RULES ESTABLISHED BY THE BOARD OF DIRECTORS OF SWANSGATE HOMEOWNERS' ASSOCIATION AS PERMITTED BY ARTICLE X SECTION 2 OF THE DECLARATION AND ADOPTED ON MAY 19, 2025

1. **DEFINITIONS**

1.1 <u>General</u> Definitions of words and terms set forth in Article I of the Declaration shall have the same meaning in these Rules as in the Declaration. The following words and terms have the following definitions, unless the context in which they are used clearly indicates otherwise.

1.1.1 "Act" means the North Carolina Planned Community Act, as contained in Chapter 47F of the North Carolina General Statutes (or as contained in any successor portion of the North Carolina General Statutes), as the same exists from time to time.

1.1.2 "Board" means the Board of Directors of the Association.

1.1.3 "Declaration" means the Declaration of Covenants, Conditions and Restrictions for Swansgate dated July 11, 1994 and recorded in Book 913 Page 220, as amended by Amended and Corrected Declaration of Covenants, Conditions and Restrictions for Swansgate dated December 23, 1996 and recorded in Book 1019 Page 1323, by Addition to and Partial Modification of Covenants, Conditions and Restrictions dated February 7, 1996 and recorded in Book 974 Page 1485 and by Amendment to and Annexation of Property to Declaration of Covenants, Conditions and Restrictions dated May 11, 2000 and recorded in Book 1188 Page 1373 and re-recorded in Book 1192 Page 586, all in the office of the Register of Deeds for Davidson County, North Carolina.

1.1.4 "Improvements" mean any structures or artificially created conditions or appurtenances located on any Lot or within the Property, including any building constructed on any Lot, any additions and structural alterations to any Lot, any pond within the boundaries of any Lot, any walkway, sprinkler pipe, road, driveway, parking area, fence, screening wall, retaining wall, stairway, deck, landscaping, hedge, fountain, tree, planting, shrub, windbreak, pole, swimming pool, pool deck, sign, screen enclosure, sewer, drain, disposal system, grading, paving, or exterior heating, ventilating or air-conditioning equipment or water softener fixture or equipment.

1.1.4 "Swansgate" means the same thing as the words "Properties" and "Property" in the Declaration.

2. RULES

2.1 <u>Establishment</u> Rules may be established from time to time by the Board pursuant to Article 10 Section 2 of the Declaration to protect the value of the Lots, the aesthetic qualities of the Property and the tranquility of the Owners of the Lots and are effective after written notice of adoption by the Board is mailed to the recorded Owners of all Lots. Any rules previously adopted by the Board are rescinded and replaced by these Rules.

2.1 <u>Applicability</u> The provisions of this Section shall apply to all of the Lots and the use and occupancy of the Lots.

2.2 <u>Maintenance Standards</u>

"The Architectural Control Committee shall regulate the external design, appearance, use, location, and maintenance of the Properties and the improvements thereon in such a manner so as to preserve and enhance values and to maintain a harmonious relationship among the structures and the vegetation and topography. To that end no construction, improvements, repairs, change of paint colors, plantings, excavations, changes in grade or other work which in any way alters the exterior of any Lot or the improvements located thereon from its natural or improved state existing on the date such Lot was first conveyed in fee by the Declarant to an Owner shall be made or done without the prior written approval of the Architectural Control Committee." [Article V, Section 2 of the Declaration]

Each Owner shall be responsible for the exterior maintenance of all Improvements on the Owner's Lot. In the event an Owner neglects or fails to maintain the exterior of any of the Improvements on the Owner's Lot in a manner consistent with the exterior maintenance of Improvements on most of the Lots in Swansgate, the Association may, pursuant to the Declaration and the Act and after notice and hearing, fine the Owner and file a claim of lien on the Lot of the Owner.

The determination of whether an Owner has neglected or failed to maintain the exterior of any of the Improvements on the Owner's Lot in a manner consistent with most of the Lots in Swansgate shall be determined in the reasonable discretion of a panel of Members of the Association appointed by the Board pursuant to the Act who are not officers of the Association or members of the Board.

Although it is difficult to set objective standards for maintenance of the exterior of Improvements on Lots, it is not difficult to determine when maintenance of the exterior of Improvements on a Lot is not consistent with the maintenance of the exterior of Improvements on most of the Lots in Swansgate. By way of illustration and not of limitation, some examples of neglect or failure to maintain Improvements on a Lot in Swansgate include:

