

STATE OF SOUTH CAROLINA,)
)
COUNTY OF YORK)

IN THE COURT OF COMMON PLEAS

Tina Calhoun Individually, and on behalf of)
All Other Homeowners Similarly)
Situated,)

SUMMONS

Plaintiff,)

vs.)

FILE NO. 2023-CP-46-00243

GRH Development Resources, LLC,)
The Greens of Rock Hill, LLC, William)
Douglas Management, LLC, Riverwalk)
Master Association, Inc., Riverwalk)
Residential Homeowners Association, Inc.,)

Defendant.)

TO THE DEFENDANT ABOVE-NAMED:

YOU ARE HEREBY SUMMONED and required to answer the complaint herein, a copy of which is herewith served upon you, and to serve a copy of your answer to this complaint upon the subscriber, at the address shown below, within thirty (30) days after service hereof, exclusive of the day of such service, and if you fail to answer the complaint, judgment by default will be rendered against you for the relief demanded in the complaint.

Columbia, South Carolina

s/ Clarence Davis

Plaintiff/Attorney for Plaintiff

Dated: February 27, 2023

Address: Clarence Davis (SC Bar 1581)
Griffin Davis LLC
4408 Forest Drive, Suite 300
Columbia, SC 29206

STATE OF SOUTH CAROLINA
YORK COUNTY

IN THE COURT OF COMMON PLEAS
CIVIL ACTION NO.: 2023-CP-46-00243

Tina Calhoun Individually, and on behalf)
Of All Other Individual Homeowners)
Similarly Situated)
)
Plaintiffs,)
)
v.)
)
GRH Development Resources, LLC,)
The Greens of Rock Hill, LLC, William)
Douglas Management, LLC, Riverwalk)
Master Association, Inc., Riverwalk)
Residential Homeowners Association, Inc.,)
)
Defendants.)
_____)

SECOND AMENDED COMPLAINT
(Jury Trial Requested)

NOW COMES Tina Calhoun (“Calhoun”), individually and by consent, on behalf of the Individual Homeowners of the Riverwalk Community Similarly Situated (“Homeowners”) (collectively “Plaintiffs”), by and through undersigned counsel of record, and complaining of Defendants GRH Development Resources, LLC, (“GRH”), The Greens of Rock Hill, LLC (“Greens of Rock Hill”), William Douglas Management, LLC (“William Douglas”), Riverwalk Master Association, Inc. (“Master Association”), and Riverwalk Residential Homeowner’s Association Inc. (“Homeowner’s Association or HOA, interchangeably”) (collectively as “Defendants”), and alleges and says as follows:

PARTIES, JURISDICTION, AND VENUE

1. Plaintiffs are residents and citizens of Rock Hill, York County, South Carolina, and were so at the time of the matter and things alleged herein, and are not infants or incompetent persons.

2. Upon information and belief, Defendant GRH is a foreign corporation organized under the laws of the State of Ohio with a registered agent in South Carolina situated at 998 Riverwalk Parkway, Suite 202, Rock Hill, South Carolina, 29730, and upon information and belief was so at the time of the matter and things alleged herein. Upon information and belief, Mark Mather (“Mather”) is the owner and operator of GRH.

3. Upon information and belief, Defendant Greens of Rock Hill is a domestic corporation organized under the law of the State of South Carolina with a registered agent in South Carolina situated at 998 Riverwalk Parkway, Suite 202, Rock Hill, South Carolina, 29730, and upon information and belief has a principal place of business situated at 2850 Cherry Rd, Rock Hill, SC 29730. Upon information and belief, Mather is the owner and operator of the Greens of Rock Hill. The Greens of Rock Hill is situated in and is a resident of York County, South Carolina, and was so at the time of the matter and things alleged herein.

4. Upon information and belief, Defendant William Douglas is a foreign corporation organized under the laws of the State of North Carolina with a registered agent in South Carolina situated at 1722 Main St., Suite 1B, Columbia, South Carolina, 29201, and was so at the time of the matter and things alleged herein.

5. Upon information and belief, Defendant Riverwalk Master Association is a domestic corporation organized under the laws of the State of South Carolina with a registered agent in South Carolina situated at 1722 Main St., Suite 1B, Columbia, South Carolina, 29201. Upon information and belief the Master Association is a resident of York County, South Carolina, and was so at the time of the matter and things alleged herein with its principal office in Rock Hill, South Carolina.

6. Upon information and belief, Defendant Riverwalk Residential Homeowner’s Association is a domestic corporation organized under the laws of the State of South Carolina with a

registered agent in South Carolina situated at 1722 Main St., Suite 1B, Columbia, South Carolina, 29201. Upon information and belief is a resident of York County, South Carolina, and was so at the time of the matter and things alleged herein with its principal office in Rock Hill, South Carolina.

7. Upon information and belief, all of the below facts alleged in this matter at all times occurred in York County, South Carolina.

8. The parties to this action and the acts and omissions complained of herein are subject to the jurisdiction of this Court and venue is proper.

COMMON FACTS OF ALL PLAINTIFFS

GRH DEVELOPMENT RESOURCES, LLC

9. Upon information and belief, GRH has been conducting business in the State of South Carolina since 2011 and recently registered with the South Carolina Secretary of State as a foreign corporation on January 31, 2023.

10. Upon information and belief, GRH is solely owned by Mark Mather. GRH is the primary developer and builder of single family homes, townhomes and duplexes located in the Riverwalk Community. GRH is also the Declarant on all governing documents filed with the Secretary of State relating to the Riverwalk Community, the relevant documents identified and their provisions applicability to this action to be discussed in detail below.

11. Upon information and belief:

- a. GRH hired Lisa Rollins Hill, a convicted federal felon, as their Controller in May 2020.
- b. GRH lacked sufficient due diligence regarding Lisa Rollins Hill's employability and credentials as a Controller.
- c. GRH, after Lisa Rollins Hill was employed by GRH, was promoted as the President of the Riverwalk HOAs by GRH.

- d. GRH permitted Lisa Rollins Hill to have sole control over all HOA bank accounts and monies.
- e. A few months after Lisa Rollins Hill was hired by GRH, GRH was contacted by the FBI and was instructed via the Court to garnish Hill's salary for restitution for the \$800,000 she had embezzled from her previous employer.
- f. GRH, after learning that Hill was a convicted felon (embezzler), chose to maintain Hill as Controller and President of the Riverwalk HOAs.
- g. GRH continued to allow Hill sole control over the Riverwalk HOA bank accounts and monies.
- h. GRH never implemented any financial controls to oversee the financials of the HOA bank accounts and monies under Hill's supervision.
- i. GRH employee, Debbie McMillan, was appointed as the Riverwalk HOA Treasurer in 2020. According to the Riverwalk Homeowner Residential HOA Bylaws, McMillan was charged with the responsibility and duties to manage the financial affairs of the HOA. These duties included to keep full and accurate financial records and books. McMillan failed to do so and GRH still did not implement any financial controls to oversee the financials of the bank accounts and monies.
- j. Between May 2020 and January 2021, Hill as Controller of GRH, embezzled \$550,000, all of, if not the majority, were funds of the Riverwalk HOA membership.
- k. GRH has never acknowledged at any time that HOA membership funds were stolen or missing.
- l. GRH has never acknowledged whether the stolen funds have been recovered or replenished.

- m. GRH refuses to disclose any information regarding the HOA stolen funds to the HOA membership.
 - n. GRH has stated for several years to the HOA membership that an “audit” has been ongoing; however, it has never provided any pertinent information to the HOA membership regarding that audit or the audit’s outcome.
12. Upon information and belief:
- a. Between 2017 and the Spring of 2020, the Community Association Management Services (“CAMS”) managed the Riverwalk HOA.
 - b. During CAMS tenure as the management company, Riverwalk homeowners were provided with Annual HOA budgets and information regarding the HOA Fee structure.
 - c. Upon information and belief, in February of 2019 Riverwalk homeowners learned GRH terminated a then existing landscaping contract with an unnamed third party and replaced the landscaping services with a company, upon information and belief, to be owned by Mather.
 - d. CAMS made Plaintiffs aware of these actions and informed Plaintiffs they were being overcharged for the landscaping services with Mather’s company.
 - e. In March 2020, CAMS severed managerial relationship of representing the various Riverwalk Homeowners Associations.
 - f. Thereafter, GRH took control and management of the Homeowner’s Association Board of Directors, along with Defendant Homeowner’s Association, and implanted Mather’s son, Ben Mather, as President of the Board of Directors.
 - g. In May 2020, GRH hired a new Community Manager to manage and oversee the Riverwalk community.

