

POMEROY GREEN CORPORATION

3291 Benton Street
Santa Clara, CA 95051
408-378-1730

POLICIES AND PROCEDURES

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POMEROY GREEN CORPORATION

3291 Benton Street
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408-378-1730

MEMO TO SHAREHOLDERS
REGARDING UPDATING AND REVISIONS OF THE POMEROY GREEN
POLICIES AND PROCEDURES

To: All Shareholders

From: Board of Directors

Re: Updating and Revisions of the Pomeroy Green Policies and Procedures

Occasionally updating and revisions will be made to the policies and procedures of Pomeroy Green Corporation. When this occurs, the new information will be punched with three holes so that it can be added to this binder which can be more easily kept up to date. Please place it with your information and important papers about your membership in Pomeroy Green Corporation.

Revised 01/2001

POMEROY GREEN POLICIES AND PROCEDURES INTRODUCTION

I INTRODUCTION

In order to give direction and continuity to the management of Pomeroy Green the Board of Directors sets forth the following Policies and Procedures. The Policies may be changed from time to time as the Board chooses and the membership will be informed of any changes by written notice.

The Cooperative housing concept is based on the idea that owners are also tenants. Legally we are investors in a Corporation run on a sound financial and social basis. We also happen to be the customers for the product of our Corporation and, as such, want the best services at the lowest cost. In order to accomplish this, the policies of this Corporation are written to clarify our goals and values and the procedures developed to facilitate the day by day accomplishment of those goals.

II. MANAGEMENT POLICY

The primary responsibility for management of Pomeroy Green Corporation lies with the Board of Directors. The Board of Directors may hire a staff and contract for services to carry out its duties but it must assume full responsibility for all decisions.

1. Working Meetings

The Board of Directors will meet to conduct affairs of the Corporation. Any employee can be asked to appear at a Board meeting and any Shareholder who has an item to be discussed. The information should be given in writing to the manager before the meeting so that it can be put on the agenda for the next meeting. Only Board members can vote on issues presented.

2. Letters

Any letter written to the Corporation or a Board member which concerns corporate policies or decisions must be read at a Board meeting or circulated to all Board members. The action taken by the Board of Directors in response to the letter will be communicated to the writer by a letter from the Board of Directors.

3. Complaint appeals

Any decision made by the staff, under Board direction, or by Board members can be appealed to the full Board. The decision of the Board in such cases will be final.

III STAFF AND EMPLOYEES POLICY

Maintenance Person

Experience has shown that a full-time maintenance person results in better services at considerable financial savings. The employee shall be hired on an hourly wage basis with a 40 hour work week considered normal.

Duties and Responsibilities

1. Grounds maintenance.
2. Pool maintenance.
3. Staples Hall maintenance
4. Grounds clean-up
5. Any other task assigned by the Managing Agent

Salary Review

The current Board of Directors shall determine the amount of the annual increase on the employees service anniversary or at budget time. The Board of Directors shall allow for the following years increase in the annual budget.

Vacation

The maintenance man shall be entitled to two weeks paid vacation after two years service.

Paid Holidays

There shall be eight (8) paid Holidays for employees. Should any of those holidays fall on a Saturday, Friday will be substituted or if any shall fall on a Sunday the following Monday will be taken.

- | | |
|---------------------------|-------------------------------|
| 1. New Year's Day | 2. George Washington Birthday |
| 3. Memorial Day | 4. Independence Day |
| 5. Labor Day | 6. Thanksgiving Day |
| 7. Day after Thanksgiving | 8. Christmas Day |

Sick Leave

Although there is no sick leave guaranteed it shall be understood that if an illness should go to disability, more than five days, the Corporation shall pay the first five days until California State Disability takes effect.

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IV. INSURANCE POLICY

The Corporation is covered by a general blanket insurance policy that protects the premises from fire and/or other damage. The Corporation is also covered by liability insurance in the event the Corporation is sued by one of its Shareholders or someone who happens to be visiting on the premises.

Personal property of the Shareholder within his living unit is not covered by corporate insurance. In general, if there are any questions regarding the insurance coverage by the Corporation, it is requested that the Shareholder contact the Board of Directors. Such policies as are held by the Corporation shall be made available to the inquiring Shareholder for his perusal.

There are two distinct types of damage or destruction to corporate property, vandalism and carelessness. Our insurance policy covers all or part of either type of damage. However, when the persons at fault are identified, the Board will act accordingly. If the damage is purely accidental a claim will be filed and the resident charged only that amount not covered by insurance. If the damage is due to carelessness or malicious conduct then the entire amount will be charged to the resident and no insurance claim will be filed. In cases of extreme or continued vandalism, the Shareholder will be notified of his violation of the Occupancy Agreement, and appropriate action taken by the Board of Directors on behalf of the Corporation.

The Corporation recommends that each Shareholder have a homeowner's insurance policy to protect himself and his family.

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V. FINANCIAL REPORTING POLICY

1. The Budget process starts in August of each year. The Board of Directors must have a final copy by the November Board meeting. The final budget goes out to all Shareholders in December.
2. An annual audit report shall be prepared and an annual financial report from that audit shall be sent to all Shareholders.
3. The membership may examine the Corporation books and accounts any time upon written request.

VI. CREDIT AND PERSONAL NOTES

1. When the Board is considering a new Shareholder it is required for the Board to review and discuss the credit information of a prospective Shareholder before meeting them. During the meeting, credit information and personal note information should be freely and openly discussed by all Board members with the prospective Shareholder in order that the Board can come to a fully informed decision. After the meeting has taken place the Board has the responsibility for approval or disapproval.
2. As equity values in this Corporation continue to increase it will become more difficult for purchasers to buy a share of stock with a single payment. When this situation occurs in the purchase of a standard home a second mortgage or refinancing is possible. However, neither of these options are presently available for the Cooperative homeowner. Therefore, to ensure the continued growth of our equity values, a new conveyance procedure has been developed by the Board of Directors. This procedure is simply a Security Agreement combined with a Power of Attorney. The Security Agreement is a legal document for payment of a debt and the Power of Attorney affords the seller the right to transfer the share of stock back to himself (in effect to repossess, in case of default by the new Shareholder).
3. If the new Shareholder fails to meet his financial obligations to the Corporation or for any reason is sent a 30-Day notice of termination of his membership, a copy of such notice will be sent to the seller. If the membership is terminated the seller may transfer the share of stock back to himself by signing an Occupancy Agreement and paying all amounts due the Corporation.
4. Equity loans using the share of stock as collateral are legally forbidden by our Occupancy Agreement and Bylaws.

