

STATE OF SOUTH CAROLINA)
COUNTY OF GREENVILLE)
CIRCUIT)

IN THE COURT OF COMMON PLEAS)
FOR THE THIRTEENTH JUDICIAL)

Bonnie Brae Homeowners)
Association, Inc.,)

Plaintiff,)

vs.)

HOA Community Management, LLC and)
Charlene Rice, Jeff Dumpert,)
Tim Roach, Janine Wyman, Julie Hrobsky,)
Jason Resotka, and Donald Peake,)

Defendants.)

CIVIL CASE NO. 2016-CP-23-06406

AFFIDAVIT

PERSONALLY appeared Roman Kanach, who, being duly sworn, deposes and says that he is a member of the Bonnie Brae Homeowners' Association, Inc. ("Association").

I am the legally elected President of the association, elected at the special meeting held in April 2016.

I have reason to believe that property manager Charlene Rice, owner of HOA Community Management LLC, both of whom are defendants in this case, are falsifying association financial and other documents. For example, at the meeting of March 10, 2017, Charlene Rice presented the financial information at the meeting, even though this is something the association's treasurer is required to do. The information she gave, and the handout given to homeowners at check-in were modified versions of the actual documents given to the Plaintiff in this lawsuit. The association's trading loss of \$9,349.64 reflected in the actual financial accounts

provided by the Defendants to the Plaintiff was removed and figures were manipulated to show a net income of \$54,513 profit. This manipulation of the financial records gives homeowners a false impression that the association is in a better financial situation that it actually is. The 2017 budget given out with the documentation at the March 10th meeting shows a net loss of \$6,927.88, whereas the budget information sent to homeowners with the semi-annual dues invoice showed a net income of \$1,322.12. Neither of these reports includes a provision for legal fees, even though Rice is aware the Association is involved in this legal case. The defendants caused invoices to be issued to the legally elected board members Kanach, Wells, Crocker, and Gresham on May 27, 2016 – for legal fees – however, the court documents were not filed until September 9, 2016 so when the invoices were sent, there had not yet been any legal action taken. Further, HOA Community Management, and the individual defendants in this case are parties to this action individually, and to try and hold the Association or individual members responsible for legal fees associated with this lawsuit is improper and illegal. The Association documents do not allow the association to charge legal fees to a homeowner unless the action by the association taken is a result of unpaid assessments or fines. As of December 2016, Ms. Rice had caused invoices to be issued to the legally elected board members, Kanach, Wells, and Gresham, totaling \$9,268.70 for “legal fees”. Trish Crocker was sent an invoice for \$148,067.00 – to date this has not been corrected – which shows gross incompetence on Ms. Rice’s part. If these amounts are included in the 2016 balance sheet, then again it is false accounting as the charges are improper and illegal.

On the profit & loss budget vs actual report handed out at the meeting of March 10, 2017, the January 1, 2016 checking account carryover balance was \$9,297.20 and the reserve acct carryover balance was \$59,565.56 giving a total cash value of \$68,862.76. The closing balance

for checking account for the year was \$4,867.17 and reserve account was \$56,009.96 giving a total ending balance of \$60,877.13. The sheet handed out at the meeting to members gives a net income of \$54,513.12 which is a discrepancy of \$6,364.01. As the defendants will not fully and in any meaningful way comply with the Plaintiff's request for the association's accounting and banking records, we have no option other than to believe there is gross mismanagement of association funds and possible illegal action.

In addition to the financial documents that have been modified, Ms. Rice also handed out a doctored screenshot from our association website which was modified from "The judge has now ordered a COURT ORDERED MEETING to be managed by the attorneys" to "The judge has now ordered a COURT ORDERED MEETING to be managed by the attorne (sic)" This is clearly an attempt to mislead the members to believe that only one attorney, Mr. Oates was ordered to run the meeting by the court.