- h. Mather, as sole owner of Celriver Service, provided inadequate landscaping and lawn maintenance services.
 - i. Mather's Celriver landscaping company's services were of lesser quality as compared to the previous services provided by the unnamed third party.
 - j. GRH "cut back" on area maintenance services, used less quality landscaping materials, and lawn maintenance services were done less often or not at all. This resulted in Riverwalk homeowners making complaints to the Riverwalk Residential Homeowners Association.
 - k. One of the Community Manager's duties was to acquire competitive landscaping and lawn maintenance estimates. GRH, through Mather and Mike Knott, General Manager of GRH, disallowed it.
 - l. The unnamed third-party landscaping company charged approximately \$55,000 for their Riverwalk landscaping and lawn maintenance services.
 - m. Mather's Celriver Service company for similar or less work charged approximately \$150,000 for landscaping and lawn maintenance services providing a lesser quality service.
13. Upon information and belief:
- a. GRH denied HOA members access to the Riverwalk Master Association, Inc. and the Riverwalk Homeowners Residential Association, Inc. books and records.
 - b. GRH informed HOA members that they were not members of the Riverwalk Master Association, which at that time was and is now simply a false statement.
 - c. GRH, when managing the Riverwalk HOAs, never produced and/or distributed to its HOA members a balance sheet as of the end of the fiscal year, an operating income

statement for the fiscal year, or statement of changes in the financial condition for the fiscal year.

14. Upon information and belief:
 - a. For over 5 years, GRH misrepresented to the HOA membership that one to three community pools were going to be built.
 - b. GRH intentionally misled and misrepresented to the HOA membership that the City of Rock Hill was delaying the pool construction.
 - c. After learning of GRH's false statement and intentional misrepresentation regarding the pool delay, City Councilman Jim Reno, corrected GRH's statement. Councilman Jim Reno wrote to Plaintiff Tina Calhoun, "As you are aware, I helped bring City Staff together for a town hall type meeting with Riverwalk residents a few years ago when Mr. Mather was misinforming residents that the delay of the pool was due to the City. We have also helped on other issues when there was a direct contractual obligation between the Developer and the City which had an adverse impact on the residents."
 - d. During CAMs management period, CAMs distributed on November 19, 2018, the approved 2019 HOA budget as required by the HOA governing documents which included a pool assessment of \$41,680.00. Riverwalk homeowners were angry and upset that they were being billed for the non-existent pool.
 - e. During the 2019 CAMs HOA annual meeting, Mather promised that eventually three pools would be provided; however, only one pool to this day has been completed, despite the pool assessment.
 - f. The first Riverwalk Club House and Pool was officially opened in the Summer of 2023.
15. Upon information and belief,

- a. Initially, GRH utilized one general bank account for all Riverwalk HOAs allowing funds to be co-mingled.
 - b. Commingling HOA association funds is against the Riverwalk Master Agreement and Covenants.
 - c. Riverwalk homeowners believe that their HOA assessment fees were possibly used to fund expenses that had nothing to do with the Riverwalk HOA.
 - d. Mather openly complained that there were no funds available to pay for the necessary HOA maintenance and repairs.
16. Upon information and belief:
- a. On June 22, 2021, several homeowners hand-delivered a Petition to GRH requesting full disclosures of the HOA accounting.
 - b. GRH has never responded.
 - c. On or about August 18, 2021, numerous homeowners hand-delivered to Mather of GRH a second Petition that was signed by 248 Single Family and Townhome owners requesting full disclosures of the accounting and answers to HOA members' questions regarding various HOA violations.
 - d. Again, GRH has never responded.
17. Upon information and belief, the Riverwalk's HOA governing documents outline specific rights to HOA members to have access to the Master Association and related HOA books and records. The Riverwalk HOA homeowners have been denied access.
18. Upon information and belief:
- a. Riverwalk homeowners made several informal and formal complaints about GRH Development, who at the time was acting as the HOA management company. These complaints were lodged to both local and State governmental authorities.

- b. The City of Rock Hill was overwhelmed with formal complaints from Riverwalk homeowners regarding Mather's Celriver Services not performing any lawn maintenance services.
- c. After the City of Rock Hill completed Riverwalk site inspections, it was determined that the grass was over 18" tall in undeveloped areas and over 12" tall in some developed areas, which is against City code.
- d. The City of Rock Hill suspended all Riverwalk building permits and Certificates of Occupancy until GRH Development and Celriver complied with the City's demands.
- e. The City also told GRH Development that they could be charged \$6,000 per day, if they did not correct the code violations in a reasonable amount of time.
- f. Riverwalk homeowners sent a formal letter to the State of South Carolina Attorney General's Office on September 24, 2021 regarding GRH Development. The Attorney General's Office never responded in writing but during the initial conversation, Ms. Valerie Ingrahm of the Attorney General's Office, recommended Riverwalk homeowners submit a formal complaint and consider consulting with legal counsel.
- g. Riverwalk homeowners sent a formal letter to the State of South Carolina Labor, Licensing & Regulations Department on November 17, 2021 regarding GRH Development. A response was received on January 10, 2022, stating "if a Court determines liability or finds criminal or civil misconduct that involves a licensee affiliated with the development/project, you may wish to file a formal complaint against the subject licensee."
- h. Riverwalk homeowners sent a formal letter to the South Carolina Real Estate Commission on November 17, 2021 regarding GRH Development. A response was received on December 2, 2021, stating "Unfortunately the only venue for these types of HOA related

disputes is a civil court and you should probably consult legal counsel regarding potential remedies.”

- i. Riverwalk homeowners continued to work with the City of Rock Hill to determine if it could continue to help with homeowners’ complaints regarding GRH Development and their HOA management.
19. Upon information and belief:
- a. Riverwalk homeowners contacted a local media group on April 28, 2021 to ask if they could help them find out what happened to the stolen HOA funds.
 - b. David Hodges with WBTV Investigative Reporting interviewed Riverwalk homeowners to collect background information.
 - c. David Hodges and his legal team investigated GRH Development and Mark Mather to obtain factual data for his televised investigative reports.
 - d. WBTV televised the first Riverwalk investigative report on November 15, 2021, “That’s a bit negligent: Management company hired convict to manage finances for Rock Hill HOA. Now she’s facing new embezzlement charges.”
 - e. WBTV televised the second Riverwalk investigative report on November 29, 2021, “Lawsuit links Rock Hill developer to an account called “the goo” used to avoid paying taxes.”
 - f. David Hodges of WBTV Investigative Reporting tried to contact Mark Mather of GRH Development but GRH was unavailable and had no comment.
 - g. GRH Development never responded to the Riverwalk homeowners’ complaints and inquiries regarding the stolen HOA funds as televised on WBTV.

20. Upon information and belief, GRH did not adhere to or comply with the Master Declaration of Covenants, Conditions, Easements and Restrictions for Riverwalk, “Master Declaration” filed in the South Carolina York County Clerk’s Office, Book 12008, Pages 242 – 320.
21. Upon information and belief, GRH Development Resources LLC did not adhere to or comply with the Declaration of Covenants, Conditions, Easements and Restrictions for Riverwalk Resident, Property One, “Residential Declaration” filed in the South Carolina York County Clerk’s Office, Book 12097, Pages 1 – 102.
22. Upon information and belief, GRH’s Board of Directors did not adhere to or comply with the Bylaws of the Association as stated in the Residential Declaration, Book 12097, Page 4, Article I, Definitions, Section 1.7, “Board of Directors” shall mean and refer to the Board of Directors of the Association, who shall be elected and shall serve pursuant to the Bylaws of the Association.
23. Upon information and belief, GRH’s officers and directors of the Association did not conduct the affairs of the Association in accordance with the Declaration and Bylaws, as stated in the Residential Declaration, Book 12097, Page 9, Article III, Structure, Powers, and Duties of, and Membership and Voting Rights in the Association, Section 3.1, Association. “The Association is a non-profit mutual benefit corporation organized under the laws of the State of South Carolina. The Association is and shall be charged with the duties and vested with the powers prescribed by law and set forth in the Articles of Incorporation, the Bylaws, and this Declaration. The Association is intended to and shall be an Additional Association and Corporate Member of the Master Association as contemplated by the Master Declaration. In the event of any inconsistency between this Declaration, the Articles of Incorporation or the Bylaws, the provisions of this Declaration shall prevail. The officers and directors of the Association shall be required to be either (a) Members of the Association, or (b) officers, directors, representatives, or employees of the Declarant. The Board of Directors of the Association,

and such officers as the Board may elect or appoint, shall conduct the affairs of the Association in accordance with this Declaration, the Articles of Incorporation, and the Bylaws.”