VII CARRYING CHARGES

Pomeroy Green Corporation's only significant source of income is derived directly from the monthly carrying charges paid by each Shareholder. Therefore, it is the responsibility of each Shareholder to pay these charges promptly.

1. Payment, for each upcoming month, is due on the first day of that month. (Example, payment for June is due on June first) The current monthly carrying charges are \$490.00 per month.
2. On the eleventh day of each month, the Managing Agent may send a courtesy notice to those shareholders whose payments have not been received, indicating that their payments are delinquent and should be paid by midnight of the 15th to avoid penalties.
3. If a check is returned by a bank for non-sufficient funds or any other reason, it shall be considered delinquent. If this occurs after the 15th of that month the penalties outlined in Item 4 below shall be immediately applied. The Shareholder shall also be responsible for any subsequent bank fees due to the returned check.
4. If payment is not received by midnight of the 15th, the following penalties shall be applied, without exception, to the Shareholder:
 - A. A 10% Late Fee is assessed and due with the late payment. (Current late fee equals \$49.00)
 - B. A 30 Day Notice, advising the Shareholder that their Occupancy Agreement will expire unless all monies due the Corporation are paid in full, shall be issued to the Shareholder. May be subject to Board review.
5. If payment has not been received within 27 days from the issuance of the 30 Day Notice, Item 4B above, then a 3 Day Notice to Pay or Quit will be served to the Shareholder by a member of the Board of Directors and at least one witness. Payment after the issuance of this 3 Day Notice may only be made by cash or a Certified Bank Check.
6. For further information concerning this subject please reference Article 12 of your Occupancy Agreement in its entirety with specific attention to Item H.
7. Carrying Charges are subject to change from time to time, in order to meet the Corporation's annual expenses as estimated by the Board of Directors. Please reference Article I of your Occupancy Agreement.

VIII TERMINATION OF SHAREHOLDER MEMBERSHIP

If a Shareholder terminates his membership in Pomeroy Green Corporation through the normal sale of his share of stock the Corporation will not exercise its option to purchase the share of stock at book value. However, if the termination is initiated by Board action with a 30 day letter, the share of stock will be purchased at book value. After a member receives a 30 day letter the Shareholder may be permitted to sell the share of stock, with the following requirements.

1. Turn over Stock Certificate and Occupancy Agreement to the Corporation to be held in escrow.
2. Set a price acceptable to the Board of Directors.
3. Vacate before the 30 days have expired.
4. Place the home in a good salable condition.
5. Unit must be inspected after Shareholder vacates and before new owner occupies the unit.
6. Shareholder agrees to pay the regular carrying charges when due until the share of stock is sold.

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NOTICE TO QUIT OR PAY
SAMPLE LETTER

Date: _____

To: _____

Within THREE days after the service on you of this notice you are hereby required to PAY THE CARRYING CHARGES of the premises hereinafter described of which you now hold possession, amounting to the sum of \$ _____ being the carrying charges due for month(s) _____, and _____, 20____, or you are hereby required to DELIVER UP POSSESSION of the hereinafter described premises, within THREE days after service on you of this notice, to POMEROY GREEN CORPORATION or its agent, who is authorized to receive that same or POMEROY GREEN CORPORATION will institute legal proceedings against you to recover possession of said premises with ALL CARRYING CHARGES DUE AND DAMAGES.

The undersigned as landlord, hereby declares a forfeiture of the occupancy agreement under which you occupy the here in below described property.

The premises herein referred to are situated in the City of Santa Clara, County of Santa Clara, State of California, designated by the number and street as

_____.

Dated this _____ day of _____, 20____.

POMEROY GREEN CORPORATION

BY: _____

POMEROY GREEN CORPORATION

3291 Benton Street
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POMEROY GREEN COOPERATIVE CORPORATION
SAMPLE LETTER

To: _____ Date: _____

REFERENCE: OCCUPANCY AGREEMENT ARTICLE 1 AND 13

SUBJECT: MEMBER DEFAULT IN PAYMENT OF CARRYING CHARGES

Because of your non-payment of carrying charges in the amount of \$ _____, POMEROY GREEN COOPERATIVE CORPORATION is required by the terms of the Occupancy Agreement to advise you that the Occupancy Agreement will expire thirty (30) days from the date of this letter and the Pomeroy Green Cooperative Corporation will exercise its right under Article III, section 6 of the By-Laws unless in the meantime all monies due the Corporation shall be paid in full.

Please read the Occupancy Agreement and the By-Laws so that you thoroughly understand the rights, obligations, and alternatives of both yourself and POMEROY GREEN COOPERATIVE CORPORATION.

The charges referred to in this letter are:

Carrying Charges for month _____	\$ _____
Carrying Charges for month _____	\$ _____
Carrying Charges for month _____	\$ _____
Late Charges for month _____	\$ _____
Late Charges for month _____	\$ _____
TOTAL DUE NOW	\$ _____

POMEROY GREEN COOPERATIVE CORPORATION

BY: _____

IX PROCEDURE FOR VIOLATION OF OCCUPANCY AGREEMENT

1. Notification

When a serious violation of our Rules and Regulations or Occupancy Agreement is reported to the Board of Directors (e.g. speeding, disturbing the peace), the Board will send a letter to the responsible Shareholder outlining the problem and requesting their cooperation in ending same.

