

TURNBERRY HOMEOWNERS ASSOCIATION, Inc.
DELINQUENCY POLICY

The Turnberry Homeowner Association, Inc. (hereinafter referred to as Turnberry) Delinquency Policy has been written within the guidelines of the Declaration of Covenants, Conditions, and Restrictions applicable to the Turnberry Subdivision, and the laws of the State of North Carolina. This policy will be enforced to ensure the financial security of all Turnberry owners, while simultaneously ensuring that the appearance and integrity of the Turnberry community common needs are maintained as outlined in the Declaration. This delinquency policy will be enforced effective January 1, 2006.

I. ANNUAL BILLING

Each owner will be billed annually for assessments, in advance, to be paid annually. A statement will be mailed first class mail to each lot owner one (1) time per year in December of the preceding year. The payment due date for the assessments is the first business day of January of each year. If the owner so wishes, he or she may pay up to one year in advance. All bills and notices will be sent to the mailing address of each lot on file with the Association's records in addition to any alternate mailing address provided by the lot owner in writing in accordance with state law. All such mailings will be sent via First Class mail.

II. LATE PAYMENTS

If any assessment payment has not been received within thirty (30) days of the original due date, the unpaid balance of the assessment shall bear interest from the due date at the rate of eighteen per cent (18%) per annum until paid in full.

III. LATE NOTICE

If any assessment payment should be delinquent beyond thirty (30) days from the original due date, a late notice will be issued. All bills and notices will be sent to the mailing address of each lot on file with the Association's records in addition to any alternate mailing address provided by the lot owner in writing in accordance with state law. All such mailings will be sent via First Class mail. Such notice will allow a minimum of fifteen (15) days for the lot owner to make payment in full of the assessments. After that fifteen (15) day period if the assessments are not paid in full, the lot owner will be subject to any and all legal fees, costs or charges as allowed in the Declaration and state law.

III. LEGAL ACTION AND COSTS

If payment in full of the Assessments, interest and late charge have not been made within the time periods stated in numbers I, II, or III of this policy, the Association may bring an action at law against the owner, or foreclose the lien against the property, and the interest, costs and reasonable attorney fees of such action or foreclosure shall be added to the assessments and become the responsibility of the lot owner to pay.

The Board of Directors for Turnberry will determine the appropriate action to be taken in any situation not expressly covered by this delinquency policy.

**A returned check reimbursement charge of \$25.00 or the maximum allowed by North Carolina State law will be issued to any account whose checks on which payment has been refused by the payer bank because of insufficient funds, or because the drawer did not have an account at that bank. The Board of Directors reserves the right to require that any homeowner with a history of non-sufficient fund payments to make all assessment payments in certified funds.*

*** Partial payments will be applied to attorney fees, costs, and interest first, and to assessments last.*

TURNBERRY HOMEOWNERS ASSOCIATION, Inc. VIOLATION POLICY

The following will be the Turnberry Homeowners Association, Inc. (hereinafter referred to Turnberry) Violation Policy. This policy has been written within the guidelines of the Declaration of Covenants, Conditions and Restrictions for Turnberry and the laws in the State of North Carolina. This policy will be enforced for the purpose of protecting the integrity, value and desirability of the lots, the owners and any and all parties having the right, title or interest in such lots in the subdivision of Turnberry. This Violation Policy will be enforced effective January 1, 2006

Any party having any right, title or interest in the subdivision of Turnberry (hereafter "homeowner") is required by the laws of the State of North Carolina to abide by the Declaration of Covenants, Conditions and Restrictions for Turnberry Subdivision registered in the State of North Carolina, County of Mecklenburg. If at any time any of the aforesaid parties is in violation of the Declaration of Covenants, Conditions and Restrictions for Turnberry the following procedures will go into effect:

STEP 1 – The homeowner in violation will receive written notice of the charged violation with a specified period of time to comply. All notices will be sent to the lot mailing address by first class mail unless the owner has notified the association in writing, in accordance with state law, of an alternate mailing address in which to receive all notifications. If the homeowner is unable to cure the violation within the specified time period, he/she is required to respond in writing within that specified time period to the management company or Board of Directors to either work out a resolution or request a hearing. If the management company or Board of Directors have not received a response from the homeowner or have not been able to come to a resolution within the specified period of time, Step 2 will go into effect.

STEP 2 – The Board of Directors will set a Hearing date and will either appoint an adjudicatory panel or serve as the panel. Any Directors that serve as panel members may not be officers of the association. The adjudicatory panel will determine if the homeowner is in violation of the Restrictive Covenants. If it is found that the homeowner is in violation of the Restrictive Covenants, then the adjudicatory panel will determine if the homeowner should be fined and/or if planned community privileges or services should be suspended pursuant to the powers granted to the association in accordance with North Carolina General Statutes. The homeowner charged shall be given written notice of the charge and the hearing date and time with said notice being mailed at least fifteen (15) days prior to the hearing. At that hearing, the homeowner will be given the opportunity to be heard and present evidence. Written notice of the decision of the panel will be mailed to the homeowner within ten (10) days of the hearing date. A grace period of five (5) days minimum from the mailing date of the decision letter is to be given before the actual imposition of any fine and/or suspension to give the homeowner the opportunity to cure the violation. If it is decided that a fine should be imposed, a reasonable fine up to one hundred (\$100.00) per day may be imposed for each violation cited. If it is decided a suspension from planned community privileges or services should be imposed, it may take place until the violation or delinquency is cured, unless the Declaration provides to the contrary. Such fines shall be assessments secured by the liens under NCGS 47F-3-116 and the Turnberry Homeowners Association, Inc. Delinquency Policy. A homeowner may appeal a decision made by the adjudicatory panel to the Board of Directors by delivering written notice of the appeal to the Directors at the association mailing address within fifteen (15) days after the date of the decision. After the Board of Directors reviews the appeal they may affirm, vacate, or modify the prior decision of the adjudicatory panel.

STEP 3 - If the homeowner is still in violation after Steps 1 and 2 and no resolutions have been made between the homeowner, Management Company and/or the Board of Directors of the Association, the case may be turned over to the attorney to resolve or begin lien, foreclosure proceedings and/or further legal action. While Step 3 takes place the homeowner will continue to be charged the daily fines imposed in STEP 2. Once the matter has been turned over to the attorney the homeowner in violation will be responsible for all reasonable attorneys fees as is allowed in N.C.G.S. 47F-3-120 and the Turnberry Homeowners Association Declaration of Covenants, Conditions and Restrictions in addition to all previous assessments, interest, fees, costs or fines incurred.