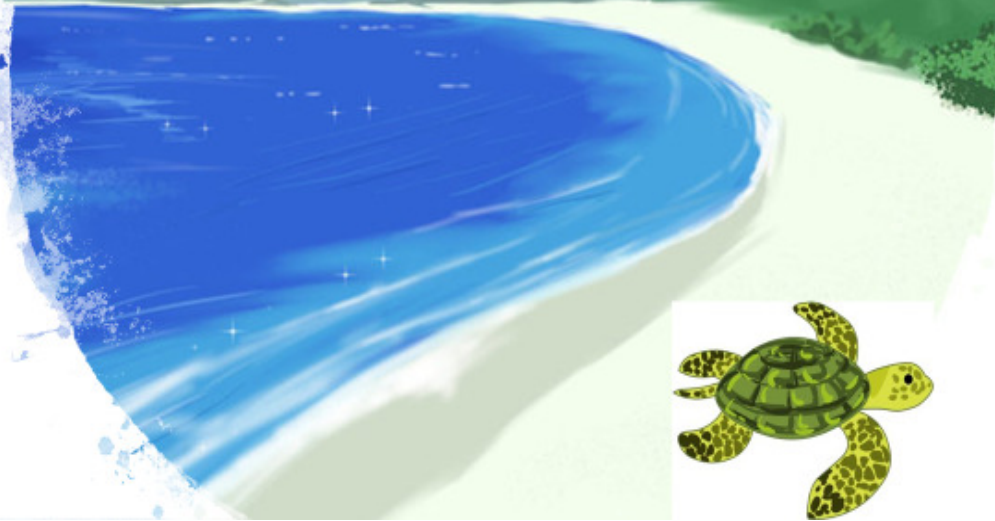


Turtlewood at Southport



Grinder Pump Escrow Account Procedure

Revision: 1.1

Release Date: November 15, 2023



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2. Purpose of the Procedure

The purpose of this procedure is to set forth the requirements to establish and maintain escrow accounts for homes / lots in Turtlewood at Southport that require grinder pumps.

3. Scope of the Procedure

This procedure will apply to the 18 lots that require a grinder pump on their sewage line.

4. Responsibility to Maintain and Implement the Procedure

The Turtlewood at Southport Board of Directors (BoD) has the responsibility to maintain and implement this procedure. This also includes the collection of required funds and fees / penalties.

The treasurer of the BoD is responsible to maintain the accounting for the escrow funds for each individual lot. The status of the accounts is to be reported to the BoD on a quarterly basis at a minimum.

5. Escrow Account Procedure

The following section will outline the amount to be established, the procedure for collection, the procedure for accounting, the procedure for use of funds, and the procedure for recovering spent funds / reestablishing the escrow fund.

5.1 Amount of Grinder Pump Escrow Account

Each lot with a grinder pump required (18 lots) will be required to establish and maintain a \$3,000.00 escrow account with the Turtlewood BoD.

5.2 Initial Collection of Funds for the Grinder Pump Escrow Account

5.2.1 Brand New Grinder Pump Escrow Account

For individual lot grinder pump escrow accounts billing will begin the first of February 2024 and be billed \$500.00 per year in 4 quarterly installments at \$125.00 each quarter for six (6) years billed the first of February, May, August, and November each year. Monies will be due 30 days after issuance of the invoice. The individual lot grinder pump escrow account will be managed to a \$3000.00 balance.

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For Transfer of Ownership accounts using this method, the bill be issued the first of the month after closing and for the following 5 years on the first of the month in February, May, August, and November. Monies will be due 30 days after issuance of the invoice.

5.2.2 Transfer of Ownership of a Grinder Pump Escrow Account

There are two methods of transfer:

- Through lot / house closing cost transfers (preferable method).
- Through refund to seller from BoD and initiation of new account with Buyer (see section 5.2.1).

Once the agreement is in place, the seller / buyer need to inform the Bod Treasurer of their intent.

The return of monies via the refund method will be a minimum of six (6) months after closing and after receipt of the first payment from the Buyer, however, may be over two (2) years, depending on the total fund and position of the BoD to maintain the grinder pumps.

5.3 Accounting for the Escrow Funds for the Grinder Pump Escrow Account

The responsibility for the accounting of the individual grinder pump escrow accounts will be within the responsibilities of the BoD Treasurer. The Treasurer will maintain the balance of each individual account, issue billing notices as required.

A lot owner / homeowner may request an accounting of the account to the BoD Treasurer.

If an account is in arrears, the Treasurer will inform the BoD and, upon approval of the BoD, issue delinquency notices. A delinquent account will be charged 2% late fee per month late. The lot / homeowner may appeal any late fee to the BoD noting any extenuating circumstances.

The escrow accounts will be maintained as non-interest bearing accounts.

5.4 Use of Funds from the Grinder Pump Escrow Account

When repair or replacement will require the expenditure of funds from an individual lot’s Grinder Pump Escrow Account the following should be done:

- Before initiating a service call, the BoD representative for grinder pumps has to be informed to authorize the work.
- Once the BoD representative for grinder pumps has authorized the service call, the lot owner / homeowner should contact the approved service company.
- The lot owner / homeowner must inform the service company that all invoices need to be sent to the BoD for remittance.
- The lot owner / homeowner must keep the BoD representative for grinder pumps informed of the service call’s findings and approve all work to be done.
- Upon completion of the work lot owner / homeowner must make sure the invoice is sent to the BoD (**address:** Turtlewood at Southport, PO Box 10190, Southport, NC 28461; **email:** turtlewoodhoabod@gmail.com).
- If the cost of the work done by the service company is more than the funds currently in the individual lot’s escrow account, the lot owner / homeowner will be billed for that overage based on section 5.5.

Note: **NO** payment should be made by the lot owner / homeowner to the service company. The BoD will **NOT** reimburse the homeowner for funds paid directly to the service company.

5.5 Recovery of Spent Funds / Reestablishing the Escrow Fund

Once funds have been expended from an individual lot’s Grinder Pump Escrow Account the account must be replenished to the \$3,000.00 balance. Quarterly billing will begin again (refer to Section 5.2.1).

The BoD Treasurer will bill the lot owner / homeowner in 6 equal payments to cover the amount to bring the Grinder Pump Escrow Account back to \$3000.00 and for any overage that was billed for service. The invoice to the lot owner / homeowner will be issued the first of the month following receipt of the invoice and on the first of the same month for the following 5 years. A lot owner / homeowner may pay in full at any time.

6. Procedure Revision History

Revision	Date	Details
1.0	23Oct2023	Initial Release – Approved by BoD 23Oct2023
1.1	15Nov2023	Updated sections: 5.2.1 – Billing quarterly; 5.5 – Billing quarterly.

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