24. Upon information and belief, GRH never allowed Members to vote as stated in the Residential Declaration, Book 12097, Page 9, Article III, Structure, Powers, and Duties of, and Membership and Voting Rights in the Association, Section 3.3, Voting Rights. “The voting rights of each Member shall be appurtenant to the ownership of the Member’s Lot, whether or not such Lot is improved by a Dwelling.”

- a. **Class “A” Lots**. “Class “A” Lots shall entitle its Owner to one (1) vote for each Class “A” Lot owned.”
- b. **Class “B” Lots**. “Class “B” Lots shall be all Lots owned by Declarant or GRH 2011, LLC which have not been conveyed to third party purchasers who are not affiliated with Declarant.”

25. Upon information and belief, GRH never allowed Members to inspect any documents as stated in the Residential Declaration, Book 12097, Page 10, Article III, Structure, Powers, and Duties of, and Membership and Voting Rights in the Association, Section 3.6, Availability of Documents. “The Association shall maintain the following for inspection by all Members, Owners, and Mortgagees: current copies of this Declaration, any Supplemental Declarations, the Riverwalk Residential Pattern Book (a book of approved or preferred design patterns), the Articles of Incorporation and Bylaws of the Association and other pertinent documents, books and records of the Association which concern the Development. All such documents shall be available upon reasonable notice, during normal business hours at the office of the Association.”

26. Upon information and belief, GRH neglected their responsibilities to enhance property values and amenities of the Development as stated in the Residential Declaration, Book 12097, Page 11, Article IV, Property Rights in the Common Property, Section 4.2, Title to Common Property, “In order

to preserve and enhance the property values and amenities of the Development, the Common Property and any landscaping, drainage and other improvements now or hereafter built or installed thereon shall at all times be maintained in good repair and condition and shall be operated in accordance with standards consistent with a high-quality residential development.”

27. Upon information and belief, GRH failed to maintain or improve the landscaping features of the Common Property and did not preserve the Development’s value as stated in the Residential Declaration, Book 12097, Page 15, Article VI, Covenant For Maintenance Assessments, Section 6.3, Purpose of Annual Assessments, “The Assessments to be levied annually by the Association against each Class “A” Lot (“Annual Assessment”) shall be used for the following purposes (except to the extent that any of the same are the responsibility and obligation of the Master Association under the Master Declaration as a part of maintaining the Common Properties (as defined by the Master Declaration)):

c. to repair, maintain, reconstruct, keep clean and free from debris, the Common Property, and any improvements locations thereon;

e. to manage, maintain, preserve, and improve the landscaping and stormwater drainage and retention features on Common Property;

h. to establish, fund and maintain appropriate reserves for future repair and replacement of the Common Property and any improvements located thereon;

j. to perform any other acts which are necessary or desirable in the reasonable judgment of the Association to keep the Development and the Common Property neat, clean, and attractive, to preserve the value thereof; or to eliminate fire, health, or safety hazards.”

21. Upon information and belief, GRH never distributed as required an operations budget or a capital budget to each Member as stated in the Residential Declaration, Book 12097, Page 16, Article VI, Covenant For Maintenance Assessments, Section 6.5, Establishing Budget and Annual Assessments,

a. Operating Budget, states “No less than forty-five (45) days prior to the end of the Association’s fiscal year, the Board of Directors shall prepare and approve a budget to cover the estimated costs of operating the Association during the coming year.”

b. Capital Budget. “The Board of Directors shall annually prepare a capital budget which shall take into account the number and nature of replaceable assets, the expected useful life of each asset, and the expected repair or replacement cost. The Board of Directors shall establish the required annual capital contribution, if any, in an amount sufficient to meet the projected capital needs of the Association, as shown on the capital budget. A copy of the capital budget shall be distributed to each Member as an Appendix to the operating budget.”

22. Upon information and belief, GRH represented to the HOA members that they will pay for a special assessment to cover all of the Defendants’ legal costs associated with Plaintiffs’ lawsuit to cover any shortfall in the amount of the Annual Assessment necessary to fund the actual monetary needs of the Association as stated in the Residential Declaration, Book 12097, Page 17, Article VI, Covenant For Maintenance Assessments, Section 6.6,

a. Special Assessments, states, “In addition to the Annual Assessments, the Board of Directors may levy, in any Assessment year, a special assessment (“Special Assessment”) applicable to that year only for the purpose of defraying, in whole or in part, the cost of (i) any construction of any improvements on the Common Property which are not originally constructed by Declarant; (ii) the reconstruction, repair or replacement of any capital improvements upon the Common Property, including the necessary fixtures and personal property related thereto; and/or (iii) covering any shortfall in the amount of the Annual Assessment which are necessary to fund the actual monetary needs of the Association. Any Special Assessment must be approved by a vote of no less than two-thirds (2/3) of the votes of each class of Members who are voting in person or by proxy at a special meeting duly called for this purpose.”

23. Upon information and belief, GRH failed to adhere to and comply with the Association's Maintenance Responsibilities as stated in the Residential Declaration, Book 12097, Page 22, Article VIII, Exterior Maintenance, Section 8.4, Association's Maintenance Responsibility, "The Association shall maintain and keep in good repair the Common Property, and all improvements thereon, as a Common Expense. This maintenance obligation shall include, but not be limited to, maintenance, repair, and replacement, subject to the insurance and casualty loss provisions contained herein, of all utility lines, pipes, wires, glass, conduits, structures, systems, trees, fences, shrubs, grass, streets, parking spaces, walks, and other improvements situated upon the Common Property."

24. Upon information and belief, "Owners" have the right and responsibility to ensure the enforcement of the Declaration restrictions, conditions and covenants as stated in the Residential Declaration, Book 12097, Page 33, Article XIV, Enforcement, Section 14.1, Remedies.

25. Upon information and belief, GRH violated and breached the Declaration. When Owners were unsuccessful at trying to amicably resolve the violations with GRH, Owners (Riverwalk homeowners) were forced to litigate.

26. As stated in the Residential Declaration, Book 12097, Page 33, Article XIV, Enforcement, Section 14.1, Remedies. **Upon information and belief, if all enforcement measures fail, remediation is provided by law. Plaintiffs tried to remediate non-compliance of the Declaration terms, covenants, and restrictions but Defendants refused to respond. This clause supports Plaintiffs' position that a special assessment to be paid by the HOA membership for the Defendants breach or violation of the Declaration restrictions, conditions, and covenants, should not be supported since litigation is the only recourse as stated in the Residential Declaration, Book 12097, Page 33, Article XIV, Enforcement, Section 14.1, Remedies, "Declarant desires to maintain a high standard in the appearance and quality of the Development as a quality mixed-use community. Although damages would be difficult to measure, the failure of any Owner or the**

Association to abide by the terms, covenants and restrictions contained in this Declaration would result in irreparable damage to Declarant and its reputation as a developer. Accordingly, Declarant, the Association, or any Owner or group of Owners, shall have the right, but not the obligation, to enforce any and all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by this Declaration by proceeding at law or in equity against any person or entity violating or attempting to violate any of these restrictions, conditions, covenants, reservations, liens and charges, either to restrain violation thereof or to recover damages therefore. The remedies contained in this Declaration shall be in addition to and not in substitution for any other remedies now or hereafter provided by law. The failure of Declarant, its successors or assigns, or the Association or an Owner, to enforce any covenant or restriction or any obligation, right, power, privilege, authority, or reservation herein contained, however long continued, shall not, in any instance, be deemed to be a waiver of the right to enforce the same as to the same breach or violation, or as to any other breach or violation hereof.”

27. Upon information and belief, GRH did not adhere to or comply with the Third Supplement Declaration of Covenants, Conditions, Easements, and Restrictions for Riverwalk, Property One and Second Amendment to Declaration of Covenants, Conditions, Easements and Restrictions for Riverwalk Residential, Property One (Phase 1G Townhomes: Phase IG, Phase 2) filed with the South Carolina York County Clerk’s Office on November 16, 2013, Book 13808, Pages 124 – 138. Owners were forced to go out of pocket for thousands of dollars to complete exterior repairs, exterior maintenance, landscaping and termite treatment and repairs.