2. Meeting

If the same violation involving the same Shareholder is reported a second time, the Board of Directors will send a second letter requesting that the Shareholder and the resident about whom the complaint was received, attend a Board meeting. Fifteen days notice will be accorded the Shareholder. The purpose of the meeting is to discuss the problem and permit the Shareholder to offer a defense against the allegations.

As a result of this meeting the Board may accept the Shareholder's defense in which case no further action will be taken against this individual.

The Shareholder may agree to abide by the rules of Pomeroy Green Corporation in which case no further action is necessary.

The Shareholder may refuse to cooperate in which case the Board will proceed to step three.

3. Legal Action

Upon a third complaint within a year, involving the same violation and Shareholder, a 30 day notice will be sent. If at the end of this period the situation persists, documents in the case will be turned over to our attorney for legal action.

The Shareholder will be responsible for all legal fees. Legal action could result in termination for cause.

X. PARKING POLICY

1. Two cars only parked on the grounds, one in the carport and one in the specifically assigned parking space.
2. Any vehicle parked in other than one of their assigned spaces will be towed, with no warning, at the Shareholder's expense.
3. **No** parking in red fire lanes. There must be adequate space for emergency vehicles and fire equipment to have free access to all dwelling units at all times.
4. **No** parking behind cars parked in the carport. All cars parked in this manner will be towed immediately.
5. **No** torn down, obviously inoperative or oversize vehicles in the carport or in the common parking areas.
6. **No** auto repairs are allowed on the Pomeroy Green premises. Only routine maintenance is allowed and that must be confirmed to the carports and take no more than one day. The Shareholder will be responsible for any damage to Pomeroy Green property.
7. Shareholders will be responsible for any damage to the property caused by their vehicles or maintenance work. For example, costs of cleaning up spilled oil.
8. If a vehicle is put up on jacks or blocks, it presents an **immediate** hazard to residents. Therefore, with no warning, the car will be towed at Shareholder's expense.
9. All Shareholders should be aware of these rules and advise their guests accordingly.

Your strict adherence will be appreciated.

XI. NOISE POLICY

One of the most important clauses in our Occupancy Agreement is the one stating that residents will not annoy other occupants with unreasonable noises. To control this problem of noise pollution in Pomeroy Green, the following rules will be enforced:

1. BLASTING RADIOS ARE NOT ACCEPTABLE. Radios are to be kept at a personal level which means they can be heard only by the person operating them.
2. Shouting, loud quarreling, and/or with the use of foul and abusive language will **not** be tolerated.
3. Dogs should **not** be habitual barkers.
4. Automobile and motorcycle engines must not be revved, raced, or tires "peeled" at any time, and car radios must be kept at a personal level also.
5. In and around the pool: Swimming is not permitted after 10:00 p.m. on week nights and 11:00 p.m. on Friday and Saturday. No profanity, loud radios, or excessive boisterous activity will be tolerated at any time.

If a resident, children, or guests do not abide by these guide lines, then the resident is in violation of his Occupancy Agreement and shall be sent the following form letter by the Board of Directors. Repeated violations, (for example, 3 letters in six months) will result in a 30 day notice regarding violation of the noise policy in the Occupancy Agreement which could bring about subsequent termination of membership.

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SAMPLE NOISE LETTER

Date: _____

To: _____

Dear _____

It is the unpleasant duty of the Board to notify you that you, your children, or your guests exceeded a reasonable level of noise on _____.

Date

You have thereby violated Article 5 of your Occupancy Agreement.

Specifically: _____

_____.

It is our hope that this notice will be sufficient and that further action by the Board will be unnecessary.

POMEROY GREEN CORPORATION

BY: _____

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XII. SWIMMING POOL POLICY

The Board of Directors shall be responsible for establishing rules of conduct for residents and guests regarding the use of the swimming pool and facilities. A copy of the rules given here shall be posted conspicuously in the pool area.

During all periods of the year individuals are responsible for their own conduct and those of their children and guests while using the pool facilities. **There is NOT a lifeguard on duty.** All residents shall have responsibility for proper conduct of others in the pool area regardless of the presence of a lifeguard. At any time, adults present should take necessary action to make the pool enjoyable for all. In the event problems cannot be resolved, then the Board of Directors should be notified by those parties and appropriate notification will be made by the Board of Directors where required.

POMEROY GREEN SWIMMING POOL RULES AND REGULATIONS

1. Children and guests under 16 years of age **MUST** be supervised by an adult who is a resident of Pomeroy Green and who, therefore, assumes all responsibility. Youths 18 years of age may supervise children in their immediate family and/or their guests with the approval of parents or guardians of the younger children and Shareholders. This must be in written form and on file in the Pomeroy Green office.
2. Life safety equipment is to be left in place for emergency use only.
3. Non-swimmers and pre-schoolers must be supervised by an adult or responsible sitter **AT ALL TIMES**.
4. Pool closes at 10:00 p.m. on weeknights and 11:00 p.m. on Fri. and Sat.
5. No running, rough-housing, excessive splashing, ball playing or other boisterous activity in the pool area.
6. Profanity will not be tolerated; members may ask the person to leave and report the event to the Board and the Managing Agent.
7. No glass items allowed in the pool area, please use plastic
8. Pool furniture is to be treated carefully.
9. **No pets** allowed in the pool area, a health department requirement.
10. No bicycles, skateboards, etc., in the pool area at any time.
11. Appropriate bathing attire must be worn at all times, cut-offs must be hemmed because of lint going into the filters.
12. Noise must be kept at a minimum level. Radios at a personal level for owners hearing only.
13. The pool and pool area by our definition include Staples Hall.
THESE RULES WILL BE STRICTLY ENFORCED

XIII. STAPLES HALL POLICY

Staples Hall is for the use of all Shareholders of the Corporation, their resident family members, and their guests. If a Shareholder wishes to reserve the clubhouse for a private party or activity, authorization may be granted by the Board of Directors and/or the Managing Agent. The Shareholder reserving the facility shall be responsible for the good behavior of guests and for any damage to Corporation property.

