

## **Owner Information**

### **July 2021**

The following information regarding frequently asked questions of the board of directors is being distributed to the owners. Additional information bulletins will be sent as updated information is available. The information will also be on the secure page of our website located at [grandpanamacoa.com](http://grandpanamacoa.com) under the Owners Resources - Owners Information.

### **Non-Residential Purchase**

In December 2020, after approval from the owners via proxy, the Association purchased the Non-Residential Units which included the three units in front of Tower 2 (Suite 100, 200 and the Event Center), Tiki Bar 1 by Tower 1 Pool, Tiki Bar 2 by Tower 2 Pool and the Property Management Unit which included the Front Desk in the Lobby, the Conference Room off of the Lobby, the Office Spaces behind the Front Desk, Storage and Housekeeping Rooms on each of the Unit floors, several other storage areas located in parking areas and standalone parking garage, the Pool Pump Room on Tower 2 P5 floor and 29 parking spaces (23 located between Tower 2 and Parking Garage and the first 6 spaces as you enter Tower 2 from Front Beach Road. Grand Panama is one of the few places on the Beach where the Association owns the entire resort and are in charge of their destiny.

The purchase price was \$2.3M. The loan is a twenty-year loan with a balloon payment at the end of five years. Dues were not increased for the first year with retained earnings to cover the payments. The Board of Directors immediately started finding revenue sources with the newly acquired Non-Residential Units to pay off the loan.

- Suite 100 (Real Estate Office) leases for \$2,500/month with a 3 year lease with two additional 3 year options.
- Suite 200 (General Store and Panhandle Getaway) leases for \$5,000/month with a 3 year lease with two additional 3 year options. If Panhandle Getaways manages 40 units they have agreed to a lease of \$5,500/month, 50 units \$6,000/month, 75 units, \$6,500/month.
- Event Center with use of tables, chairs, audio/video projector can be licensed for use for \$150 for 1-2 hours, \$200 for 2-4 hours, \$350 for 4-12 hours plus a cleaning fee of \$150, a security deposit of \$200 dollars (refundable if property is left without any damage). Liquor can be served as long as the Licensee or the entity dispensing the alcoholic beverages are duly licensed to do so by the appropriate agency of the State of Florida and consumed on property. (This is to protect the Association).
  - More profitable options are being researched for the Event Center, mainly due to the lack of use and the limited parking.
- Tiki Bar 1 and 2 are leased for \$50,000/year, with two payments of \$25,000.
- The Property Management Unit is allocated as following:
  - Front Desk houses the Parking Pass Coordinators
  - Conference Room is available for use for owners and guests when they schedule at the Front Desk and abide by the documented rules

- 34 Housekeeping, 102 Storage Closets and 1 Large Storage area in standalone parking garage are available for owners to lease. The lease is for a period of one year with option to renew payable in full on the 1st of January. (Owners leasing after the first of the year will be charged a prorated amount for the given year but must be paid in full. No refunds.). A small amount of the closets will be available for vendors, ie cleaning companies, at a higher rate. Leases are available through the CAM.

#### Owner

- |                            |   |
|----------------------------|---|
| ▪ Tower 1, \$420/per year  | Unit 1A (3.3'x7.3") 1B (3.3'x5')        |
| ▪ Tower 1, \$600/per year  | Housekeeping Unit (7.5'x5.75")          |
| ▪ Tower 2, \$420/per year  | Storage Unit (3.3'x6.5')                |
| ▪ Tower 2, \$720/per year  | Housekeeping Unit (8'x6.5'+3.25'x4.75') |
| ▪ Standalone, \$6,000/year |   |

#### Vendor

- |                           |   |
|---------------------------|---|
| ▪ Tower 1, \$540/per year | Unit 1A (3.3'x7.3") 1B (3.3'x5')        |
| ▪ Tower 1, \$780/per year | Housekeeping Unit (7.5'x5.75")          |
| ▪ Tower 2, \$540/per year | Storage Unit (3.3'x6.5')                |
| ▪ Tower 2, \$960/per year | Housekeeping Unit (8'x6.5'+3.25'x4.75') |

- Digital Sign in front of Tower 2
  - Suite 100 pays \$300/month
  - Suite 200 pays \$300/month

## **Parking**

### Current Situation

During certain times of the year, our parking space availability is not sufficient causing owners and guests to become frustrated. Building code required the developer to provide 1.5 spaces per unit however in 2017 when the board actually counted the spaces there was actually 1 space per unit. Note: When discussed with the developer, their comment was that the gravel lot was probably how they got to the 1.5. However, the gravel lot was sold. The Board discussed the lack of parking spaces with our Attorney and because of the length of time that had passed since the resort was built in 2007, he advised with the statute of limitation we would be in for a long and expensive battle).

### Contributing Factors

- 1.5 parking spaces per unit not provided by the developer
- Owners are issued two owner stickers and may use their spaces also get passes for their guests.
- Owners may use at least one space and then rent their unit where guests request two passes.

### What options have been looked at and implemented

- Developed a parking tracking log to identify peak periods. Found that on the average that 1.5 spaces per unit were used, with the exception of the major holiday weekends.
- Re-enforced the towing policy.

- Identified approximately 6 spaces in the parking garage that could be restriped and made available.
- Identified smaller spaces for motorcycles instead of using spaces that should be used for cars.
- Added the 30 parking spaces around the outside perimeter of Tower 2.
- With the association purchase of the non-residential units from the developer, the 29 residential parking spaces now belong to association. 12 of the 29 spaces have been allocated to the tenants of the Non-Residential Suites 100 and 200 and the remaining are available for owner use.
- Ruled out giving each unit 1 assigned parking space because there was not a good process for determining who would get spaces in the parking garages and who would have to park outside.

