



July 26, 2021

### **Just an Overall Update on the State of the Palm Beach**

Given all the craziness that has gone on over the last 10 months, I thought it prudent to put together a general update on the State of Palm Beach. I hope it helps answer some questions, it will likely generate a few more, that can be addressed in a future update. I'm going to try and keep things simple, given the details of many of the items overlap and sometimes get very complex, and I don't want this to be 15 pages long.

#### **The Lawsuit**

In an effort to keep things brief, I would ask that you refer to our announcement dated July 22, 2021. There is no additional information to add at this point.

If you are experiencing cancellations and losses as a result. I would ask that you document all such events and contact our attorney Adam Milam with that information.

Adam M. Milam, Esq.  
Milam & Milam, L.L.C. 20252 State Highway 181, Suite C  
Fairhope, Alabama 36532  
(251) 928-0191  
Fax (844) 273-4029  
amilam@milam-law.com

#### **Hurricane Sally Re-Build**

The simplest way to summarize is to say, were 99% of interior work completed, and some exterior work authorized by the insurance is still pending (we didn't want to interrupt the guest experience, and the hailstorm complicated some things as well), we've been paid for about 50% of the work completed, with the balance pending. Our team is still negotiating other items.

#### **Hailstorm Damage, Insurance Claim, and Re-Build**

Most of the negotiations related to damage caused by the hailstorm are complete. We have received an initial payment from the insurance company and are in the process of reviewing engineering, proposals, and scheduling work. Again, we're trying to be very aware of the guest experience given this project will cause significant disruption. Areas requiring repair or replacement:

- The entire roof membrane (again)
- The entire Red Mansard Roof
- Many Railings and both pool deck railings
- Extensive work to the wall by the road, and some repairs to building walls

If you can imagine the space needed to stage these repairs and contrast that with a nearly 100% capacity building, you can get a sense of the dilemma we're facing.

**Long-Term Capital Improvements** As you will recall, the PBCOA Board is also actively working on a plan to make long-term capital improvements to the resort. Following the Open Board of Directors meeting held on June 12, 2021, the Board voted to implement an action plan that included replacing Doors, Boardwalks, and

Courtyard Lighting, Elevator Upgrades, Parking Lot Upgrades along with a Guard Shack, and Pool Upgrades. That effort has stalled briefly due to the additional time required attending lawsuit matters following the condo collapse in Florida. While vastly different than our situation, the news coverage altered our plans. Those efforts will re-start shortly. More information to come as it becomes available.

### **Projected Assessment**

Based on the discussion above, the Board is still discussing with no definitive resolution regarding what size assessment will be required, nor its due date, nor available terms, as of this writing. In terms of overlapping issues and complexity, the work being done regarding the projected assessment is among the most complex. We hope to resolve many of the issues over the next month or so and will keep you up-to-date as this matter progresses.

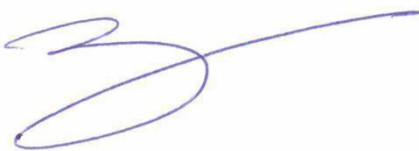
### **Property Condition and Guest Experience**

I've personally been to the property twice in the last two months, including just last week, and can tell you that without any doubt...It Looks Amazing! I actually was telling our on-site team, that I thought it looks as good as any Owners Meeting Week, and we're in the midst of the high season. Our management staff of General Manager Kevin Gilliland, Assistant General Manager Amora Magnus, and Associate Manager Victoria Walker are on-site daily. They have already brought much color and life to the property and have big plans and some very cool ideas coming soon. Their energy is incredible. While we're still wrapping up the construction-related mess, our maintenance team of Maintenance Chief Will Clarke, and team members; Theresa, Mike, Zach, Curtis, and Glen have done a fantastic job of keeping the property as clean and tended as possible. These people have a very difficult job. Please, if you see them out and about during your visits to the property...give them a thank you. I know it would mean a lot to them.

### **Final Notes and Mark Your Calendars**

- Over the past several weeks we have been asked several times about how the building is divided. In other words...if something happens in one wing...are the owners in another wing responsible for repair costs? The answer is simple. We are ONE BUILDING...surrounded by what is referred to as our common areas...ie. the property. We are ONE ASSOCIATION, and as such any costs incurred by the Association are shared according to the square footage formula used to ascertain dues, etc.
- The Owners Meeting was held on July 7, 2021, with the purpose of voting to approve the Board to establish a \$1M Line of Credit with M&M Bank passed. The bank is finalizing internal matters and we expect to finalize the process soon.
- Pool loungers – We've been asked a few times about what happened to the pool loungers. The answer is simple, they were all smashed in the hailstorm, and have been ordered. We ordered polywood loungers, and as a result of shortages of that material were given a 6-8 week delivery date, which got extended to 10-12. All that said, we expect to see them by the end of this month.
- **Mark Your Calendar** – The Palm Beach Owners Meeting will be October 16, 2021, at 10 AM Central Time. At this point, no determination has been made regarding Zoom/In-Person Location.

Sincerely,



On behalf of the Palm Beach Condominium Owners Association, Inc. Board of Directors, Resort Management and Staff