Policy XII Swimming Pool Policy and Swimming Pool Rules and Regulations are a part of this policy.

FEES

A \$200 Security/Cleaning deposit is required for all reservations. Please deliver one check made payable to Pomeroy Green Homeowners Association, when meeting with a board member and getting admittance to Staples Hall. Your check will be held and returned to you if the clubhouse is cleaned following the event, no damage is done to the facility, there is no infraction of any of the rules, and there was no excessive noise or rowdiness.

REFUNDS

The \$200 Security/Cleaning deposit, or a portion, will be forfeited if:

1. Clean up is not done immediately after the event.
2. Any damage is done to the clubhouse.
3. There is any infraction of the rules and regulations, and/or
4. Excessive noise due to loud music, rowdiness, etc.

Following the event, a Board member or management will inspect the clubhouse within twenty-four (24) hours of the reservation. If there are no problems, your deposit check will be returned immediately. If something is noted during the inspection, the security deposit will be deposited in Pomeroy Green's account and the deposit will be used for clean up or to make needed repairs. Any portion of the deposit not used will be returned within fifteen (15) days.

For unscheduled use of the game equipment in Staples Hall, a Shareholder must contact a Board member or the Managing Agent for access to the clubhouse. Guests may not be in Staples Hall without the Shareholder present.

Any Shareholder's child wishing to use Staples Hall must be 18 years of age unless accompanied by the Shareholder. No alcohol beverages are to be consumed in the Hall by anyone under 21 years of age. No smoking is allowed in Staples Hall.

Except for reserved events, Staples Hall observes the same closing hours as the pool area. The noise policy applies to Staples Hall and must be controlled in consideration of other Shareholders.

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STAPLES HALL RESERVATION FORM

Staples Hall is for all Shareholders of the Corporation, their resident family members, and their guests. If a Shareholder wishes to reserve the recreation hall for a private party or activity, authorization may be granted by the Board of Directors and/or the Manager.

Staples Hall may be made available to organized groups on a regular basis if two-thirds (2/3) of the group are Pomeroy Green residents. In every case, Shareholders and their resident family members will maintain the recreation hall in the same manner as they would a recreation area in their private homes.

The Shareholder shall complete the following reservation form and present it to the Managing Agent.

To: Pomeroy Green Corp. Board of Directors

Please reserve Staples Hall for my private party or activity on _____
_____ from _____ to _____.

My guests and I will abide by the Corporation policies, procedures, and rules governing the recreation hall and the pool area while this reservation is in force.

I agree to pay for any damages to Staples Hall and/or any extraordinary cleaning expenses necessitated by this reservation within (30) days of billing.

Signed _____

Address _____

Date _____

Key Delivered _____ Key Returned _____

Condition of Hall _____

Amount of Billing, (if any) _____

XIV. SAFETY ISSUES POLICY

Motorcycles, Bicycles, Motorbikes, Skateboards, Frisbies, and Ball Playing

Use of the above vehicles is acceptable for entering and leaving the corporate areas. Moving with reckless speed is extremely dangerous to people in the common areas and to the riders as well. Bicycles, motorbikes, and skateboards are prohibited on the sidewalks and pathways of Pomeroy Green. Shareholders observing reckless riders are asked to advise riders to operate their vehicles with moderation and to inform the Board of the event so that parents of the riders can be notified.

Motorcycles, and motorbikes are noisy, therefore, no revving of the engines will be tolerated and parking areas must not be used as a speedway. The speed limit is 5 MPH in Pomeroy Green.

Ball playing and frisbie throwing in Pomeroy Green common areas and parking areas is damaging to plants, windows, lights, cars, etc, therefore, both activities are **prohibited**.

The only exceptions are basketballs in the hoop area and soft children's balls in the playground area.

XV. MAINTENANCE POLICY

(Revised Maintenance Policy: Draft, approved by Board on November 20, 2014)

“Standard” means either original as included in 1963, or as replaced by Pomeroy Green with similar equipment. Standard features are specified out in shareholders’ unit inspection forms at time of purchase.

Pomeroy Green is responsible for:

1. Grounds keeping of common areas
2. Painting exteriors of buildings
3. Fences and gates - repair and exterior painting
4. Roof maintenance including carports
5. Pavement repairs
6. Standard appliances including built-in ovens, built-in stove tops, water and radiant heaters
7. Clubhouse and pool maintenance
8. Standard permanent fixtures including: Plumbing, toilets, overhead/exterior lights, bathroom tile (tub shower-backs), caulking and grouting, bathtubs, sinks, electrical wiring and circuit breakers, sliding glass door locks and operation, exhaust fans and door hinges
9. Playground equipment
10. Termite inspections and exterminations
11. Structural damage not caused by the Shareholder or their guests

Upgrades, modifications or customizations become the responsibility of the individual Shareholder.

Shareholders are responsible for:

1. Interior painting, floors, wall and window coverings
2. Concrete Patio slabs, plants and trees.
3. All screens, cabinets, and closet doors
4. All glass (windows, sliding glass doors and the panel beside the front door)
5. All damages caused by family or guests, including accidents or negligence
6. Appliances: Dishwashers, garbage disposals, and all non-standard appliances and fixtures
7. All personal non-permanent items

We strongly urge all shareholders to insure their belongings and the interiors of their homes. Renters’ insurance is usually adequate for the purpose.

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MAINTENANCE POLICY
SAMPLE LETTER

Date: _____

Dear Shareholder: _____

The following situation has been observed to be a needed item of maintenance or repair by you or an unsightly condition on the grounds, or in some way detracting from the enjoyment of the community grounds by the members and needs attention by you:

This letter is a formal request that you take the necessary steps to attend to the matter within the next seven days from the above date. After that time the Corporation will perform the service and you will be charged for the work.

Sincerely,

Pomeroy Green Corporation

3291 Benton Street
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XVI. KEY POLICY

A key to the pool door is given to each Shareholder upon moving in and is used whenever access to the pool and surrounding areas is desired.