#### Future Actions in Work

- The agreement with 360 Panama Flats (apartments being built behind Tower 2) in exchange for allowing an easement for owners only through their property in exchange for approximately 30 additional parking spaces with the associated land being deeded to the association should be completed in the next 6 months. The parking spaces will be graveled but the board is looking at costs for asphaltting the area. Note: This agreement also prohibits residents of 360 Panama Flats car access to our property. Emergency vehicles will have access if needed.
- Looking at costs and options for removing trees on the northside of the standalone parking garage and creating an additional 25 parking spaces.

#### **Painting**

Painting of the balconies and the building are the responsibility of the association. In 2014, the building was painted but several sealing flaws have been identified and in addition to Hurricane Michael damage have resulted in voids and resulting leaks. There are also several rusting areas on the building and on some of the balconies. Because a thorough inspection was not completed after Hurricane Michael in 2018, the Association has retained a company to identify all the problems and to work with our insurance company to recover costs for damages. Currently, the company has recovered our deductible of approximately \$1.4M and an additional of \$440K. Two items still in negotiations are the doors and windows and the roof. Although we have received \$440K, we were asked to wait until the final settlement before we start using the funds. We are currently identifying all of the rusting areas and getting bids while we wait for the finalization of negotiations.

#### **Security**

##### Current Situation

Around the clock security officers are on site. During peak times, when necessary additional security officers are added. The current budget for security personnel represents 8% of our operating budget. Camera are located across the property and installed in the elevators. Security officers do walk arounds, use the camera systems and respond to owner/guests phone calls. When necessary Panama City Beach Police are called in.

Suggestions from owners have included:

- Adding more security officers so they are constantly walking the property
  - Cost per each additional security officers added is approximately \$55,000.
- Fencing the property on all sides
  - Would require a way for allowing guests and vendors access to the property
    - Fulltime guard gates which would include fulltime guards at access points
    - Automated guard gates with access guards
      - How would guests and vendors be issued the cards and how would the cards be collected after they leave?
  - With the completion of 360 Panama Flats, Tower 2 will have fences on all sides with the exception of the entrance from Front Beach Road
- Adding and updating cameras
  - In the process purchasing additional cameras and updating the existing cameras.
  - Reviewing a system for integrating all of the cameras.

### **Storm Water Drainage**

A storm water draining system is located to the east of Tower 1. The drainage system is used by Grand Panama, Edgewater Resorts and 360 Panama Flats. At times, specifically during and after storms or during construction projects, the water is murky and brown. In times, of excessive runoff, the flow of the water may divert from its normal path.

During the initial construction of 360 Panama Flats, owners expressed concerns as to the color and flow of the water, and several complaints were filed with the city and the environmental agency.

- The city followed up with the contractor several times to ensure they were following the requirements and there were no violations.
- The city graded the sandy beach area to return the water flow path.
- The environmental agency reviewed the concern and found no environmental concern.

Grand Panama is one of several condominiums located on the beach experiencing the problem. In June, the city received more than \$21 million from the state to install an offshore stormwater outfall that will channel the stormwater underground and deposit it about 1,500 feet out into the Gulf of Mexico. Currently, they will concentrate on the outfall areas near Lullwater Lake and the Calypso Resort and Tower. The design should be completed sometime this year and there is no timeline for construction.

### **Beach Chairs**

In the November-December timeframe the Grand Panama receives information for the renewals and new requests for the beach chair service with Aquatic/Paradise for the upcoming beach season. In 2021, requests were taken starting January 4th by contacting James @ 850-249-1924. The cost for 2021 was \$1075.00 per set (tax included). The service included daily access to one set of beach chairs (double chaise lounge/folding deck chairs) between the hours of 9am to 5pm. The date of the service was March 15, 2021 to October 31, 2021.

- Options to pay included:
  - Credit card by calling James @ 850-249-1925.
  - Check payable to Aquatic Adventures (noting the resort name and unit number in memo) mailed to 7833 McElvey Road, Panama City Beach, Florida 32408.
  - In person, between the hours of 9am-3pm on Monday to Thursday, at 7833 McElvey Road.

In 2021, Aquatic Adventures paid the Grand Panama Association \$60,000 for the use of the beach in front of resort for March 15-October 31.

### **Website and Web Cam**

The Grand Panama Beach Resort webpage is located at [grandpanamacoa.com](http://grandpanamacoa.com). It is divided into two pages, the unsecured page and the secured page. The unsecured page can be viewed by anyone and has information which potential buyers, renters and/or real estate brokers may need. The secured page, for owners only, has information on policies (pet/parking), WOW channels and troubleshooting, owner resources, financials and contacts. Owners have access to the secured portion by clicking on Owners Home located on the unsecured page and then logging in. If any owner does not have an account they can send a user name request with the owners' email, name, unit number(s) and tower number to [gpboard@grandpanamacoa.com](mailto:gpboard@grandpanamacoa.com). Note: Because the information pertains to the association, when an owner sells their unit the user access will be deleted.

In May 2021, the web server where the website is hosted was causing our website to crash. The Association worked with our web designer to identify a new host server and to update the website for increased security. We are in the process of finalizing the move to the new server. The move is scheduled to be completed in July.

The Webcam which provided the view of the Tower 1 pool and the beach, was a subscription owned by Emerald View Resorts and was linked to their website. When Emerald View Resorts no longer provided the link, the Association began to investigate options. After several options were reviewed, the cost efficient option was to buy a new webcam and link it to our website. The camera was installed and scheduled to be linked on the our website once we move to the new server. In the process of linking it to the website, it was found the camera was dead and likely a victim of lightening. Internet services is looking at replacement options for the camera. Note: Webcam is now linked to our website [grandpanamacoa.com](http://grandpanamacoa.com) Beach Cam tab