trash must be securely wrapped before being placed in any trash chute. Heavy items should be brought to the first floor room. Do not place bulky items in the trash chute. If you are unable to handle transport to the refuse room, please contact the manager for aid or instruction.

1. Bottles and jars should not be dumped down trash chutes. A trash bin is provided in utility room adjacent to the chute for proper glass recycling.
2. Packing materials (i.e. packing popcorn) must be bagged separately and disposed of properly. This will help prevent any mess in the trash rooms.
3. No trash will be dumped in the chutes or bottles in the recycling bins between 9 p.m. to 6 a.m. weekdays, 9 p.m. to 8 a.m. weekends and holidays. If you have trash that must be dumped before or after these hours, please bring it down to the first floor and place it in the dumpster.
4. Discarded furniture, appliances, bedding or other large items must be disposed of by the residents. The maintenance staff will not haul away or otherwise dispose of these items.
5. To facilitate recycling, containers are placed in the utility room in "B" building on all floors next to the garbage chute for disposal of aluminum cans, bottles and paper material. Residents on the 1st floor units should use the 2nd floor utility room.
6. All boxes must be broken down and then taken to the first floor dumpster.
7. No construction materials may be placed in the trash chute or in the dumpster. Contractors must dispose of construction materials off site.

K. ROOF ACCESS AND PLANTS

1. No person is allowed on the roof at any time without permission of the Manager. Anyone using the roof for any reason does so at his/her own risk and will be held responsible for any roof damage that may occur.

2. No plants or other decorative landscaping whatsoever are allowed on roof ledges.

III. MAINTENANCE, RENOVATION AND REPAIR

A. BUILDING MAINTENANCE AND REPAIR

1. All structures and improvements affixed to the exterior of the building become the property of the Association regardless of who may have installed them. Maintenance of those improvements shall be the responsibility of the stockholders of the apartment to which they are attached.
2. The exterior surfaces of doors, windows, hallways, elevators and grounds, shall be used and decorated only as permitted by the Board. No exterior alterations, installations, repairs, or changes of any nature are permitted without the prior written approval of the Board. No owner shall serve as contractor for construction within his or her apartment, and contractors shall provide a construction deposit of \$1,000 and insurance in an amount of at least \$1,000,000; and shall name the cooperative as an additional insured on their policy for the duration of the project. Proof of workman's compensation must be presented.

B. COOPERATIVE MAINTENANCE

1. In general, the Cooperative is responsible for the repair and maintenance of the exterior surfaces, hallways, exterior door surfaces, lanais, railings, elevators, and all common areas. However, where said exterior surfaces, hallways, lanais, railings, elevators, fences, gates, shrubbery, and other common areas are damaged as a result of the willful misconduct or negligence of the owner, resident or guest, then such owner shall be responsible for the prompt payment of the cost of the repairs.
2. Damages caused by breaks in main utility lines shall be the responsibility of the Association.
3. Plumbing
 - a) The Association is responsible for the following:
 - (1) The water supply which includes up to the tee or 'Y' where the water supply enters the apartment.
 - (2) The common sewer line past the junction where the apartment lines enter the main line.

- b) The maintenance and good order of all else within the apartment is the responsibility of the stockholder. If a plumbing problem occurs that affects only one apartment the owner is assumed to be the responsible party. Owners who will be absent from the property for any extended period should have a representative check on the apartment weekly to assure that no problems occur.
 - c) Shutting down the Main Valve to allow plumbing to occur in each apartment is costly for the Cooperative and weakens the main pipes each time this is done. It is mandatory that shut off valves be installed for all plumbing fixtures (i.e. toilets, sinks, shower, etc.) in said apartment when main pipes are requested to be shut off for work on the plumbing in that apartment.
4. Requests for exterior repairs and maintenance shall be submitted to the Manager who shall determine whether the requested repairs or maintenance are the responsibility of the Cooperative or the stockholder. The decision of the Manager may be appealed in writing to the Board.