If you chose you may give a house key to the maintenance person for access for repairs.

“This replaces the policy in your binder. Please place in the binder.”

XVII. FENCE POLICY

In order to protect and maintain our fences the following requests are made of all members:

1. The dirt in front and back patio areas must not be piled higher than the bottom of the fence boards. If it is piled higher, it will eventually rot out the fence boards. At the time of a sale both patios will be inspected for this condition and any replacement of rotted fence boards will be done at the Shareholders/sellers expense.
2. Trees and shrubs must not be tied to the fences for support. As they grow larger, a strain is put on the fence that could pull it out of line and eventually weaken it.
3. It is very important that no structures be attached to the fences. All structures, such as sheds, arbors, patio covers, etc., must have their own separate support system. No structure may extend above the fence line without prior approval of the Board of Directors. If any of these items cause damage to the fences, the Shareholder will be financially responsible for the necessary repairs.
4. Shareholders are responsible for letting the Managing Agent know when side fences need repair. The outside ones are inspected on a regular basis but since the Managing Agent does not invade your privacy by having ongoing inspections of the side fences, any repairs needed must be requested on a maintenance report form.
5. Fences may not be reconfigured or removed.

XVIII. ROOF POLICY

Unauthorized individuals shall refrain from walking on roofs of homes or carports. Due to the risk of injury and potential damage to the roof, these areas shall remain strictly off-limits. If anyone (Shareholder, occupant or guest) who is not authorized and is seen on a roof, the Corporation shall have the roof inspected for damages. Charges incurred by these non-routine inspections, as well as the costs of any repairs, will be billed to the Shareholder.

Pomeroy Green Corporation shall not be held liable for any injury sustained while disobeying the above policy. Anyone seen on a roof should be immediately reported to the Board of Directors or Managing Agent.

Pomeroy Green Corporation shall remain committed to keeping home and carport roofs in good repair. Any leaks or other damage should be immediately reported to the Board of Directors or Manager. Please remember to submit a maintenance request form for any necessary repairs. The Corporation shall not be held responsible for any non-structural damage caused by a leaky roof. **Shareholders are encouraged to purchase Homeowners Insurance to cover damages to personal belongings and furnishings.**

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XIX. REMOVAL OF TREE POLICY

Shareholders interested in removing trees in front of their units may do so only after performing the following procedures:

1. Notify the Board of Directors in writing of your request to have a tree removed, indicating all reasons why this request is being made.
2. Be willing to pay for the removal of all trees you are requesting be removed, including grinding of the stump and the replacement of another tree of at least 15 gallon size within a 30 day period should that be an acceptable alternative to the Board of Directors.
3. Accept all responsibility for any damages to Pomeroy Green property and the replacement of the tree if it should not survive.
4. All beds must be restored to original condition and replace ivy, if necessary.
5. Shareholder will provide new tree, type to be determined by the Board of Directors, with any special watering needed for it until it can survive on the normal schedule of watering at Pomeroy Green.

I agree to the above conditions.

Shareholder signature _____

Address _____

XX. PET POLICY

Pets are allowed but should never become a nuisance to other Shareholders in the Pomeroy Green Corporation. Shareholders are responsible for any damage caused by their pets. This is required by law of the City of Santa Clara and is enforced here on Pomeroy Green property. We also enforce the City ruling of only two dogs and two cats, over four months of age per household.

All dogs must be kept inside the house or yard areas unless on a leash. Being within vision or earshot of a dog is not considered enough control, nor is walking the dog, leash in the owners hand while the dog walks or runs playfully beside, unattached. Dogs must be leashed when in the common areas of Pomeroy Green.

Due to the serious nature of unleashed dogs, fines for shareholders who violate the Pomeroy Green dog leashing requirements shall be calculated by doubling the fines indicated in the schedule of fines in the Fine Policy.

Please note the noise policy which mentions habitual barking as a cause for complaint by the neighbors within hearing distance.

It has been noted that at times, cats can cause problems for neighbors, and if this occurs, the cat owners should be notified.

Everyone must clean up any messes made by their dogs while being walked on Pomeroy Green property.

POMEROY GREEN CORPORATION

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SAMPLE PET VIOLATION NOTICE

Date: _____

To: _____

Dear Shareholder;

Attached please find a copy of the Pomeroy Green Pet rules which you have violated in the following manner;

Date of violation: _____

Violation: _____

We trust you will read and abide by these rules.

Sincerely,

POMEROY GREEN BOARD OF DIRECTORS

Revised August 21st, 2008

XXI. CONFLICT OF INTEREST

As stated in our Bylaws, a member of the Board of Directors must also be a member of the Corporation in good standing in order to avoid actual or potential conflict of interest in Pomeroy Green the following situations must be adhered to:

1. Any Board member involved in the sale of a unit whether it be as an agent, broker, lender, or seller will inform the Board with a written notification and immediately resign from the Board.
2. No one working for monetary compensation from Pomeroy Green Corporation may serve on the Board of Directors until that working relationship is ended.
3. Pomeroy Green Board of Directors members may not receive monetary compensation for time or work invested in Pomeroy Green Corporation business. There may, however, be reimbursement to individuals, including employees, for seminars, workshops, and other such business related to the Corporation. A proposal must be submitted to the Board of Directors for approval prior to the date of the activity in order for the individual to receive reimbursement for the incurred expenses.

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XXII. ESCROW POLICY AND PROCEDURES

Based on the advise of our Legal Counsel, Goldfarb & Lipman, and to meet the requirements of the State of California, the Board of Directors voted to approve using a licensed Escrow Agent to handle all future escrows concerning the transference of Pomeroy Green Corporation stock.

We have revised the Policies and Procedures Guide to reflect these necessary changes. Please read these documents and should you have any questions regarding these documents please contact the Board of Directors or the Managing Agent.