28. Upon information and belief, GRH did not adhere to or comply with their Association responsibilities as stated on page 3, 4. Designation of Neighborhood and Neighborhood Wide Services “The following services shall be provided by the Association to the Phase 1G Townhomes as

Neighborhood Wide Services (herein after defined), and the costs thereof shall be Neighborhood Expenses (herein after defined) for the Neighborhood:

(a) maintenance, including mowing, fertilizing, pruning, and replacing, and controlling insects and diseases on, as needed, all lawns and landscaping installed as part of the initial construction of Dwellings on the Lots therein, except that the Association shall have no responsibility to provide any of such services to lawns or landscaping within any Lot to the extent that the same is enclosed by a wall, fencing, or other enclosure;

(b) maintenance, repair, and replacement of the exterior facade of each Dwelling on a Lot, including siding and shutters but excluding items which are the Owner's responsibility as designated herein;

(c) painting and pressure washing of all exterior painted portions of any Dwelling, including any garage door, exterior doors, shutters, siding and trim, and any fence(s) erected along Lot boundaries as a part of the original construction of a Dwelling thereon, together with any approved replacements thereof ("Boundary Fences");

(d) caulking of the exterior portion of the windows and doors;

(e) repair and/or replacement, as necessary, of exterior roof materials (i.e., shingles, felt, and roof decking, but not including rafters, joints, or other roof support systems or structures), including the roofs of any porches constructed as a part of the original construction of a Dwelling, together with any approved replacements thereof;

(f) repair and replacement, as necessary, of any porch, patio, or deck installed as a part of the original construction of a Dwelling, together with any approved replacements thereof;

(j) operation, maintenance, repair, and replacement, as necessary, of any irrigation equipment (including, without limitation, any sprinklers, pumps, wells, water lines, and time clocks designed for irrigation, wherever located) serving the Lots;

(k) termite treatment of all exterior walls and foundations of a Dwelling, provided that the Association shall have no responsibility or liability in the event that such treatment is ineffective.”

29. Upon information and belief, GRH did not adhere to or comply with the Riverwalk Residential Homeowners Association By-Laws adopted August 24, 2011, dated July 31, 2023, and filed in the South Carolina York County Clerk’s Office on August 21, 2023, Book 20907, Pages 388-401.

a. GRH never permitted Riverwalk HOA Members to vote as stated in Section 3.6. Voting. “On all matters upon which the members are entitled to vote, each member shall be entitled to cast one (1) vote for each Lot.”

b. GRH never provided HOA Members budgets and financial statements as stated in Article IV, Executive Board, Section 4.5. Powers. (i) “To prepare and distribute budgets and financial statements of the Association.”

c. Upon information and belief, GRH when managing the Riverwalk HOA, never distributed to Members an annual report consisting of a balance sheet as of the end of the fiscal year, an operating (income) statement for the fiscal year; and a statement of changes in financial condition for the fiscal year as stated in Article IV, Executive Board, Section 4.6 Duties. The Executive Board.

d. Upon information and belief, GRH did not adhere to or comply with Article IV, Executive Board, Section 4.6 The Executive Board states it is responsible to supervise the officers, agents, and employees of the Association in the proper performance of their duties. Lisa Rollins Hill was not supervised, which resulted in her embezzling \$550,000.

e. GRH, when it took over the HOA management responsibilities from CAMs in 2020, it did not adhere to or comply with Article 5, Officers, Section 5.1, General Provisions that states, “The officers of the Association shall consist of a President, a Vice President, a Secretary,

and a Treasurer. In addition, the Association shall have such other officers as the Executive Board shall deem to be desirable in connection with the administration of the affairs of the Association.”

Upon information and belief, GRH’s President and Treasurer lacked any experience in managing an HOA. The President, Ben Mather, was the son of Mark Mather and expressed to HOA Members that he had absolutely no knowledge of what to do. The Treasurer, Debbie McMillan, girlfriend of Mark Mather, had no experience with managing HOA books and records. McMillan’s career was that of a “Fit Model.” And Lisa Rollins Hill, the Controller, and original President of the HOA Board of Directors before Ben Mather, was a convicted felon who embezzled \$550,000.

f. Upon information and belief, the Treasurer, Debbie McMillan, was negligent in her role duties as itemized in Article 5, Officers, Section 5.6. Treasurer. “The Treasurer shall be charged with the management of the financial affairs of the Association and shall keep full and accurate financial records and books of account showing all receipts and disbursements of the Association and shall prepare all required financial data. The Treasurer shall also perform all of the duties which are incident to the office of the treasurer of a corporation organized under the South Carolina Nonprofit Corporation Act.”

Upon information and belief, the Treasurer, Debbie McMillan, lacked the proper accounting knowledge and skills to implement any financial controls to supervise, monitor and oversee the financials of the Riverwalk HOA bank accounts as per the Riverwalk HOA governing documents.

The Greens of Rock Hill LLC

30. The Greens of Rock Hill LLC “The Greens,” upon information and belief, is owned by Mark Mather and is the Declarant of the MASTER DECLARATION OF COVENANTS,

CONDITIONS, EASEMENTS AND RESTRICTIONS FOR RIVERWALK (Master Declaration) filed in the South Carolina York County Clerk's Office on June 3, 2011, Book 12008, Pages 242 – 320.

31. The Declarant, as stated in the Master Declaration, is the developer and owner of certain real estate now known as the Riverwalk community.

32. The Greens of Rock Hill LLC ("Declarant") is a member of the Riverwalk Master Association, Inc.

33. The Greens of Rock Hill LLC ("Declarant") was established on January 21, 2005, and its agent is Mark Mather.

34. Upon information and belief, Mark Mather owns the Greens of Rock Hill LLC ("Declarant").

35. Upon information and belief, the Declarant has not adhered to or complied with the provisions, covenants, conditions, easements, and restrictions as stated in the Master Declaration on Book 12008, Page 244, BACKGROUND STATEMENT. "NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which is hereby acknowledged by Declarant, Declarant, for the use and benefit of itself and its successors and assigns, hereby declares and covenants that, to ensure the appropriate use, development, and improvement of the Development Property, the Development Property shall be held, mortgaged, transferred, hypothecated, sold, conveyed, leased, possessed, occupied, and used subject to the following provisions, covenants, conditions, easements, and restrictions, all of the Property, in the manner and on the terms and conditions provided herein, and to be binding upon Declarant, and its successors in interest, assigns, lessees, mortgagees, and other users or possessors of the Development Property or any portion thereof."

36. Upon information and belief, the Declarant has not adhered to or complied with the restrictions and development guidelines with respect to the Development Property as a whole as stated in the Master Declaration on Book 12008, Page 251, 3. Declarant's Rights Respecting Restrictions and

Prohibitions: Additional Covenants and Restrictions, “it is Declarant’s intent that this Master Declaration serve as a base set of restrictions and development guidelines with respect to the Development Property as a whole.” And “Declarant, during the term of the Class B membership, and the Master Association, thereafter, shall have the standing and the power, but not the obligation, to enforce any such additional covenants and restrictions.”

37. Upon information and belief, Declarant should be the responsible party for any budget shortfalls related to legal costs due to Declarant’s negligence in refusing to adhere to and comply with the Master Declaration and all related HOA governing documents. Riverwalk homeowners have been told by William Douglas Management Inc. that the lawsuit against Defendants will only result in a sizable Special Assessment against Riverwalk homeowners to cover budget shortfalls due to the payment of legal fees. Per the Master Declaration on Book 12008, Page 266, 13. Assessments, (A) (ii) Special Assessments, “The levy of a Special Assessment shall further be permitted: (a) to cover any extraordinary or unexpected expense of any kind for which a Reserve for Replacements and/or General Assessments are or were inadequate, (b) to cover any budget shortfall, and (c) against less than all Members for those purposes otherwise identified in the Computation of Assessments section.”