C. STOCKHOLDER MAINTENANCE

1. Before approving substantial remodeling of apartment interiors, the Board will require:
- a) A statement, signed by both the stockholder and contractor, verifying:
 - (1) they have read, and agree to abide by, the provisions in the House and Ground Rules relating to maintenance and remodeling, and
 - (2) the expected date of completion.
 - (3) No owner/builders are allowed, only licensed contractors may perform the work.
 - b) Security deposit of \$1,000.00 which will be forfeited in whole or in part if:
 - (1) the work continues past the original date of completion, or
 - (2) common areas are damaged, or
 - (3) excessive cleaning of the common areas is necessary as a result of the work, or \$50.00 per hour charge will be assessed once the \$1,000 security deposit is depleted.

- (4) fines are imposed by the Board for failing to comply with the provisions in the House and Ground Rules.
- c) A certificate of insurance in an amount of at least \$1,000,000 naming the cooperative as an additional insured.
- 2. It is the responsibility of each stockholder to maintain his/her apartment and the apartment fixtures in a safe, efficient condition and to operate in a manner that does not cause damage to the other apartments, or the Cooperative's property, or to interfere with the rights of enjoyment to which other residents are entitled.
- 3. Repair, maintenance, and cleaning of all windows (including the large picture windows in the "15" stack) and doors are the responsibility of each stockholder. Windows are to be kept clean and repairs made promptly. Failure to clean or repair windows and doors when requested may result in a special assessment to cover the cost of any cleaning or repair accomplished by the Cooperative.
- 4. Repair of electrical components and of water and/or sewer lines within each apartment, or serving only that apartment, is the responsibility of the apartment owner.

D. FLOORING

Installation of any and all new floor coverings shall first be approved by the Board. Written request to change any floor covering must be made and approved prior to installation. The Board will respond to the request after the next regular Board meeting. Installation of hard surface flooring such as tile, marble or wood shall require a sound insulating sub-flooring material, which shall be submitted to and approved by the Board prior to installation.

E. SCHEDULING

- 1. All interior repair, maintenance, and construction work, except for emergency repairs, is to be done between the hours of 8 a.m. to 4:30 p.m. Monday through Friday, excluding holidays, and is to be approved by the Manager prior to starting the work.
- 2. In the event of infraction of the rules concerning renovation and construction, or use of elevators before or after working hours, fines will be levied according to the following schedule:

1 st offense	\$50.00
2 nd offense	\$100.00

3rd offense \$150.00

3. These amounts shall be deducted from the security deposit required (see section C 1 (b), above).

F. WINDOW COVERINGS

All draperies, blinds, shutters, or other window coverings must be solid white or off-white as viewed from the outside of the building.

G. APPLIANCES

1. The Board will individually evaluate requests for new washers and dryers. Existing washers and dryers within apartments may not be replaced without prior approval of the Board. The Board will assess a user fee of \$15 per month per washer and \$25 per month per dryer installed in individual apartments. The fees will be deposited in the general maintenance fund.

2. Air Conditioning

Air conditioners are only allowed for medical reasons with a doctor's recommendation.

All requests to install air conditioners will be considered on an individual basis and must provide the specified model and make of air conditioner, illustration for venting for air draft and water discharge and stated medical reasons for the air conditioner.

Only models which have been approved by the Board in writing are permitted.

Only refrigerated air systems (and not evaporative coolers) are permitted.

Systems must collect condensation in a self-contained reservoir and not release it into a ventilation duct or drain to carry it to the exterior of the building.

Venting to the exterior must be directed downward and not produce objectionable noise to neighboring apartments or walkways.

Apartments with air conditioners will be assessed a monthly charge by the Board of Directors based on estimated power use calculated to be \$75.00 per month for each air conditioner.

Installation will only be permitted if a licensed electrical contractor can verify that the power lines to the apartment can support the additional power load.

H. LANAIS

1. Lanai Awnings

Installation of lanai awnings is no longer permitted. Upon the sale of a unit with existing lanai awnings, the awnings must be removed and the new owner will not be allowed to have awnings.

