

PENNOCK PRESERVE PROPERTY OWNERS ASSOCIATION, INC.
A RESOLUTION OF THE BOARD OF DIRECTORS
REGARDING THE BALANCE OF "OWED FROM THE DEVELOPER" ON THE FINANCIALS

WHEREAS, the PENNOCK PRESERVE PROPERTYOWNERS' ASSOCIATION, INC. ("Prado") was established and constructed by multiple developers, namely Lennar and Standard Pacific, with Lennar being the last builder involved in the development; and

WHEREAS, the Association was incorporated on February 17, 2006, which predates the "incorporated after December 31, 2007" mandated state law requirement for Lennar to provide a turnover audit and as a result, Lennar refuses to provide such audit; and

WHEREAS, GRS Management was contracted in 2015 through June 2020. Castle Management conducted business during the remaining construction period, through the turnover on February 28th, 2022, until April of 2022, after which GRS Management resumed managing the Association as of April 2022; and

WHEREAS, GRS Management is in possession of financials from 2015, but no monthly financial records are available from the incorporation date of February 17, 2006; and

WHEREAS, the Board of Directors (the "Board") understands the necessity of conducting a turnover audit to validate the amount purportedly "Owed from the Developer," which is on the 2023 financials in the amount of roughly \$42,000; and

WHEREAS, it cannot be determined how the roughly \$42,000 due from the Developer was initially calculated and there are no records to substantiate such debit; and

WHEREAS, the Board further understands that to conduct a comprehensive turnover audit, financial records from the date of incorporation would be required, but such records are not available for review; and

WHEREAS, the cost of conducting a turnover audit has been quoted to range between \$20,000 and \$25,000, which, when coupled with the legal expenses likely to be incurred in pursuing the amount owed from Lennar, would result in minimal net recovery for the Association if any.

NOW THEREFORE BE IT RESOLVED by the Board of Directors of Pennock Preserve Property Owners Association, Inc:

1. **Acknowledgment of Financial Limitations:** The Board acknowledges the limitations posed by the unavailability of complete financial records from the date of incorporation and recognizes that the costs associated with conducting a turnover audit and subsequent legal actions may exceed or equal the amount purportedly owed to the Association.
2. **Decision Against Turnover Audit:** In light of the financial considerations and the anticipated outcome, the Board resolves not to pursue the amount "Owed from the Developer" or a turnover audit at this time.
3. **Future Financial Oversight:** The Board commits to ongoing diligent financial oversight, ensuring that current and future financial records are meticulously maintained and that any potential issues are addressed promptly.
4. **Communication to Members:** The Board shall communicate this resolution to the members of the Association, providing transparency regarding the decision-making process and the financial considerations involved.

IN WITNESS WHEREOF, the undersigned confirms that the foregoing resolution was duly adopted by the Board of Directors of Pennock Preserve Property Owners Association, Inc. on October 15th, 2024 at a meeting duly called for such purpose, and that such resolution remains in full force and effect as of the date hereof, not having been rescinded or amended.

PENNOCK PRESERVE PROPERTY OWNERS ASSOCIATION, INC.

A Florida not-for-profit corporation

By: Georgia H. Merten Date: October 22, 2024

Name: Georgia Merten

Title: President