38. Upon information and belief, Riverwalk homeowners were told that they were not members of the Master Association and did not have access to its books and records. Just recently, during the October 2023 annual meeting of the Riverwalk Residential Homeowners Association, Riverwalk homeowners were told they were indeed members of the Master Association. As stated in the Master Declaration on Book 12008, Page 271, 13. Assessments, (H) Audits. “The books and records relating to the costs and expenses incurred by the Master Association, and the Assessments and the allocation thereof among the Members and Owners for any calendar year, may be audited by an authorized representative of any Member or Owner paying Assessments for that year, at such party’s expense, upon reasonable prior notice, at any time during normal business hours and where maintained

by the Master Association, within two (2) years after the receipt by such Owner of the annual statement delivered to such Owner under Section 13(G).” Section 13(G) Annual Statement states, “Not later than one hundred and twenty (120) days after the end of each calendar year, the Master Association shall deliver to each Member (and to each non-Member Owner paying any Special Assessment during the prior year) a statement showing the Assessments collected for the prior year, the actual Common Expenses and other costs and expenses incurred by the Master Association for the prior year, the Percentage Interests pertaining to the Assessments, and the amount then due by the Member or Owner, as the case may be, to the Master Association, or then due by the Master Association to the Member or Owner, on account of the difference between such Member’s or Owner’s share of such actual costs and expenses and the Assessments paid by such Member or Owner. If such statement shows amounts due to the Master Association, payment shall be made to the Master Association of the amount due within twenty (20) days after delivery of such statement to such Member or Owner. If such statement shows amounts due to such Member or Owner from the Master Association, the same shall be credited against the Assessments next payable by such Member or Owner, as the case may be.”

39. Upon information and belief, the Declarant’s “Board” has not properly governed the Members in accordance with the By-Laws and the Articles as stated in the Master Declaration, BACKGROUND STATEMENT, 1. Definitions. “Board” means the governing body of the Master Association elected by Declarant, or, as applicable, the Members in accordance with the By-Laws and the Articles.”

40. Upon information and belief, the Declarant is responsible to ensure the “Additional Associations” (the Riverwalk Residential Homeowners Association, Inc.) adhere to and comply with the Master Covenants, Conditions, Easements, and Restrictions for Riverwalk but failed to do so as per the Master Declaration, Book 12008, Page 286, 19. Additional Associations. (A) Generally. “Portions of the Development Property may have special needs or characteristics that lead Declarant or the Owner

thereof to establish a condominium or property owners association (each an “Additional Association”) to administer additional covenants and restrictions applicable to that portion of the Development Property. The jurisdiction of any Additional Association shall be in addition to, and not in lieu of, the jurisdiction of the Master Association established pursuant to this Master Declaration and shall be subordinate to that of the Master Association.”

41. Upon information and belief, it is the Plaintiff’s position that the Declarant is responsible to appoint Board members that will adhere to the By-Laws of the Master Association. The Declarant is also responsible to oversee and remove Board members who do not execute their duties as stated in the governing documents. It is the Plaintiffs’ position that the Declarant has been negligent in supervising the Board in their responsibilities and duties, and in making the appropriate changes to ensure the governing documents are followed as per the Master Declaration, Book 12008, Page 290, (H) Rights of Declarant: “DECLARANT HEREBY EXPRESSLY RETAINS THE RIGHT, POWER AND AUTHORITY TO APPOINT AND REMOVE MEMBERS OF THE BOARD.”

42. Upon information and belief, the Declarant denied Master Association membership to the Riverwalk homeowners as per EXHIBIT C, BY-LAWS OF RIVERWALK MASTER ASSOCIATION, INC., Book 12008, Page 301, Article 2, Membership: Meetings, Quorum, Voting, Proxies, 2.1. Membership. “The Declarant, by recordation of the Master Declaration, and each Member, by accepting record title to a Parcel or recordation of a contract of sale, or by such other act as is provided for the Master Declaration to create membership in the Master Association, is deemed to consent to membership in the Master Association.”

43. Upon information and belief, the Declarant nor the Board scheduled Master Association annual meetings with the Members as per EXHIBIT C, BY-LAWS OF RIVERWALK MASTER ASSOCIATION, INC., Book 12008, Page 302, Article 2, Membership: Meetings, Quorum, Voting, 2.3. Master Association Meetings. (a) Annual Meetings. “The Board shall schedule regular annual meetings

of the Members to occur within ninety (90) days before the close of the Master Association's fiscal year, on such date and at such time and place as the Board shall determine.”

44. Upon information and belief, Mather, who owns the Declarant, Greens of Rock Hill, and GRH, nor the Board sent out Master Association meeting notices to its Members. Mather, who owns the Declarant, Greens of Rock Hill, and GRH, never provided Riverwalk homeowners the information specified by the Master Declaration and South Carolina Nonprofit Corporation Act as per EXHIBIT C, BY-LAWS OF RIVERWALK MASTER ASSOCIATION, INC., Book 12008, Page 302, Article 2, Membership: Meetings, Quorum, Voting, 2.4. Notice of Meetings. “At least ten (10), but not more than sixty (60). Days before any membership meeting, the President, the Secretary, or the officers or other persons call the meeting shall deliver or cause to be delivered to each Member a written notice stating the place, day, and hour of the meeting and the items on the agenda for such meeting, including the general nature of any proposed amendment to the Master Association or these Bylaws, any proposed budget changes, any proposal to remove a director, and such other matters as may be required by South Carolina law; provided, if such notice is sent other than by first class or registered mail, the notice by delivered at least thirty (30), but not more than sixty (60), days before the membership meeting. Such notice shall be delivered by such means as is permitted under Section 9.5. The Board may fix a record date for notice of a meeting, and, upon doing so, shall cause an alphabetical list to be prepared of all Members entitled to such notice, showing the name, address, and number of votes that each such Member is entitled to cast. Such list shall be made available for inspection by Members upon request as required by the South Carolina Nonprofit Corporation Act.”

45. Upon information and belief, Mather, who owns the Declarant, Greens of Rock Hill, and GRH, never permitted voting rights to the Master Association members nor did the Declarant demand that the Master Association Board comply with the By-Laws of the Riverwalk Master Association per EXHIBIT C, BY-LAWS OF RIVERWALK MASTER ASSOCIATION, INC., Book 12008, Page 303,

Article 2, Membership: Meetings, Quorum, Voting, 2.7. Voting. “Members shall have such voting rights as are set forth in the Master Declaration, which provisions are specifically incorporated by this reference. To the extent permitted by South Carolina law, a membership vote on any matter may be conducted at a meeting or by ballot cast by mail, facsimile transmission, electronic transmission, or a secure web-based voting system, or any combination of those methods, as provided in Section 2.11.”

46. Upon information and belief, Mather, who owns the Declarant, Greens of Rock Hill, and GRH, and its Board have never notified Riverwalk homeowners of any Master Association voting results as per EXHIBIT C, BY-LAWS OF RIVERWALK MASTER ASSOCIATION, INC., Book 12008, Page 304, Article 2, Membership: Meetings, Quorum, Voting, 2.11. Action Without a Meeting. (b) “The Board shall notify the Members of the results of the vote within (30) days after the expiration of the voting period.”

47. Upon information and belief, Mather, who owns the Declarant, Greens of Rock Hill, and GRH, has never communicated to Riverwalk homeowners the names of the Master Association Board members as per EXHIBIT C, BY-LAWS OF RIVERWALK MASTER ASSOCIATION, INC., Book 12008, Page 305, Article 3, Board of Directors: Selection, Meetings, Powers, 3.3. Directors Prior to Class B Expiration Date. “Except as otherwise provided in this subsection (b) or the Master Declaration, the Declarant may appoint, remove and replace the Board members until the Class B Expiration Date.”

48. Upon information and belief, Mather, who owns the Declarant, Greens of Rock Hill, and GRH, allowed the Board to ignore providing Master Association Board meeting notifications to Riverwalk homeowners as per EXHIBIT C, BY-LAWS OF RIVERWALK MASTER ASSOCIATION, INC., Book 12008, Pages 306 - 307, Article 3, Regarding 3.6. Organizational (Board) Meetings. 3.7 Regular (Board) Meetings. 3.8 Special (Board) Meetings. Specifically, 3.9 Notice: Waiver of Notice. (b) “To the extent practicable, the Board shall give reasonable notice to the Members of the date, time, and place of Board meetings by announcing such information at a previous Board or membership meeting or

posting notice in a location reasonably accessible to the Members and which the Board has designated for the posting of notices.”

49. Upon information and belief, Mather, who owns the Declarant, Greens of Rock Hill, and GRH, allowed the Board to disregard inviting Members or their representatives to attend Open Board Executive Session Meetings as per EXHIBIT C, BY-LAWS OF RIVERWALK MASTER ASSOCIATION, INC., Book 12008, Page 308, Article 3, 3.13. Open Meetings: Executive Session. (a) Subject to the provisions of subsection 3.13(b) and Section 3.14, all Board meetings shall be open to attendance by all Members or their representatives.”