If you are the owner with an existing awning you will be allowed to replace your awning with prior approval from the Board of Directors, with the following provisions:

- a) The approved color is white for the exterior and Sea Foam on the interior.
- b) Awnings and lanai rolling shutters must be cleaned at least annually or less often if requested by the owner & determined by the building manager. Owners will submit to the building management a receipt showing the date that each owner cleaned their awning. Owners have until November 1 each year to have their awnings cleaned, subject to relief by the Board of Directors once the owner files a request.
- c) The owner is solely responsible for all maintenance, up-keep, repair, or any consequences or damages caused by or created by the installation of the awnings, and the corporation assumes no liability therefore.
- d) Tie downs of the awnings shall be by eye-hook in the lanai floor. Awnings may not be tied to lanai railings or posts.

2. Installation of lanai rolling shutters is no longer permitted. The owner is responsible for all maintenance, up-keep, repair consequences or damages caused by, or created by the installation of the shutters, and the corporation assumes no liability therefore. Upon the sale of a unit with existing lanai rolling shutters, the rolling shutters must be removed at owner's expense and the new owner will not be allowed to have rolling shutters.

3. Only typical lanai furniture and small potted plants with saucers appropriate to lanais may be used on lanais.

4. Screens, empty pots, soil, folded beach chairs, clothing, towels, or other items which, in the opinion of the Manager, are unsightly shall be removed and kept from the lanais upon written requests of the Manager. These decisions may be appealed in writing to the Board only after complying with the request.
5. Watering plants, and sweeping and mopping of lanais shall be performed in a manner which will not create a nuisance to persons residing in lower or adjacent apartments or to persons on the grounds of the property. Containers should be placed under potted plants to avoid dripping on lower lanais.
6. Any plants growing through or around lanai railing must be removed by the resident when railings are to be painted or repaired by the maintenance staff.
7. Units above the ground level with small children and children under 10 years old, must install Plexiglas, (at least ¼ inch thick), around the lanai railings.
8. Birds shall not be fed or watered anywhere on the grounds of Diamond Head Ambassador, especially on lanais. Contact the manager for removal of nests which may occur when your unit is unoccupied.
9. Nothing shall be thrown off the lanais.
10. Ground floor lanai walls will be kept free of all potted plants and other decorative items.
11. Lanais are not to be used for storage or additional living space.

I. PHONE LINES & CABLE OUTLET

Each unit has one phone line and one cable outlet. Our current system can not handle additional lines and requests to the Phone Company for additional lines will be denied. If a stockholder requires additional phone lines, they will be installed at the expense of the stockholder. For assistance with the installation of additional lines please contact the manager.

J. MAINTENANCE STAFF

Maintenance staff will not perform cleaning, maintenance, or other work for residents while on duty. When off duty, maintenance men/women may be employed by an individual at the resident's own risk and liability while the employee is on his/her premises.

IV. CONDUCT OF RESIDENTS AND GUESTS

A. RESPONSIBILITY

1. Owners and Residents are responsible at ALL times for the reasonable decorum of their family members and guests. Owners and residents shall ensure that the peace and ambience of the premises be maintained and the House and Ground Rules observed by themselves, their guests and family members.
2. Residents and owners shall promptly pay, upon demand of the Board, the monetary amount of any damage to the Cooperative's property resulting from their activities or the activities of the family members and guests. Any amounts not promptly paid will be added to the maintenance fee assessment and may become a lien against the apartment.

B. NOISE

1. Noise of any kind which is of sufficient volume and duration to disturb other residents is forbidden.
2. The volume of radios, stereos, TV and musical instruments must be kept reasonable from 8 a.m. to 9 p.m. NO sound should arise from an apartment after 9 p.m.
3. All residents' parties must be confined to apartment limits and noise reduced completely after 9 p.m. daily.
4. The use of noisy machines, equipment or appliances before 8 a.m. and after 9 p.m. is totally prohibited.
5. Loud laughter, conversations, and other noise in hallways and parking lot, particularly after 9 p.m. shall be avoided.
6. While this list is not all-inclusive, it is indicative of the types of prohibited and restricted activity. No loud or offensive noise or activity is permitted from 9:00 p.m. to 8:00 a.m.

C. PETS

NO pets of any kind shall be brought on or kept on the premises, except properly authenticated seeing-eye dogs or certified signal dogs or service animals for a

medically recognized condition with documentation from the treating physician. All authorized pets shall be registered with the Building Manager.