The Board has met with a licensed Escrow Agent, North American Title. Please understand that you are not required to use this service. Also, understand that if you choose not to use Pomeroy Green Escrow Agent, whomever you choose must be licensed with the State of California and have a working knowledge of Cooperative Escrows to avoid delays in your transaction.

ESCROW PROCEDURES

SELLER'S RESPONSIBILITY

1. Complete Sales Agreement
2. Provide Pomeroy Green Corporation with current status of any outstanding notes against the share of Stock.
3. Provide all the above documentation to the Escrow Company.

MANAGING AGENT RESPONSIBILITIES

1. Provide purchaser or Real Estate Agent with copies of the Bylaws, Articles of Incorporation, Occupancy Agreement, Security Agreement, Recognition Agreement, Policies and Procedures, Annual Audit and Current Financial Statements of the Corporation, and a Power of Attorney, if an existing note is involved.
2. Review Credit Check on Purchaser
3. Initiates and completes an inspection of the unoccupied unit. Present the inspection documentation to the Board of Directors immediately so that two members of the Board can complete their own inspection.
4. Provide Escrow Agent with completed Existing Cooperative financial information form regarding the unit.
5. Acts as a liaison between the Board of Directors, the Purchaser, the Seller, and the Escrow Company in terms of gathering necessary date, setting up appointments, and answering or relying unanswered questions to the appropriate parties.
6. Completion of the Stock Certificate for Board Member signatures.

ESCROW AGENT'S RESPONSIBILITIES

1. Deposit funds in escrow account.
2. Release replacement/repair funds to Pomeroy Green, if not completed as specified in the inspection instructions, within 60 days, by the seller.
3. Complete Preliminary Change of Ownership and record document with the County Assessor's Office. After completion, send copy to Pomeroy Green Corporation.
4. Complete IRS forms W-9 and 1099-S.
5. Supply Pomeroy Green Corporation with tax clearance certificate.
6. Release applicable funds once the written approval, also known as a Board resolution, from Pomeroy Green Board of Directors is received.
7. Escrow fee will total \$600.00.

PURCHASER'S RESPONSIBILITIES

1. Complete Sales Agreement
2. Complete the financial statement and credit application.
3. Furnish all documents to the Escrow Agent along with the agreed down payment, either personally or through your Real Estate Agent.

BOARD OF DIRECTOR'S RESPONSIBILITIES

1. Two Board Members complete inspection of unoccupied unit and review with a third member to establish the amount of funds that will be placed in escrow for replacement and/or repairs; based upon previous quotations for similar replacement/repair items. The amount to be withheld will be relayed to the Managing Agent who will then notify the Escrow Agent.
2. Interview Purchasers and vote on acceptance.
3. Sign Stock Certificate upon completion of Escrow.
4. Draft and sign letter of acceptance of new member and submit to Escrow company, also referred to as a Board resolution.

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POMEROY GREEN COOPERATIVE CORPORATION

EXISTING FINANCIAL INFORMATION DOCUMENT SAMPLE

Current first mortgage balance	\$ _____
Current monthly carrying charges	\$ _____
Pomeroy Green Corporation transfer fee	\$ _____
Amount to be withheld for repairs	\$ _____
Amount to be withheld for escaped and Supplemental taxes	\$ _____

XXIII. CHIMNEY AND FIREPLACE MAINTENANCE POLICY

Fireplaces, inserts and chimneys are non-standard features of a unit, and as such, their inspection, maintenance and repair are not the responsibility of Pomeroy Green Cooperative Corporation. The Corporation is obligated to assure that fireplaces, inserts, and chimneys are maintained in a safe operating condition.

The managing agent will arrange for an appropriately licensed, bonded, and/or insured company to inspect or repair fireplaces or chimneys as detailed below or as otherwise necessary. All costs incurred by the Corporation will be reimbursed by the shareholder. Alternatively, a shareholder may make arrangements with an appropriately licensed, bonded and/or insured company of his/her choice. Costs for the service will be defrayed directly by the shareholder.

Since air quality in the Santa Clara Valley can be severely degraded by fireplace smoke, there have been increasingly strict, if voluntary, restrictions placed on the use of fireplaces. Reflecting the generally lower use of fireplaces, shareholders have two options:

1.
 - A. Fireplaces and chimneys in current and continuous service shall be inspected for safety at least every two years. A certificate of inspection and the results shall be provided to the manager for inclusion in the unit's maintenance file.
 - B. Recommended repairs must be undertaken within 30 days of the inspection showing they are necessary. A certificate of repair shall be provided to the manager as in A. above.
 - C. Chimneys shall be cleaned at least every five years.
 - D. Pomeroy Green Cooperative Corporation reserves the right to clean and repair a chimney or fireplace at the member's expense if satisfactory, written evidence of compliance with the above provisions is not presented to the manager as required.

2. A fireplace that is removed from service will be exempt from the above requirements subject to the following provisions:

- A. A fireplace may be designated as "not in service" by annual certification by the member that the fireplace has not been used since its last regular inspection, and certification of the member's intent that it will not be used for at least one year. Use of a fireplace which has been placed "not in service" shall be construed as a violation of the member's occupancy agreement.
- B. Fireplaces designated "not in service" shall have a suitable wire netting, hardware cloth, secured to the chimney to prevent birds from nesting in or on the chimney. This netting will be maintained as part of the standard Pomeroy Green roof maintenance program.
- C. After a period of being "not in service" a fireplace and chimney shall be inspected and repaired as required before being placed back into service. As provided above, the cost of such inspection and repair will be reimbursed to the Corporation or defrayed by the member.
- D. A fireplace must be placed "In Service" when a unit is offered for sale.

XXIV. MAINTENANCE OF ASBESTOS CONTAINING FLOORING

Our environmental engineering company has identified the original standard Pomeroy Green floor tile as containing non-friable asbestos. Pomeroy Green Cooperative Corporation is required by environmental law and by the Corporation's lenders to implement an Operation and Maintenance program for this material.