50. Upon information and belief, Mather, who owns the Declarant, Greens of Rock Hill, and GRH, is negligent for not ensuring the Board comply with their duties as stated in Article 3, 3.16. Duties as per EXHIBIT C, BY-LAWS OF RIVERWALK MASTER ASSOCIATION, INC., Book 12008, Pages 308 - 309, Article 3, 3.16. Duties. The Board’s duties shall include, without limitation: “(a) preparing and adopting, in accordance with the Master Declaration, an annual budget establishing each Member’s share of the Common Expenses; (c) providing for the operation, care, upkeep and maintenance of the Common Properties for which it is responsible consistent with the Development Property Wide Standards; (d) designating, hiring, and dismissing personnel necessary to carry out the Master Association’s rights and responsibilities; (e) opening bank accounts on the Master Association’s behalf and designating the signatories required; (f) depositing all funds received on the Master Association’s behalf in a bank depository which it shall approve and using such funds to operate the Master Association; (k) keeping a detailed accounting of the Master Association’s receipts and expenditures, (l) making available to any prospective purchaser of a Parcel, any Member, and the holders, insurers, and guarantors of any mortgage of any Parcel, current copies of the Master Declaration, the Articles, these By-Laws, the rules and regulations promulgated by the Master

Association, and the Parcel Development Guidelines pertaining to the Parcel, and all other books, records, and financial statements of the Master Association as provided in Section 9.4.”

51. Upon information and belief, Mather, who owns the Declarant, Greens of Rock Hill, and GRH, was willfully and grossly negligent by allowing the Board to ignore the higher standards of the South Carolina non-profit corporation law and by not adhering to and complying with the Master Declaration, the Articles, and By-Laws as per EXHIBIT C, BY-LAWS OF RIVERWALK MASTER ASSOCIATION, INC., Book 12008, Pages 311 - 312, Article 6. Standards of Conduct: Liability, and Indemnification. 6.1. Standards for Directors and Officers. “The Board shall exercise its powers in a reasonable, fair, nondiscriminatory manner and shall adhere to the procedures established in the Master Declaration, the Articles, and these By-Laws.” And “In the event that South Carolina law from time to time requires a higher standard for directors and officers of a South Carolina non-profit corporation, then the directors and officers shall adhere to such higher standard.”

52. Upon information and belief, the Master Association’s officers and directors individual actions or lack thereof demonstrate misconduct and gross negligence and that Mather, who owns the Declarant, Greens of Rock Hill, and GRH, was grossly negligent for allowing it to willfully take place and continue without making necessary changes to correct it as per EXHIBIT C, BY-LAWS OF RIVERWALK MASTER ASSOCIATION, INC., Book 12008, Page 312, Article 6. Standards of Conduct: Liability, and Indemnification. 6.2. Liability. “The Master Association’s officers, directors, and committee members (and those of the Master Architectural Review Board) shall not be liable for any mistake of judgment, negligent or otherwise, or for any action taken or omitted in such capacities, except for their own individual willful and wanton misconduct or gross negligence.”

53. Upon information and belief, Mather, who owns the Declarant, Greens of Rock Hill, and GRH, has been acting for and in lieu of the Board as per EXHIBIT C, BY-LAWS OF RIVERWALK MASTER ASSOCIATION, INC., Book 12008, Page 313, Article 7, Management and Accounting, 7.2.

Right of Declarant to Disapprove Actions. “As provided for by the Master Declaration, until Class B Expiration Date, the Declarant may elect to act for and in lieu of the Board.”

54. Upon information and belief, Plaintiffs have never received or reviewed from the Master Association an annual report/reports consisting of a balance sheet, an operating (income) statement, and a statement of changes in financial position as per EXHIBIT C, BY-LAWS OF RIVERWALK MASTER ASSOCIATION, INC., Book 12008, Page 314, Article 7, Management and Accounting, 7.4 Accounts and Reports.

(a) The Board shall follow the following accounting standards unless the Board by resolution specifically determines otherwise:

- i. Accounting and controls should conform to generally accepting accounting principles;
- ii. The Master Association’s cash accounts shall not be co-mingled with any other accounts.

(b) Commencing at the end of the quarter, financial reports shall be prepared for the Master Association at least quarterly containing:

- i. an income statement reflecting all income and expense activity for the preceding period;
- ii. a statement reflecting all cash receipts and disbursements for the preceding period;
- iii. a variance report reflecting the status of all operating, reserve, and other account in an “actual” versus “approved” budget format;
- iv. a balance sheet as of the last day of the preceding period; and,
- v. a delinquency report listing all Members who are delinquent in paying any assessments at the time of the report.

(c) An annual report consisting of at least the following shall be made available for Members' review with in one hundred eighty (180) days after the close of the fiscal year:

(i) a balance sheet,

(ii) an operating (income) statement, and

(iii) a statement of changes in financial position for the fiscal year. Prior to the Class B Expiration date, such annual report shall be prepared on an audited, reviewed, or compiled basis, as the Board determined; thereafter, it shall be prepared on an audited basis by an independent certified public accountant.”

55. Upon information and belief, Riverwalk homeowners were never permitted to inspect the Master Association's books and records as they were always told they were not Master Association Members as per EXHIBIT C, BY-LAWS OF RIVERWALK MASTER ASSOCIATION, INC., Book 12008, Page 317, Article 9, Miscellaneous, 9.4 Books and Records.

(a) Maintenance of Book and Records. “The Master Association shall maintain the following books and records, either in written form or in a form capable of conversion into written form within a reasonable time: appropriate accounting records; minutes of all meeting of the Members and the Board; a record of all actions taken by the Members and the Board without a meeting; a record of all actions taken by committees appointed by the Board; a membership roster reflecting the name and mailing address of all Members, in alphabetical order, along with the address of each Parcel owned by the Member, or, for Corporate Members, the Component Parcel over which the Corporate Member has jurisdiction, and the number of votes allocated to each Member.

The Master Association shall maintain at its principal office copies of the following documents:

- (i) its Articles and Bylaws, and all amendments thereto currently in effect;
- (ii) Board resolutions relating to the rights, limitations, and obligations of Members;
- (iii) the minutes of all membership meetings and records of all actions approved by the Members for the last three years;
- (iv) all written communications directed to the Members generally within the three (3) most recent years;
- (v) copies of the financial statements for the three most recent years; (vi) a list of the names and business or home addresses of its current directors and officers; and
- (vii) its most recent annual report filed with the South Carolina Secretary of State.”

(b) Inspection by Members and Mortgagees. “Within five (5) days after receipt of a written request to inspect the Master Association's books and records, the Board shall make available for inspection and copying by any Member, any holder, insurer, or guarantor of a first mortgage (as defined in the Master Declaration) on a Parcel, or the duly appointed representative of any of the foregoing, at any reasonable time and location as the Board may specify, any of the books and records listed in Section 9.4 (a) and specified in such written request, provided that such Persons shall only be entitled to inspect the books and records enumerated in Sections 9.4 (a)(i) through (vii) if the request for inspection is made in good faith and for a proper purpose, the requesting party describes with reasonable particularity the purpose and the records the party desires to inspect, and the records are directly connected with that purpose.”

William Douglas Management Inc.

Based on information and belief:

56. William Douglas has not adhered to the Riverwalk Master Declaration & Bylaws and the Riverwalk Residential Declaration & Bylaws, as follows:

- a. Riverwalk homeowners were told by William Douglas' Property Manager, Tara Webb, that they were not Master Association members, her statement is untrue.
- b. During the October 2023 Riverwalk Residential Homeowners Annual Meeting, Tara Webb subsequently corrected the record and stated that Riverwalk homeowners were indeed members of the Master Association.
- c. Riverwalk homeowners were told by William Douglas' Property Manager, Tara Webb, that they have no right to review and inspect the Riverwalk Residential Association financial books and records regarding budget and balance sheet expenditures, or any related documents which is a grossly negligent misrepresentation or intentional false statement.
- d. Riverwalk homeowners' requests for information regarding the HOA stolen funds have gone unanswered by William Douglas's Property Manager, Tara Webb.
- e. William Douglas has not provided the membership with any information regarding Master Association and Residential Homeowners' Association Board Meeting invitations, notifications, and/or access to all of the Board Meeting minutes.
- f. William Douglas has supported the Declarant GRH's aggressive stance against the Riverwalk homeowners by implementing unreasonable and abusive HOA violations and restrictions just one month after Plaintiffs filed their lawsuit against Defendants.
- g. Such unreasonable and abusive HOA violations and restrictions were never enforced against Riverwalk homeowners prior to GRH engaging William Douglas Management.
- h. Violation letters sent to Riverwalk homeowners by William Douglas' Property Manager, Tara Webb, threatens heavy fines and that a lien can be or will be placed on their homes, when combined constitute wrongful or illegal penalties.