The defendants in this case, who were removed as board members by the members attending the special meeting, in person or by proxy, on April 28, 2016, have used association funds to pay for their legal fees as legal fees were reflected in the financial report given out at the March 10 meeting. The defendants are all parties to this action as individuals and therefore cannot and should not be allowed to use association resources to defend this lawsuit.

I have personal knowledge that, not only are the defendants charging the legal board members for legal fees associated with this lawsuit, which so far have been paid from the association's funds, they have also now attempted to make an insurance claim through the association's policy. It is my belief that this amounts to fraud.

Over the course of this court case, I have had reason to speak with members of other boards for communities managed by defendants Charlene Rice and HOA Community

Management. I have personally seen accounting records showing that Ms. Rice and her management company have committed mismanagement of funds and possible fraud. For example, I have personal knowledge of the fact that Ms. Rice resigned from managing the Woodruff Lakes community when the board of directors demanded that she turn over the full accounting records and all association documents belonging to the community. Rather than turn over all the records, Ms. Rice resigned as management company of Woodruff Lakes and the records when finally sent to the Woodruff Lakes board of directors that were grossly incomplete and lacking.

I further state that I have personal knowledge of Ms. Rice using her position as managing agent of the Association to unlawfully collect fines, fees and other sums, and bully, threaten, and coerce homeowners.

I have personal knowledge that at the Planter's Row neighborhood when Ms. Rice was terminated and turned over financial records, they were lacking and there were many irregularities.

I am in possession of a copy of the financial reports for the Fairview Lake / Waterton community which Rice resigned from in early 2017. I have personal knowledge that at Fairview Lake/Waterton, Ms. Rice resigned as management company when the board of the association there demanded she turn over all association records and documents including financial and accounting records. When those documents and records were finally handed over to the board at Fairview Lake/Waterton, they were not complete. Further, on the financial report I have in my possession, which is dated February 1, 2017 (two days prior to when the association's documents and records were to be turned over to the board) there is a charge for shredding service. I believe this to be evidence of improper destruction of association property and of breach of her fiduciary

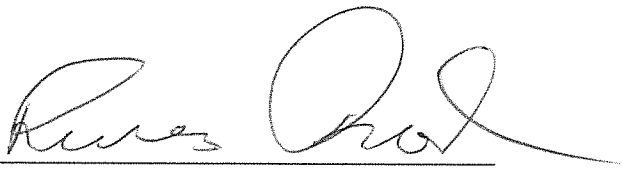
duty to the management company. I believe there is strong evidence that similar mismanagement, breach of fiduciary duty, and possible illegal activity has been conducted by Ms. Rice in her role as managing agent, and also since her removal by the legal board in December 2016, and by others working in concert with her and her company.

The defendants to this lawsuit have violated the declarations and covenants and bylaws of the association, by their discriminatory behavior with regards to restricting access of the legal board's amenity access, without due course as set out in the covenants and bylaws. The defendants have restricted access to members that have been singled out without notice, and without allowing a hearing or appeal as required in the governing documents of the association.

In a letter to the association members by the defendants dated 3/16/17, the defendants claim to have won the court ordered meeting of March 10, 2017. However, the validity and legality of the meeting and election is disputed by the Plaintiff, legal board, and the objections have been clearly stated to counsel for the defendants.

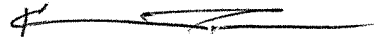
I state, under oath, and do affirm, that the Plaintiff in this lawsuit is the legally elected, lawful board of the Bonnie Brae Homeowners Association, and that this litigation is being pursued to enforce the declarations, covenants, and bylaws of the association according to the provisions of those documents and South Carolina law, and that the Plaintiff has tirelessly worked to do what is in the best interest of this association and its members. It is my personal belief based on my personal knowledge of the facts and circumstances, that the defendants have acted unlawfully, and have violated the rights of the members of the association.

(Signature page to follow)

BY: 
Roman Kanach

SWORN to before me this

4 day of April, 2017



Notary Public for South Carolina

My Commission Expires: 5/20/2026