D. LIGHTING

1. Lanai lights must be (white) 40 watt or less bulbs and must be turned off at 9:00 p.m. Bulbs may be clear or frosted, and must be shielded.
2. Residents shall promptly respond to requests of the management to subdue glaring lights if they affect the peace and enjoyment of other residents.

V. PARKING AND PARKING STALLS

A. PARKING STALLS

1. Parking stalls are owned by the Cooperative and are assigned to specific persons for their exclusive use and shall not be used or occupied by others except as authorized by the Cooperative. A monthly parking fee of \$125.00 will be assessed to each stallholder. This fee will include charges for routine maintenance of the parking stall; however automobiles creating oil spills, or other non-routine maintenance demands will be cited and an additional clean-up fee imposed.
2. Those who have parking stalls shall keep their vehicles within the stall's boundaries so as not to block the entrance or exiting driveways or interfere with neighboring vehicles.
3. Only one vehicle shall be parked in each stall.
4. Parking stall users should not slam car doors, race their motors, play loud music, leave the car running or otherwise disturb the residents of nearby apartments.
5. An eligible owner must be a current resident of State of Hawaii whose primary residence is Diamond Head Ambassador and must own a car at Diamond Head Ambassador. Diamond Head Ambassador defines a person that has a status as a "resident" for the purpose of filing a State of Hawaii income tax return, i.e. such person is subject to Hawaii state net income tax on income from all sources, both in the state and outside the state (standard determined by the person's Hawaii state income tax status).

B. ACTIVE LOADING ZONES

1. The use of the active loading/unloading zone is limited to 5 minutes unless otherwise authorized by the Manager. Loading/unloading is limited to the

designated area and the vehicle shall be moved as soon as the loading or unloading has been completed. A strict tow policy is followed for this area and all parking areas.

2. Guest parking or any other parking is strictly prohibited in the "Loading Zone"!
3. No two-wheeled vehicles are allowed to park on the premises, except for bicycles in designated areas in the basement or in the bicycle rack.

C. TOWING

Parking is a significant problem at Diamond Head Ambassador, due to the limited space available. Any vehicle parked in violation of these rules is subject to being towed at the owner's or driver's expense. Residents/Owners are responsible for informing guests and visitors of parking availability and responsibility.

VI. PARKING STALL REGULATIONS AND ASSIGNMENT

All parking stalls are owned by Diamond Head Ambassador Hotel, Ltd. (*DHA), and these regulations will be strictly enforced to insure that all apartment owners are treated equitably.

A. DEFINITIONS

The following are definitions of certain terms used in these regulations:

1. An apartment owner and stockholder of DHA (Owner) shall mean:
 - a) An individual purchasing at least a one-half interest in an apartment in DHA holding title as the sole owner or as a joint tenant, tenant by the entirety or tenant in common;
 - b) An individual purchasing at least a one-half interest in an apartment in DHA under an agreement of sale as the sole purchaser or as a co-purchaser, as a joint tenant, tenant by the entirety or tenant in common; or
 - c) A Trust created by an individual owner described above in (a) or (b) who owns at least a one-half interest in an apartment in DHA (or is acquiring same under an agreement of sale), only during the period of time that said individual owner is the sole beneficiary of said trust.
2. An owner who is physically residing in his/her apartment shall be deemed to be an owner occupant. In addition, those apartment owners who owned his/her apartment prior to January 1, 1992, and under prior rules has been assigned a

parking stall prior to January 1, 1992, shall be deemed to be an owner occupant for the purposes of these rules.

3. A transfer of an apartment to a spouse shall not be deemed to be a transfer that affects parking rights. A spouse of an apartment owner shall have the same rights under these rules as the apartment owner, and in the event the apartment owner should die, the death shall not be deemed to cause a transfer of the apartment that affects parking rights so long as the spouse shall continue to occupy the apartment of the deceased apartment owner.
4. An owner who buys another unit in Diamond Head Ambassador and then sells his/her old unit has no lapse in residency shall not forfeit or have any change in their position on the parking eligibility list.