i. Upon information and belief, William Douglas and GRH shared portions of the violation fees paid by Riverwalk homeowners.

j. Since GRH was served with Plaintiffs' Complaint in late February 2023, HOA violations and fines to Riverwalk homeowners have grown significantly.

k. William Douglas' Property Manager, Tara Webb, stated that Riverwalk homeowners who want to challenge the violation would not be permitted to have a hearing as outlined in the Riverwalk governing documents. Homeowners were denied due process.

l. Riverwalk homeowners were told by William Douglas' Property Manager, Tara Webb, that they could not park in legal parking spaces, as specified by the City of Rock Hill, and sent out violation letters to Riverwalk homeowners who parked in a legal parking place in front of their homes.

m. William Douglas has neglected its responsibility to protect the interests of the HOA members by not adhering to or complying with the Master Declaration and Bylaws and all related governing documents.

n. William Douglas has mismanaged the Riverwalk HOAs and has negatively impacted Riverwalk's quality of life resulting in Riverwalk homeowners either relocating or considering to do so.

o. Upon information and belief, Riverwalk homeowners have stated that they feel life under William Douglas Management feels like "Naziland," and that their properties are constantly being surveyed for potential violations by the "Gestapo." They feel as though they have been robbed of the joy that is normally associated with living well in a quality, property-owner friendly development.

p. William Douglas' mismanagement of the Riverwalk HOAs has caused Riverwalk homeowners tremendous stress and much anxiety.

q. Riverwalk homeowners believe William Douglas' mismanagement of the Riverwalk HOAs has harmed Riverwalk's reputation which could negatively impact home sales.

r. The Riverwalk homeowners believe that William Douglas and their representatives are very aggressive and disrespectful considering the Riverwalk homeowners are paying them through their annual assessments.

Master Association Inc.

Based on information and belief:

57. Mark Mather, Declarant and owner of GRH, serves over the Board of Directors and controls all Board decisions.

58. The Master Association Board of Directors have denied membership to the Riverwalk homeowners.

59. The Master Association Board of Directors have not provided any information whatsoever to Riverwalk homeowners regarding the Master Association.

60. The Master Association Board of Directors have not adhered to the Master Declaration and Bylaws.

61. The Master Association Board of Directors have not adhered to the State of South Carolina Non-Profit Corporate law by denying Riverwalk homeowners membership and information legally allowed for members to access.

Residential Homeowners Association Inc.

Based on information and belief:

62. Mark Mather, who owns the Declarant, Greens of Rock Hill and GRH, serves on and over the Board of Directors and controls all Board decisions.

63. The Residential Homeowners Association Board of Directors have denied Members information regarding the HOA stolen funds.

64. The Residential Homeowners Association Board of Directors have not adhered to or complied with the Master Association governing documents.

65. The Residential Homeowners Association Board of Directors have not adhered to or complied with the Riverwalk Residential Homeowners Association governing documents.

66. The Residential Homeowners Association Board of Directors have not adhered to the State of South Carolina Non-Profit Corporate law by denying Riverwalk homeowners information legally allowed for members to access.

67. Defendants have acted in conspiratorial concert to either negligently, grossly negligently or intentionally not fulfilled their promises made and obligations to Plaintiffs; in conspiratorial concert have negligently, grossly negligently or intentionally failed to address the financial concerns of Plaintiffs by refusing to provide an accounting of records or are intentionally hiding them from Plaintiffs for fear of what they may show; have breached or acted in concert to fraudulently breach the agreements and contracts, and have acted in concert to failed to repair damages to real property and maintain the Riverwalk community features.

68. The actions or inactions of Defendants are the direct and proximate cause of Plaintiffs' injuries.

CLASS ALLEGATIONS

69. Plaintiffs reallege and hereby incorporate Paragraphs 1 through 52 above as if fully set forth verbatim herein.

70. Plaintiffs bring this action pursuant to Rule 23, SCRCP, on behalf of themselves and the class of similarly situated persons.

71. The Class is defined as the individual Homeowners of the Riverwalk community, who own properties in which they either reside or rent to tenants.

72. The proposed class is so numerous that joinder of all members is impracticable,

73. There are questions of law and fact common to the Class which predominate over any questions affecting only individual members of the Class.

74. Plaintiffs' claims are typical of the claims of the Class and Plaintiffs do not have interests averse to other members of either class.

75. The defenses of the Defendant to the named Plaintiffs' claims are typical of the defenses available against each member of the proposed Class.

76. The representative named Plaintiff will fairly and adequately protect the interest of the proposed class.

77. The amount in controversy exceeds One Hundred and 00/100 (\$100.00) Dollars for each member of the proposed Class.

78. A class action is superior to other available methods for the fair and efficient adjudication of the issues in dispute.

79. Plaintiffs have retained counsel who are experienced in class action litigation and Plaintiffs will fairly and adequately protect the interests of the Class.

80. Given the size of the individual Plaintiffs' claims, many class members of the Class may not be able to afford to seek legal redress individually for the wrongs committed by Defendants.

81. The prosecution of separate actions by individual members of the class would create the risk of inconsistent adjudications.

82. Plaintiffs seek certification of the action as a class action so that the liability of the Defendant may be adjudicated.

83. Certification of the Class as requested herein will result in an orderly and expeditious administration of class claims, economy of time, effort and expense, and uniformity of decisions will be ensured.

84. Plaintiffs soon thereafter after filing this Second Amended Complaint, will file Motion for Class Certification. In the Plaintiffs Motion for Class Certification, they will request this Court to issue its Order, as soon as practicable, pursuant to SCRCP 23(d)(1), allowing this action to be maintained on behalf of all persons as a class described above.

85. Plaintiffs in its soon to be filed Motion for Class Certification, will request this Court, pursuant to SCRCP 23(d)(2), to direct that notice be given to members of the proposed class in the best manner practicable under the circumstances, including individual notice to all members who can be identified through reasonable efforts:

a. That the court will exclude the members from the classes if the member so requests by a specified date; and

b. That the judgment, whether favorable or not, will bind and include all members of the class who do not request exclusion.

FIRST CLAIM FOR RELIEF
(BREACH OF FIDUCIARY DUTY)
All Defendants

86. The preceding allegations of the Second Amended Complaint are hereby realleged and incorporated herein as if fully repeated verbatim.

87. All Defendants, as the developers, caretakers and property managers of the community with managerial control over the Board of Directors for the HOA and, as management authority with the Board of Directors, and as members of the Board of Directors possess a fiduciary duty to Plaintiffs to uphold and act accordingly to the By- Laws of the corporation and the laws of the State of South Carolina.

88. Defendants have failed to discharge of their fiduciary duties to Plaintiffs by failing to act in good faith.

89. Defendants have breached their fiduciary duty by failing to act with the care an ordinary

prudent person in a like position would exercise under similar circumstances.

90. Defendants have acted in a manner which they cannot reasonably believe to be in the best interest of Plaintiffs, as evidenced by the lack of communication, transparency, unfulfilled promises, and failing conditions of the community.

91. As a proximate result of the above, Defendants have breached fiduciary duties, and joint and severally owe actual and punitive damages as a result of such breaches among other reasons identified above and in the Causes of Actions below.

SECOND CLAIM FOR RELIEF (MISAPPROPRIATION OF FUNDS)

**GRH, Greens of Rock Hill, Master
Association & HOA**

92. The preceding allegations of the Second Amended Complaint are hereby realleged and incorporated herein as if fully repeated verbatim.

93. Upon information and belief, Defendants GRH, Greens of Rock Hill, Master Association and the HOA have misappropriated HOA Fees collected from Plaintiffs, either directly or indirectly through their employees.

94. As a proximate result of the above, the above-named Defendants have breached fiduciary duties, and joint and severally owe actual and punitive damages as a result of such breach.

**THIRD CLAIM FOR RELIEF
(BREACH OF CONTRACT)**

All Defendants

95. The preceding allegations of the Second Amended Complaint are hereby realleged and incorporated herein as if fully repeated verbatim.

96. Plaintiffs and Defendants entered into a binding and valid contract whereby Defendants offered various promises and services. Plaintiffs accepted Defendants offer by signing and returning the various HOA agreements and contracts and provided valuable consideration in the form of HOA Fees in exchange for Defendants executing on the contractual obligations.

97. Defendants' conduct both directly and indirectly, breached the covenants of good faith

and fair dealing and above mentioned contracts and agreements.

