

Swansgate Homeowners Association Community Update Letter

May 31, 2025

Dear Neighbors,

On August 1, 1994, our founding documents, the Declaration of Covenants, Conditions and Restrictions for the Swansgate Homeowners Association, were recorded in the office of the Register of Deeds for Davidson County, marking the official beginning of our community. Since then, Swansgate has grown and evolved, shaped by the dedication and efforts of many. Some of you have been here from the very beginning and are original members of the Swansgate Homeowners' Association. For most of us, however, our journey with Swansgate began more recently.

Over the years, successive Boards of Directors have carried the responsibility of upholding the restrictions and guidelines of our founding charter, ensuring that while the faces of our community may change, Swansgate's high standards as expressed in our Declaration, remain strong. A particularly challenging period arose in 2007, when the dam of our largest pond began to leak. The Board acted swiftly to identify and remedy the structural deficiencies, which had previously gone undetected. Because the repair costs exceeded the Association's financial reserves, a special assessment was levied. While the repairs were necessary, the assessment created discord among neighbors and became a difficult and divisive experience for the entire community.

Perhaps as a result of that experience, interest in HOA volunteer service declined. By July 2015, the responsibilities of the Association rested solely on the shoulders of one individual: Mr. Joe Nottoli. Tragically, Joe passed away suddenly while on vacation with his family. In the wake of this loss, our neighborhood entered a time of uncertainty as we worked to reestablish both a functioning Board of Directors and an active Architectural Control Committee.

Now, in 2025, we mark ten years since that turning point. Thanks to the commitment of many neighbors who stepped forward to offer their time and talents, we have made great strides in restoring and strengthening our Association. Along the way, three critical challenges have emerged as top priorities in securing a strong future for Swansgate:

Key Challenges Identified

1. Restoration of financial reserves
2. Maintenance and repair of our ponds
3. Development of practical rules based upon the Declaration's broad standards that reflect the well-maintained look of the majority of lots in Swansgate

Our Progress

Financial Reserves

Through consistent annual dues increases, the Board successfully reached its goal of building a \$100,000 financial reserve by 2024.

Pond Maintenance

The Board recognizes the significant financial risk associated with our stormwater management ponds and is committed to proactive maintenance to avoid being placed in a position where another special assessment might be necessary due to unexpected failures. To that end, the Board has reviewed North Carolina's minimum standards for wet stormwater retention ponds, as administered by the North Carolina Department of Environmental Quality. An independent contractor was hired to assess the condition of our ponds, and their findings and recommendations were presented to homeowners at the January 2025 Annual Meeting. The full report is available on our Lambeth Management webpage. Both education and enforcement of these standards are now underway.

Rules

At the 2023 Annual Meeting, a group of volunteers was recruited to draft rules that would clarify the vague language of Swansgate's Declaration. By carefully documenting the standards most homeowners follow in maintaining their homes and landscaping, the group developed a comprehensive set of rules. Upon completing this work, the Board formally appointed the group as the Architectural Control Committee, an entity required by our governing documents but previously inactive. The initial set of rules was approved by the Board in December 2024 and introduced at the January 2025 Annual Meeting. Since then, the Board has revised the rules in response to community feedback. The updated version, adopted on May 19, 2025, is enclosed with this mailing to all Swansgate lot owners.

Implementation of Adopted Rules

The original Declaration remains in full effect and authorizes the Board to create and enforce additional rules as may be necessary or appropriate. The adopted rules

are intended to offer clear expectations for exterior home, landscape, and pond maintenance throughout Swansgate. To ensure consistency and equity in enforcement matters, the Board has appointed an Adjudicatory Panel. While Lambeth Management will continue to conduct monthly inspections, the Adjudicatory Panel will review cited violations and determine appropriate follow-up. The Panel will serve as the community-facing body for the rules and will work collaboratively with homeowners to achieve compliance.

Importantly, the Adjudicatory Panel operates independently from the Board. If a homeowner disagrees with the Panel's decision, an appeal may be made to the Board of Directors for final resolution.

What to Expect Next

The revised rules have been officially adopted by the Board. Beginning this summer, notices will be sent for any violations of the Rules and the Declaration. These notices are intended to inform residents of any observed violations and outline the steps needed for resolution. The Adjudicatory Panel will be available to answer questions, suggest solutions, and assist in setting reasonable timelines for making corrections.

Please note: There will be no financial penalties for violations in 2025. This transitional period is designed to give everyone time to become familiar with the adopted rules and enforcement process.

Beginning January 1, 2026, full enforcement will begin. Unresolved violations may then be subject to fines or property liens, as permitted by our governing documents.

We understand that changes of this nature can bring up strong feelings and may seem intrusive. No one likes change, and it's natural to feel resistant to anyone trying to control us, even when done with the best of intentions. Please understand that these rules were developed thoughtfully and democratically over three years, involving many voices and multiple revisions. No single individual is responsible for the final product. Rather, these guidelines reflect our community's collective effort to reinforce and enhance the original intent of our Declaration.

We respectfully request your support in upholding these standards as we continue working together to preserve the quality and beauty of our neighborhood.

Warm regards,

The Swansgate Homeowners Association Board of Directors