



**The Riverwalk Homeowners'
Petition Initiative Group
Legal Plan Questions Asked & Answered**

Q1. Who will have access to my \$150.00 contribution and what happens if we don't make the goal?

Answer: Checks will be collected and held until we meet our goal. Once the goal is met, all checks will be delivered to Mr. Davis who will hold the funds in escrow. Only the law firm will have access to the funds. If we don't meet our goal, all checks will be returned to the homeowner.

Q2. Why do we think this will be successful since the Developer ignores requests?

Answer:

1. The Developer still wants to sell houses or sell his lots to other builders – bad press will not support that.
2. The State and City recommended we obtain legal counsel and told us that they would be willing to speak with our attorney if one was retained.
3. The Developer hired a felon to manage our HOA funds who stole \$349,320 of HOA monies. He cannot deny this fact. A simple Google search would have shown her past embezzlement.
4. The Developer/HOA co-mingled funds within the HOA bank accounts. He cannot deny this fact of record since his Treasurer sent an email confirming it.
5. The Developer/HOA and HOA Board of Directors together with other GRH officers are responsible and accountable to follow the Riverwalk Master Agreement and all governing documents. They have not. This is a matter of record and cannot be denied.
6. Townhomes have not been maintained or repaired as required by the HOA. Again, he cannot deny this fact due to negligence and property damages.
7. Firsthand witnesses and former employees have reached out to us stating they would be willing to submit Affidavits to what they witnessed regarding HOA and Developer alleged negligence and mismanagement.
8. A forensic audit to investigate how the HOA funds were managed could discover illegal accounting practices.
9. And WBTV is ready, willing, and able to continue telling "Our Story" to help Riverwalk Homeowners.

Q3. Who makes decisions regarding our legal strategy?

Answer: Once Mr. Davis is retained, he will visit with us to discuss his legal strategy. We will all be able to ask questions, make suggestions and get answers. This is a group initiative and all of us together drive the effort.

Q4. How will the Group stay informed?

Answer: Meetings will continue to be held so the homeowner supporters can get updates and ask questions. Additionally, Constant Contact status reports will be sent out to all supporters. If someone has a question between meetings and status reports, all they need to do is email Info@TheRiverwalkPetition.com for answers. Those questions will be added to the next meeting so all members will be privy to the answer.

Q5. What can an Attorney do that we cannot do?

Answer:

- An Attorney can tell us our legal remedies.
- The Petition Initiative will have a legal voice that has more authority than the homeowners.

- An Attorney can determine if any laws have been broken.
- An Attorney can help facilitate an official audit of the HOA books.
- An Attorney can assist with the collection of documentation.
- An Attorney can pressure the HOA to respond based on their own By-Laws, CCRs and Master Agreement.

Q6. I keep hearing the Developer wants to sell to another Builder/Developer. What happens to our legal plan if that takes place?

Answer: The Developer, HOA Board of Directors and all other parties listed will still be responsible for the time they managed the HOA. Selling to another party does not relinquish accountability of any wrong doings. Furthermore, typically a new Developer would want a clean deal without any legal issues attached to the community. Angry homeowners with legal representation could muddy the deal.

Q7. Who are the accountable parties that we want to legally address?

Answer: GRH Development, HOA Board of Directors and GRH Officers during the time of mismanagement, and Lisa Buza Hill.

Q8. Why name the HOA Board of Directors and GRH Officers?

Answer: The Riverwalk HOA By-Laws clearly state the responsibilities of the Developer, HOA Board of Directors and GRH Officers. The HOA, during this period, never held HOA member annual meetings. Financial statements and budgets have not been provided to the HOA members for years. But most importantly, per the Riverwalk HOA By-Laws, the Treasurer of The Greens of Rock Hill, LLC (GRH), the Declarant and Controller of Riverwalk Community's HOA, are responsible to audit all the HOA financials monthly. Additionally, the HOA Board of Directors are to approve the audited HOA financials each month. Strict auditing protocols are typically put in place to protect the interests of its HOA members. We have been told that a corporation or limited liability company (LLC) is a limited liability entity, but that does not mean that the officers or managers of such an entity are completely immune from liability for not complying with regulatory regimes that apply to the entities that they manage. To avoid liability, LLC officers typically obtain liability insurance. Furthermore, while an LLC will find relief from litigation if it enters bankruptcy, its Directors and Officers may still be sued individually or collectively, and the company is no longer able to indemnify them.

Q9. Legal representation can escalate and cost more. Why do we think we can keep our budget in check and not have the budget grow out of control?

Answer: First and foremost, this is not a lawsuit. This is a legal plan with specified action items and associated costs estimates. Also, at any time, we can reprioritize our legal plan or shut down the effort. Our objective is to approach this creatively to get traction and the necessary attention for resolution. This is not solely against the Developer/HOA. Others to be named are also accountable for their alleged mismanagement, negligent actions, or non-actions to protect the members of the Riverwalk HOA. Each party named will need to obtain legal representation when they receive the Demand Letter. Each party will have to determine if they want to delay the legal process or take cover and be released from it. That means that individuals will want to make a deal or put pressure on the Developer and other parties named to settle. Plus Mr. Davis wants to collaborate with willing witnesses and government entities to expedite resolution as well as leverage WBTV and other social media channels to apply pressure.