The Environmental Protection Agency (EPA) classified floor tile as being a non-friable material, if it "cannot be crushed, pulverized, or reduced to powder by hand pressure, when dry". Existing floor tile may remain in place, but care must be taken in its maintenance and handling:

1. Exposed tile should be inspected periodically to assure the tiles are in good condition. Exposed tile includes all tile which does not have another, fully-covering walking surface (wall to wall carpet, vinyl sheeting, etc) over it. This includes tile in closets and storage areas.
2. Exposed tile should be cleaned with mild detergent. Do not use harsh chemicals. The cleaned tile should then be sealed with a self-polishing household floor wax or polish. Do not dry buff the sealed surface.
3. Do not conduct any activity such as drilling, sanding or grinding which may render the tile into a powder. If such activities are required for floor or heating system maintenance or replacement, these should be done by properly trained and equipped personnel, in order to reduce possible exposure to asbestos fibers which might be released.
4. Broken or defective tiles and any dust from them must be disposed of in compliance with applicable federal, state and/or local environmental regulations. Broken or defective floor tiles should be replaced with non-asbestos-containing tiles. The Pomeroy Green standard floor covering will be amended and updated to reflect this requirement.

XXV. CARPORT POLICY

1. Carports are to be used for parking of operable, registered motor vehicles only.
2. Carports may not be used for storage of any other personal property, on either walls or floor. Decorative items (planters, benches, chair) are allowed, but are not to exceed a total footprint of five (square feet). Other furnishings or workbenches in the carports are not allowed. Nothing is to be attached, hung, or suspended from the ceiling.
3. Carports may be used for minor vehicle maintenance, but the vehicle must be in operable condition at the end of each day, and tools and other work-related items removed. Residents should ensure that vehicle fluids (oil, gear oil, coolant, brake fluid, etc.) do not flow out of the carport or enter the storm sewer system. Illegal dumping of such fluids into storm drains on the Pomeroy Green property may subject the perpetrators to criminal and civil penalties. As a matter of safety and potential Corporate liability, the use of jack stands, ramps or similar devices is strictly prohibited.
4. Any homeowner wishing to paint their carport floor must first submit a color scheme to the Board of Directors for approval. Said color must harmonize with the building colors.

XXVI. SUBLETTING

It is the policy of Pomeroy Green Cooperative Corporation to maintain the Cooperative's goal of 100% owner occupancy. To this end, units cannot be offered for sale as investment or rental properties, nor can units be purchased by corporate entities. However, unusual situations may arise in which it is in the unit owner's and the Corporation's best interest to permit occupancy by parties other than the primary lessee (Shareholder). Thus, subletting of units is possible, but only upon approval of the Board of Directors.

We define "subleasing" as occupancy of a unit by any party other than the owner without transfer of ownership interest. Occupancy of a unit by a subtenant is intended as a temporary measure, to accommodate members a) who are subject to temporary relocation or b) have vacated a unit which has been or will be offered for sale. Subleasing of units is restricted to units which have been occupied by the Shareholder for at least three years. A unit can be sublet for a maximum of one year, at the end of which the Shareholder must reoccupy the unit or dispose of the share representing the unit. Further subletting by a Shareholder who has previously sublet will not be approved unless the Shareholder has reoccupied the unit for three years. This requirement may be waived at the discretion of the Board in cases of extreme financial hardship, such as death of a tenant, or relocation due to job transfer.

1. Proposed occupants of a unit, regardless of ownership interest, are subject to review and approval by the Board of Directors, to assure the sublessee's financial stability, and suitability for participation in the Cooperative. Failure to obtain such approval is grounds for immediate eviction. Costs of such action will be borne by the Shareholder.
2. Unit occupants are bound by the governing documents of the Corporation, the Occupancy Agreement of the unit owner, and the Policies and Procedures of the Board, including changes to these which may become effective during their residence.
3. The Shareholder shall remain liable to the Corporation for all obligations under the Corporation's governing documents and the Occupancy Agreement. The Shareholder will remain responsible for payment of the monthly carrying charge, and all other such charges as may be levied by the Board of Directors. Late payments will be handled in accordance with the governing documents and the Occupancy Agreement.

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4. Unit owners shall indemnify the Corporation against any action in law or equity arising from conflicts between the Shareholder and noteholders relating to the terms of their contracts. The Shareholder shall indemnify and hold harmless the Corporation with respect to any misuse, damage, or any other action of the sublessees which decreases the value of the unit.
5. The Corporation or its agent may levy a service charge on owners and sublessees for unusual costs incurred by the Corporation in connection with arrangements made in their behalf, or to otherwise recover costs incurred. This may include reimbursement for excessive requests for maintenance and/or damage to the unit, the repair of which is the Corporation's responsibility. The Corporation may require the sublessor to post a bond in the amount of \$5000, or to require other surety to protect the Corporation from undue liability.
6. The number of units sublet at any time shall not exceed four (4).
7. The sublessee shall not have any membership rights in the Corporation.
8. The Shareholder shall provide the Corporation with copies of any subleases entered into. A subleasing agreement shall be entered into between the Shareholder, the sublessee and the Corporation attesting mutual acceptance of the sublease, surety bond arrangements and all other provisions of this policy.
9. Priority for available rental "slots" will be determined by order of receipt of the written request to sublet (procedure step 1, vide infra), as judged by the Managing Agent. Priority shall be thus maintained for 30 days. If the Shareholder has not presented a completed application packet (procedure step 4 vide infra) to the Managing Agent within this period, priority shall pass to the next applicant to sublet, if any present themselves.

SUBLETTING PROCEDURE

The Managing Agent and the Board of Directors will work with the Shareholder and prospective sublessee(s) to effect the orderly and expeditious consideration of a subtenant. To do so requires that the Shareholder and sublessees provide required information in a timely manner. All of the steps below will normally take 4 to 8 weeks. The steps leading to Board consideration of an application should be completed three weeks before the projected date of occupancy.