B. TRANSFER OF AN APARTMENT

1. A transfer of an apartment and share of stock in DHA shall be deemed to take place upon the occurrence of any of the following events, when subsequent to said occurrence the apartment owner(s) that owned said apartment immediately prior to the occurrence and/or the spouse of said apartment owner no longer resides in said apartment:
 - a) The execution and delivery of an assignment of an interest in a proprietary lease and share of stock, whether by sale, gift, trust, or by operation of law;
 - b) The transfer of the beneficiary's interest of a trust above described in paragraph 1c.
 - c) The execution and delivery of an agreement of sale covering an interest in a proprietary lease and share of stock, or any other similar type of agreement whereby an apartment owner effectively transferred equitable and/or legal ownership of the apartment.
 - d) The cancellation of any such agreement of sale or similar type of agreement referred to immediately about in 1c.
 - e) The foreclosure of a mortgage on a proprietary lease and share of stock; or
 - f) Death.

VII. DISCLOSURE OF UNUSUAL HAZARDS

A. SWIMMING POOL

1. There is NEVER a lifeguard in duty.

2. Pool does not conform to present municipal standards - including lack of sufficiently shallow water. Swimming is strictly at your own risk.

B. OCEAN

1. Access to ocean is by a low gate that should not be climbed.
2. Ocean swimming can be dangerous.

C. RAILINGS OF LANAIS AND COMMON AREAS

Walkway and lanai railings DO NOT conform to current municipal standards. Small children should not be allowed on lanais without a responsible adult present. Lanais for apartments with small children or children under the age of ten years shall be enclosed with Plexiglas not less than ¼ inch thick.

D. SECURITY

1. Access to the lanai of some apartments is possible by either climbing on the roof or over the railing from common areas. Entering a lanai by this method is strictly prohibited.
2. There is NO mechanical security system.

E. WASHING OF AUTOMOBILES

Due to insurance liability, washing of automobiles on Diamond Head Ambassador property is strictly prohibited.

VIII. FINES AND PENALTIES

RESOLUTION OF THE BOARD OF DIRECTORS OF DIAMOND HEAD AMBASSADOR HOTEL, LTD.

ADOPTING A SCHEDULE OF FINES FOR VIOLATIONS OF THE ARTICLES OF INCORPORATION, BY-LAWS, AND HOUSE & GROUND RULES

WHEREAS, the By-Laws of Diamond Head Ambassador Hotel, Ltd. give the Cooperative's Board of Directors the power to take action against stockholders, their tenants, family members, guests, agents, employees or anyone else using apartments at the project for violations of the Articles of Incorporation, By-Laws and House & Ground Rules of the Cooperative; and

WHEREAS, in accordance with that power, the Board has decided to; (i) adopt a schedule of fines to be imposed for violations; and (ii) give the Managing Agent the power to impose fines in accordance with a schedule the Board adopts;

RESOLVED, the Board adopts the following schedule of fines for any violation of the Cooperative's Articles of Incorporation, By-Laws, or House & Ground Rules (the "project documents") by stockholders, their tenants, family members, guests, agents, employees, or anyone else using the project;

RESOLVED FURTHER, the Board deems stockholders to be responsible for payment of any fines with imposed respect to their apartments, or as a result of the actions of the stockholders, tenants, family members, guests; agents, or employees.

I. AMOUNT OF FINES:

- A. First Offense: A written citation delivered to both the stockholder and occupant.
- B. Second Offense: A written citation delivered to both the stockholder and occupant and a \$50.00 fine assessed against the stockholder.
- C. Third Offense: A written citation delivered to both the stockholder and occupant, and a \$100.00 fine assessed against the stockholder.
- D. Fourth and Subsequent Offenses: A written citation delivered to both the stockholder and occupant, and a \$500.00 fine assessed against the stockholder for each offense.

Second, third, fourth, and subsequent offenses need not be for a violation of the same provision before a fine is imposed. For example, if an occupant violates a "Pool" rule for his/her first violation, and then violates a "Noise" rule for his/her second violation, the fine would be imposed on the stockholder upon the occurrence of the second violation. It is not necessary for an occupant to violate a specific rule, such as "Noise" rule, twice before a \$50.00 fine is levied. Similarly, a \$100.00 fine will be assessed for a third violation of the House & Ground Rules and a \$500.00 fine will be assessed for a fourth and subsequent violations of the House & Ground Rules.

