Magnolia Cove HOA

A Message from the Magnolia Cove Homeowners Association

Recent news stories and social media posts about Magnolia Cove have presented an incomplete and misleading picture. They have portrayed a group of homeowners as having been maligned or mistreated by sudden, unexplained assessment increases while omitting the court outcomes that explain why those costs exist.

More than twenty owners sued the Association and certain of its officers in early 2024. The Association did not initiate the litigation. The homeowners' claims were unsuccessful; none of them reached the jury. They were either voluntarily dismissed by the homeowners or dismissed by the Court. In response, counterclaims were asserted for defamation and related claims. In Catawba County case 24CVS000633, a jury returned unanimous verdicts against certain of those owners for defamation, including substantial monetary damages and punitive damages. Judgment was entered in 2026. A further jury trial is scheduled for next year solely to determine the amount of punitive damages attributable to civil conspiracy.

Defending the homeowner-initiated claims has produced large legal expenses. Those legal bills are now the single largest item in the Association's budget. The responsibility for paying those bills rests with the owners.

At the same time, there have been years of widespread delinquency. Most lots in the community are behind on their assessments. Unpaid assessments do not vanish; the cost is carried by the owners who do pay. The current assessment level of $2,500 per month is the direct result of those two facts: the cost of defending the lawsuits that owners brought and lost, and years of widespread delinquency. The Association is a nonprofit. It does not profit from assessments. Every dollar collected is used to pay the community's actual bills.

Many of the owners now speaking publicly as aggrieved residents are the same parties who filed the lawsuits and who the courts found against. Presenting them solely as having been maligned or mistreated, while leaving out the jury verdicts, the judgment, and the resulting legal costs, is not accurate. It creates the false impression that these owners are being taken advantage of when the public record shows the opposite.

No one on the Board wants assessments at this level. When the legal costs from these cases end and the past-due accounts are paid, the assessments can come down. Until then, the bills have to be paid by the owners.

The court file is public. Owners with questions about Association records may submit a written request to magnoliacovehoa@outlook.com.

— Board of Directors
Magnolia Cove Homeowners Association, Inc.