- Landscape bed full of weeds and/or grass.
- Exposed wood that is rotting.
- Lawns with bare or dead areas.
- Discolored topsoil, mulches, pine needles, and similar materials lost from rain washouts.
- Shrubs against foundations that obscure visibility of first-floor windows.
- Dead shrubs and trees.
- Dead wood and branches in shrubs and trees.
- Tree canopies above sidewalks that are lower than a height of 8'.
- Tree canopies above streets that are lower than a height of 15'.
- Wood and painted brick surfaces that are chipping, peeling, or faded.
- Exteriors of Improvements, including fences and retaining walls, with mold, mildew, and excessive stains.
- Woody-stem vegetation of any type or kind except mature trees larger than 8" caliper (which should be left standing) and including, without limitation, trees smaller than 8" caliper (which should be removed) and brush within a 10' area around any pond.
- Any areas within the 10' area around any pond on which grass or grass-like vegetation is not maintained.
- Disposal of trash, debris, leaves, grass clippings, or any other clippings, trimmings, or organic material by placement in any pond.
- Exterior sculpture, fountains and similar items which the Board has not approved in writing; however, (a) the display of the flag of the United States or North Carolina of a size no greater than four feet by six feet, which is displayed in accordance with or in a manner consistent with the patriotic customs set forth in 4 U.S.C. Section 5-19, as amended is permitted, but shall be subject to the reasonable regulation of the Board as to the time, place, manner and location of the flag, and (b) the display of other flags is permitted, but shall also be subject to the reasonable regulation of the Board as to the time, place, manner and location of the flag. Except as may be prohibited by applicable law, the Board may require the removal of any flag at any time.
- Exterior lighting, such as flood lighting, motion sensors, and entrance lighting, which causes an adverse visual impact to adjoining Lots due to location, wattage, or other features.
- Any colored exterior lights except for holiday displays during holiday seasons.

- Boats, boat trailers, golf carts, campers, recreational vehicles, antennae, clotheslines, pet enclosures, playhouses, swimming pools, house generators, play or game structures, including tennis courts and the like, which are visible from any street.
- Disposal of bulk trash items, household garbage, recycling materials and yard waste other than as permitted by City of High Point, use of anything other than City of High Point approved roll-out garbage carts, recycling carts and yard waste carts and placement of carts at the curb of a Lot any earlier than the day before the scheduled collection day and removal to a location on a Lot not visible from the street no later than the day after the scheduled collection day.
- Bulk trash items placed on the curb of any Lot before the scheduled collection day.
- Storage of all roll-out carts, woodpiles, compost equipment, and other similar items unless completely enclosed within the garage that is a part of the residence located on a Lot, or in the rear or side yard of a Lot if screened, unless concealed from view of neighboring streets and Lots.
- Signs, billboard or other advertising of any kind displayed to public view on any Lot, right of way or the Property, except for the following signs: (1) one sign per Lot not to exceed 144 square inches indicating that an alarm or monitoring service monitors the dwelling on the Lot; or (2) not more than one (1) "political sign(s)" per Lot as defined in §3-121 of the Act, the maximum dimensions of any such sign shall not exceed 24 inches by 24 inches.
- Political signs that are displayed on a Lot earlier than 45 days before the applicable election or more than 7 days after the election day.
- Signs placed on any Lot that are used to advertise a Lot for sale, other than professionally made signs.

3. COMPLIANCE AND ENFORCEMENT

- 3.1 <u>Compliance</u> Each Owner shall comply with these Rules.
- 3.2 <u>Enforcement</u>

"The Association, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens, and charges now or hereafter imposed by the provisions of the Declaration, the Article of Incorporation, or By-Laws of the Association. Failure by the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. The Association shall have the right to request that law enforcement, public safety, and animal control offices come onto the Properties to facilitate enforcement of the laws, codes, and ordinances of any governmental authority." [Article XI, Section 1 of the Declaration]

Pursuant to the Declaration and the Act, the Association has the authority to fine an Owner, after notice and hearing, for a violation of the Declaration, the By-Laws, or these Rules.

4. RULES CHANGES

4.1 <u>General</u> In order to adapt and respond to changing or unforeseen circumstances affecting the Property, the Association and the Owners must have the ability to change the Rules in an expedited and inexpensive manner. Accordingly, the Rules may be waived and/or varied, amended, supplemented and/or rescinded, and restated as set forth in this Section 4.

4.2 <u>Board Authority</u> The Board may waive or vary, amend, supplement and/or rescind, and restate the Rules as it determines necessary or appropriate. The Board's determination of necessary or appropriate changes shall be final.

4.3 <u>Owners' Authority</u> Owners representing more than fifty percent (50%) of the total votes in the Association, at an Association meeting duly called for such purpose, may waive or vary, amend, supplement and/or rescind, and restate the Rules.

4.4 <u>Conflicts</u> Nothing in this Section 4 shall authorize the Board to waive or vary, modify, repeal, or expand the Building Guidelines, Use Restrictions, or any other provisions of the Declaration. In the event of a conflict between these Rules and the Building Guidelines, Use Restrictions, or any other provisions of the Declaration, the Building Guidelines, Use Restrictions, and other provisions of the Declaration shall control.