98. Plaintiffs placed faith in and relied upon the assurances and promises of Defendants leading to injuries suffered by Plaintiffs.

99. Upon information and belief, Plaintiffs satisfied and complied with all the terms of the contracts.

100. As a result of Defendants' breach of contract, Plaintiffs have suffered actual, compensatory, mental, emotional and consequential damages stemming from the breach and other such damages as are allowable by law.

101. As a direct and proximate result of Defendants' material breach of the contracts, Plaintiffs has been damaged in an amount in excess of Five Hundred Fifty Thousand Dollars and 00/100 (\$550,000.00), not including benefits under the contract, plus post-judgment interest and attorneys' fees, with all Defendants being jointly and severally liable as allowed by law.

FOURTH CLAIM FOR RELIEF
(NEGLIGENT SUPERVISION)
GRH, Greens of Rock Hill, Master Association
& HOA

102. The preceding allegations of the Second Amended Complaint are hereby realleged and incorporated herein as if fully repeated verbatim.

103. Defendants GRH, Greens of Rock Hill, Master Association and the HOA failed to use due care in supervising its employees, specifically Hill.

104. Defendants GRH, Greens of Rock Hill, Master Association and the HOA permitted Hill to misuse and steal HOA Fees collected from Plaintiffs.

105. Defendants GRH, Greens of Rock Hill, Master Association knew or should have known that Hill's repeated financial crimes demonstrated a propensity, proclivity, or course of conduct sufficient to put the employer on notice of the possible danger to Plaintiffs.

106. All the above named Defendants both directly and indirectly by and through their

employees and agents, failed to execute various promises and obligations under the contracts and HOA agreements.

107. Plaintiffs' injuries have a sufficient nexus to all the above named Defendants' misconduct to deprive Plaintiffs of the benefits of the contracts and monies collected through HOA Fees which were intended to fulfill all of the above named Defendants' obligations under the contracts.

108. Accordingly, due to the acts of all of the above named Defendants and their agents, Plaintiffs are entitled to injunctive relief and jointly and severally from the above named Defendants civil damages, and payment for stolen fees and interest. Plaintiffs are further entitled, jointly and severally from the above-named Defendants, to actual and compensatory damages in the value and nature of the stolen fees and damages to personal property, with interest applied thereupon, in addition to any liquidated damages, reasonable attorneys' fees and the costs of bringing this action.

FIFTH CLAIM FOR RELIEF
(PROMISSORY ESTOPPEL)
All Defendants

109. The preceding allegations of the Second Amended Complaint are hereby realleged and incorporated herein as if fully repeated verbatim.

110. Plaintiffs relied upon affirmative representations by Defendants' contract and promises made to by Defendants by way of representations by its agents over their course of dealings with Plaintiffs.

111. Defendants failed to honor these promises even while it knew that Plaintiffs were satisfactorily completing their obligations under the contract in reliance on said dealings with Defendants.

112. Plaintiffs reasonably and justifiably relied on Defendants' promises to their detriment, causing injury to Plaintiffs.

113. As a direct and proximate result of Defendants' misconduct, Plaintiffs are entitled to

have and recover of Defendants' treble damages and attorney's fees.

SIXTH CLAIM FOR RELIEF
(UNJUST ENRICHMENT)
GRH, Greens of Rock Hill, Master
Association & HOA

114. The preceding allegations of the Second Amended Complaint are hereby realleged and incorporated herein as if fully repeated verbatim.

115. As a result of all of the above named Defendants' misappropriation of funds and failure to fulfill contractual obligations, the above named Defendants have been unjustly enriched in several ways.

116. Upon information and belief, all of the above-named Defendants utilized HOA Fees paid by Plaintiffs to fund the general business and profit for other entities believed to be owned and/or controlled by Mather and used their power and authority over the HOA to overcharge Plaintiffs for services at the benefit of the above named Defendants.

SEVENTH CLAIM FOR RELIEF
(RECEIVER)
HOA

117. The preceding allegations of the Second Amended Complaint are hereby realleged and incorporated herein as if fully repeated verbatim.

118. Plaintiffs request a court appointed receiver to hold the HOA Fee funds (outstanding or otherwise) to the Riverwalk HOA, as well as to receive all future payments of fees paid from now until the resolution of this matter.

EIGHTH CLAIM FOR RELIEF
(ORDER DISSOLVING CURRENT BOARD)

119. The preceding allegations of the Second Amended Complaint are hereby realleged and incorporated herein as if fully repeated verbatim.

120. Plaintiffs request an Order from this Court, dissolving the current HOA Board of

Directors and appointing temporary members to conduct business on behalf of all members and homeowners of the Riverwalk community until the resolution of this matter.

NINETH CLAIM FOR RELIEF
(ACCOUNTING)

**GRH, Greens of Rock Hill, Master Association,
William Douglas Management**

121. The preceding allegations of the Second Amended Complaint are hereby realleged and incorporated herein as if fully repeated verbatim.

122. All of the above named Defendants owed Plaintiffs a fiduciary duty by virtue of their agreements as well as the complete and unchecked control over the HOA.

123. All of the above named Defendants are obligated to account to Plaintiffs for the assets and funds received through the payment of HOA Fees by Plaintiffs concerning any and all means in which said fees contribute to the functionality of the community.

124. The financial transactions in dispute in this case involve long or complicated accounts which make it impracticable for a jury to comprehend the issues and determine the amount of the obligation owed to Plaintiffs.

125. Plaintiffs are entitled to the entry of an order requiring all of the above-named Defendants to account to the Plaintiffs for the full range of financial transactions undertaken relating in any manner whatsoever to the Riverwalk community, account for all funds stolen from Plaintiffs by Hill, and a judgment against Defendants for all monies owed to Plaintiffs as a result of the breach of the relationship or duty.

TENTH CLAIM FOR RELIEF
(CIVIL CONSPIRACY)

All Defendants

126. The preceding allegations of the Second Amended Complaint are hereby realleged and incorporated herein as if fully repeated verbatim.

127. All of the Defendants have entered into a civil conspiracy, by both tacit and express agreement, combining with each other for the purpose of injuring the Plaintiffs.

128. In furtherance of their civil conspiracy the Defendants have acted jointly and severally, in concert and in combination with each other, with the tacit and/or express consent and approval of the other.

129. In furtherance of their civil conspiracy, the Defendants have committed several wrongful, tortious, and unlawful acts, including but not limited to the following:

- a. Not allowing review of financial books and records, after years of requests, demands and petition;
- b. Not providing an accounting of the Homeowner funds stolen;
- c. Not providing operating, change in financial position and other financial statements;
- d. Making false statements concerning Homeowners being members of the Master Association, further entitling Homeowners to financial books and records;
- e. Refusal to replenish the monies stolen or embezzled by Hill from the HOA;
- f. Continuously for years hiding behind claims of an audit being conducted in order to not disclose whether funds stolen by Hill have been replenished;

130. The object of the conspiracy is to deny Homeowners their rights which are set forth in the governing documents, to include various Articles and By-Laws, as well as to which they are entitled under South Carolina state law.

131. As a direct and proximate result of this civil conspiracy of the Defendants, the Plaintiffs have been injured and damaged in that they have lost dues payments and have incurred expenses, including attorney's fees and related costs and expenses, all said injuries to their great detriment and damage, both actually and punitive, owed jointly and severally by the Defendants.

ELEVENTH CLAIM FOR RELIEF
(DAMAGES)

132. The preceding allegations of the Second Amended Complaint are hereby realleged and incorporated herein as if fully repeated verbatim.

133. Plaintiffs have incurred costs to maintain their properties where Defendants have failed to do so, either directly or indirectly.

134. Damage and disrepair to common areas have diminished value to the properties owned by Plaintiffs.

135. Defendants' failure to establish, fund and maintain appropriate reserves for future repair and replacement of common areas, exterior maintenance for townhome properties, and any improvements have negatively impacted Plaintiffs.

136. Plaintiffs request monetary, actual, and punitive damages as the Court and/or jury deems appropriate.

WHEREFORE, Plaintiffs pray this Court:

- a) For injunctive relief;
- b) A court appointed receiver;
- c) Dissolution of the present Board of Directors and appointment of a temporary Board of Directors;
- d) Actual and punitive damages;
- e) Reasonable attorney's fees and expenses; and
- f) For such other and further relief as may be just and appropriate.

This the 14th day of March, 2023.

Respectfully submitted,

s/ Clarence Davis
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