The Board may delegate its authority to impose fines to the Managing Agent. The Board shall delegate its authority to issue citations to the Resident Manager.

II. CITATIONS

Each citation issued shall briefly describe the nature of the violation; date of the violation, apartment number; and name of parties involved, if known. The original citation shall be delivered to the stockholder who shall be responsible for payment of any applicable fine. If the stockholder of the apartment is not an occupant, then a copy of the citation shall also be delivered to the occupant; however, this shall not be deemed a waiver of the stockholder's responsibility for payment of any applicable fine.

III. PAYMENT OF FINES AND LIABILITY

Stockholders shall be liable for their own fines and for fines assessed against their tenants, guests, family members, agents, or employees. Unless appealed as permitted below, a fine must be paid by the stockholder to the Cooperative within thirty (30) days of the citation and assessment of the fine. If the stockholder fails to pay or appeal a fine within thirty (30) days after the fine is assessed, the fine shall be deemed a common expense chargeable against the stockholder's apartment. The Cooperative may file a lien against the stockholder's apartment for the unpaid fines and may collect the unpaid fines under the procedures provided in Article V, Section 5, of the By-Laws for collection of delinquent assessments. The stockholder shall also be assessed a late fee of \$25.00 for each month the fine remains unpaid, unless the Board votes to suspend or cancel the fine.

IV. APPEAL OF FINES

Any citation or fine may be appealed as provided in this subsection.

- A. Within thirty (30) days of the date of a citation or fine, a stockholder, occupant, or other offenders may appeal to the Board by delivering a written notice of appeal to the Board.

- B. If an appeal is made to the Board, the notice of appeal must contain a copy of the citation, a statement of the facts of the offense, the reason for appeal, the names and addresses of any witnesses, and copies of any proposed exhibits. The stockholder, occupant, or other offender may appear at a Board meeting to provide additional information or the Board may ask the person to appeal.
- C. The Board may reduce, suspend, or cancel any citation or fine after consideration of the appeal. The Board shall deliver a written decision to the person making the appeal within sixty (60) days of the receipt of the notice to appeal.
- D. Pending an appeal to the Board, a stockholder need not pay a fine and no lien shall be imposed on a stockholder's apartment. Unless, however, the Board votes to reduce, suspend, or cancel a citation or fine, filing a notice of appeal shall not halt the accrual of any ongoing late fees or fine imposed for the offense which is the subject of the appeal.

V. MISCELLANEOUS

This schedule of fines shall be sent to all stockholders and residents of the project and shall be attached as an exhibit to the Cooperative's House & Ground Rules. The Board reserves the right to establish a new schedule of fines at any time.



Diamond Head Ambassador

2957 Kalakaua Avenue • Honolulu, Hawaii 96815
Tel/Fax 808-923-5522

Subject: House and Grounds Rules Addition

Adopted 3/31/14

C. RESIDENCY POLICIES AND PROCEDURES

5. Tenants and Guests

Occupancy is specifically limited to the tenants named on the lease. No sub-leasing or assignment is allowed.

A guest of a tenant is not allowed to occupy a unit unless the tenant is present. Having an unauthorized guest will result in a \$500 fine assessed on the stockholder of that unit, and the guest will be required to vacate the unit. Should a guest fail to vacate the unit within 24 hours of written notice, the matter will be turned over to the Corporation's attorney. Any legal fees incurred will be the responsibility of the unit's stockholder.

A guest who stays in an apartment while the stockholder is absent will be considered as a tenant. The guest/tenant must participate in the interview process prior to occupancy, accompanied by the Owner or the owner's agent. Such use will not be restricted by the minimum period on rentals but will be counted as one rental for that calendar year.

Any stay in excess of 30 days requires the execution of a lease and approval of the prospective lessee by the Board or Welcoming Committee.

Adopted 6/4/15

F. WINDOW COVERINGS

All draperies, blinds, shutters, or other window coverings must be solid white or off-white as viewed from the outside of the building.

No hanging of clothes across the windows that may be visible from another unit and/or from the street. In addition, no hanging of clothing, towels, etc from lanai doorway.