



July 22, 2021

Legal Update – Case vs. Brett Robinson et al

On July 20, 2021, Judge Scott P. Taylor, in the Circuit Court of Baldwin County, Alabama called the parties to court to update him on the structural safety of the Palm Beach building(s).

In attendance representing the Association, along with our attorney Adam Milam, were Board Members Mitch Lipon, President, Daniel Hamman, Secretary, and Property General Manager Kevin Gilliland.

Judge Taylor made it clear that he was concerned about the safety of the people staying in Palm Beach Building, and therefore, wanted a definitive answer from the City and other experts as to whether they could definitively state that the Building was safe for occupancy. The City of Orange Beach engineers inspected the building on Wednesday, July 21st. According to a communication from the City's attorney, the early indications revealed no immediate issues from the City's engineer. However, our investigation continues.

In the meantime, and out of an abundance of caution, Judge Taylor has asked that we post a disclosure of the situation on the property. That disclosure is being drafted and will be posted in an obvious position as soon as possible.

Rental guests should also be apprised of the notice. As such we suggest the following language:

In light of the recent news articles, the pending litigation related to structural damage caused to the Palm Beach, and out of an abundance of caution, I wanted to ensure you were properly informed.

The Palm Beach Owners Association alleges that the developers building a new condo complex located next to the Palm Beach wrongly decided to power pile drive foundation piles within 25' of the Palm Beach Resort with no vibration monitoring. The Association also alleges that this construction technique caused cracks in Building A as well as some separation from the breezeway between the A & B buildings. Although the wrongful power pile driving has caused substantial structural damage to Building A, our engineers do not believe there is an immanent safety threat. People are currently occupying Building A, it was deemed "safe to occupy" by the City of Orange Beach this past Spring following

Hurricane Sally repairs.

The Association's engineers continue to monitor and evaluate the structure. Likewise, the City of Orange Beach, and their engineering team are also working to ensure the building is safe to occupy. As of this writing, these teams of engineers have suggested the risk of a catastrophic event is extremely low. I will keep you informed of any new information as it becomes available.

Pending anything unexpected, the Judge will hear evidence regarding the case in late September. I will keep you updated as more information becomes available.

Sincerely,

A handwritten signature in blue ink, appearing to be 'Mitch Lipon', with a long horizontal stroke extending to the right.

Mitch Lipon, President

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