1. The Shareholder will submit a written request to sublet a unit to the Managing Agent.
2. The Managing Agent will review the request relative to the residence requirements of this policy, and the outstanding number of units currently sublet. If the residence requirement is met, and fewer than four units are sublet, the Managing Agent shall accept the request. Within one week of receipt of the request, acceptance or non-acceptance of the request will be communicated by the Managing Agent to the Shareholder.
3. The Managing Agent will provide the Shareholder with the following documents to be executed by the sublessee:
 - Required addendum to lease or rental agreement
 - Occupancy Agreement
 - Governing Documents
 - Policy and Procedure Manual

Cost of production of these materials will be borne by the Shareholder.

4. The Shareholder will submit the following documents to the Managing Agent:
 - A personal profile of the sublessee(s), detailing residential and employment history for three years. Names and contact addresses and/or telephone numbers for landlords and/or supervisors must be provided.
 - A standard, residential mortgage credit report. A copy of the report made for the unit owner may be used.
 - Acknowledgement of receipt and understanding of the above-noted documents.
 - An executed copy of the sublease.
 - A copy of the Corporation's addendum to the sublease agreement, executed by the Shareholder and sublessee.

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5. The Managing Agent will distribute five copies of these documents to the Board of Directors. The original of the addendum to the sublease will be given to the President. Costs of copying these documents will be borne by the Shareholder.
6. The Board will consider information submitted in a complete application packet (per paragraph 4) at its next, regularly scheduled meeting. Approval of the application will be signified by an invitation to interview the sublessee, to be made through the Managing Agent.
7. One or more members of the Board shall meet with the sublessee at a mutually agreeable time. The general format of the meeting will be the standard interview with prospective members, as provided elsewhere in the Policies and Procedures of the Corporation. If no supervening concerns become apparent, an attending member of the Board shall execute the Corporation's addendum to the sublease agreement on behalf of the Corporation. Move—in shall be authorized as the later of date of this action or as provided in the Shareholder-sublessee agreement.
8. An attending member shall forward the original, executed addendum to the sublease agreement to the Managing Agent for copying and distribution to the Shareholder, the sublessee, and the Corporation's unit file. Costs of copying shall be borne by the Shareholder.

SUBLETTING AGREEMENT
BETWEEN MEMBER, SUBLESSEE, AND POMEROY GREEN CORPORATION

The Member and Sublessee have entered into a rental agreement or lease (rental) for the premises known as _____ at Pomeroy Green Corporation. Such rental has been approved by the Board of Directors of the Corporation. All Parties agree to the following as a condition of the continued approval by the Corporation:

1. Member and Sublessee will be responsible for compliance with all regulations of the Corporation, including, but not necessarily limited to, Occupancy Agreement, By Laws, Rules and Regulations, Policies and Procedures. Member has provided these documents to Sublessee.
2. The Board shall notify Member and Sublessee in writing of any violations that occur.
3. The Board of Directors of the Corporation may terminate the Member's authorization to sublease the unit if the sublessee is not in compliance with any of the regulations. The Board may terminate the membership of the Member if the Member does not obtain compliance from the sublessee or complete eviction of sublessee for noncompliance. Member will be responsible for any costs incurred by the Corporation to enforce compliance of the Sublessee or Member.
4. Corporation is permitted to accept rent in the amount of the carrying charges due on the unit directly from the Sublessee if arrangements for same have been made in writing by the Member and Sublessee.

5. This Agreement is to be made an ADDENDUM of the rental agreement or lease between the Member and Sublessee and must be included therein by reference.

MEMBER

POMEROY GREEN COOPERATIVE, INC

Print Name

Print Name

Signature

Signature

Date

Date

SUBLESSEE

Print Name

Signature

Date

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XXVII. TELEPHONE POLICY

1. Pomeroy Green Corporation has the responsibility to provide one telephone line to the outside of each unit. All interior wiring is the sole responsibility of the Shareholder.
2. Pomeroy Green Corporation has no responsibility outside or inside for the addition of multiple telephone lines.
3. Pomeroy Green Corporation is required to allow reasonable access to authorized workmen.
4. The integrity of all roofs at Pomeroy Green will be respected at all times.
5. No work is to be done until the Shareholder contacts the Managing Agent with a request in writing and has approval in writing from Managing Agent.
6. Pomeroy Green Corporation wiring allows only two lines per unit. If you have three lines you are depriving your neighbor of 2nd line. When they need their second line you will be asked to relinquish your 3rd line.

This policy was formulated after consultation with ECHO, our legal advisors, and the Davis-Stirling Act, pertinent sections of this Act are: Article 1364, section 1351, paragraph I, Number 2.

XXVIII. "FOR SALE SIGN POLICY"

1. A "For Sale" sign is allowed at your front carport. "Open House" signs may be displayed only during the time a unit is being shown.
2. All "For Sale" signs in front of the unit must have lawn stack, not large post signs, as they cause damage to our irrigation system.
3. One standard "For Sale" post sign will be permitted at the unit's driveway entry at the street.
4. Any damage to the irrigation system or any other structure as a result of installing a sign will be paid for by the owners of the unit for sale.

Revised November 15th, 2012

XXIX FINE POLICY

SCHEDULE OF FINES

The following schedule of fines will begin January 2014 for violations to Pomeroy Green Cooperative Corporation's Articles of Incorporation, Occupancy Agreement, and/or Policies and Procedures.

1. A written notice will be given for the first violation of any of the above.

In case of a serious violation as a first occurrence, such as endangering others, a monetary fine up to \$500 may be imposed.

2. A \$25.00 fine will be charged for the second incident of the same violation within a 12 month period.
3. A \$100.00 fine will be charged for the third incident to the same violation within a 12 month period.

Homeowners making unauthorized structural modifications or changes to their units, such as to the exterior walls and windows, may be subject to a monetary fine and be required to return the modifications to the original structural condition at their own expense.

All fines are due with the next month's carrying charges. If unpaid, a fine will be taken from that month's carrying charges and therefore the carrying charges for said month will be delinquent and the 10% late fee will apply.

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