

**GRAND PANAMA BEACH RESORT OWNER'S ASSOCIATION, INC. BOARD OF DIRECTOR'S MEETING
WEDNESDAY
FRIDAY, OCTOBER 22nd, 2021 @ 5:00PM CT MINUTES**

CALL TO ORDER:

The meeting was called to order at 5:01PM CT

ESTABLISH A QUORUM:

Board Members Present in Person:

Frank Booke, President
Glenn Holliday, Treasurer
Nancy Stovall, Secretary

Board Members Present on Zoom:

Woody Junot, Director
Pete Morreale, Director
Dean O'Reilly, Director
Jarod Triplett, Director

7 of 7 Board Members Present, Quorum establish.

Property Management Present:

Lee Waller, CAM

CERTIFY MEETING WAS PROPERLY NOTICED:

Today's Board meeting was properly noticed per FL Statute 718 and Bylaws.

READING AND DISPOSING OF MEETING MINUTES:

Mr. Booke had the October 6, 2021 minutes regarding the Tower 1 Pool Heater Install Approval read into the minutes.

NEW BUSINESS FROM OCTOBER 6, 2021

1. Tower 1 Pool Heater Install Approval: *Mr. Booke shared that heating of the Tower 1 Pool has been part of a seven-year plan for improvements to Grand Panama Beach Resort. It was emphasized that the plan is to continue heat the Tower 2 pool. Mr. Kilcummings, Grand Panama Maintenance Supervisor, shared the plan for the heating the Tower 1 pool which would include plumbing and ordering of the heater. Once the company is given the go-ahead it would take approximately three months before the heater would arrive, but the plumbing could be started immediately. The estimated cost is approximate \$34,000.*

After discussion, Mr. Booke recommended the item be tabled until next week and a survey be sent to all the owners soliciting their input.

Mr. Holliday made the motion to approve the meeting minutes as written and distributed to the Board of Directors before this meeting for the Board of Director's Meeting held on October 6th, 2021.

Mr. Morreale seconded the motion, the motion passed unanimously.

OLD BUSINESS:

1. Tower 1 Pool Heater:

Mr. Booke shared that heating of the Tower 1 Pool has been part of a seven-year plan for improvements to Grand Panama Beach Resort. Because of height problems for the heater for Tower 1 pool, several options have been looked at over the years. Recently an option was found that would allow a heater for the Tower 1 pool be installed. A survey was sent out to all the owners for their input on installing the heater. 70% of those that responded were in favor of the installation.

Mr. Booke also shared that another item that has been discussed as an improvement to Grand Panama over the last three (3) years are **Automatic Handicap Doors** (new business item). Steve Kilcummings, Grand Panama Maintenance Supervisor, solicited bids. The first bid included automatic handicap doors for Tower 1 Parking Garage Entrance,

Tower 1 Lobby, Tower 2 Lobby, Tower 2 P2, P3, P4, P5 Parking Garage Entrances. The bid was over \$100K. Steve Kilcumings revised the request for Automatic Handicap Doors for the Tower 1 Lobby and the Tower 2 Lobby. The revised bid was \$36K. A second bid was received for the Tower 1 Lobby and Tower 2 Lobby for \$26K.

Both items, the Tower 1 Pool Heater and the Automatic Handicap Doors, are two (2) expensive items but would vastly improve the resort for the owners and guests.

Mr. Booke made the suggestion to put both of the items in the 2022 budget plan instead of voting on them now. Each board member was polled, and it was a consensus to put the two items in the 2022 budget plan.

Mr. O'Reilly made a suggestion to raise the parking pass fee to help cover improvements for Grand Panama. Mr. Booke, agreed, based on parking pass fees at other resorts, this was an option to look at.

NEW BUSINESS:

Automatic Handicap Doors:

Covered under New Business with the Tower 1 Pool Heater.

Lights on Balconies:

Mrs. Stovall shared what is found in the Condo Documents, Fire Codes and Code of Ordinances for Panama City Beach, Florida regarding balconies and lights.

- Balconies are limited common element to the unit
 - Structural repairs and maintenance to ensure uniform appearance is the Association responsibility
 - Maintaining the area in an orderly condition is the Unit Owner responsibility
- Restrictions regarding Use of Balconies
 - Grand Panama Condominium Declaration (8.24)
 - Nothing is to be affixed or attached to, hung, displayed or placed on the exterior walls, doors, balconies, lanais or windows of the building without prior written consent of the Board of Directors
 - No clotheslines or clothes shall be hung on balconies or railings
 - NFPA 1.10.11.7 (Fire Code)
 - No hibachi, gas-fired grill, charcoal grill, or other similar devices used for cooking, heating, or any other purpose, shall be used or kindled on any balcony
 - Code of Ordinances of Panama City Beach, Florida (Chapter 7, Article VII, Section 7.112 (b) (2)
 - Exterior light fixtures on the beachfront where it is visible from the beach
 - Shall be repositioned, modified, or removed so that the point source is not visible from the beach, or replaced with or modified to become a turtle light fixture **or**
 - May be disconnected at times during marine turtle nesting season
 - May 1 through October 31

After discussion, it was agreed that the Board does not want to be "balcony police" and each owner should be able to make wise decisions regarding the use of their balconies as long as they do not violate condo restrictions, fire code or Panama City Beach ordinances and do not detract from the beauty of the resort. Any fines received because of violations, is the owner's responsibility.

T2 Restaurant Update:

Mr. Booke shared that the current use of the Event Center is costing the Association money and we have been approached with a proposal from Mark Buhrman, lessor of Tiki Bar 1 and 2. For background information, when the Association purchased the non-residential space, a commercial expert on commercial leases was consulted for input on what we could get per square foot for our non-residential units. Lack of parking is a main problem for any business

regarding square footage rent we could ask of interested parties who wanted to lease the units. Because of the lack of parking for customers outside Grand Panama Owners and Guests, the rent per square foot is less (anywhere between \$8-\$11) than other commercial units. In comparison, World Market at Origins, pays \$2,500 a month and no revenue sharing with the Association.

After a proposal was received from Mr. Buhrman and no other parties showed any interest, the board and some owners were consulted regarding the proposal. After several discussions the following proposal was received from Mr. Buhrman.

A&W of PCB proposal for the lease of Banquet Room at Grand Panama Resort

We would like the opportunity to lease the currency banquet room at Grand Panama Beach Resort for the next three years, with an option for years 4 and 5. We would assume all the cost associated with the buildout of this location to move the current coffee shop in the Tower 2 Tiki bar down to this new location. We would continue to offer High End coffee, Donuts, and Ice Cream. We would also like to add additional food items like Pizza, Tacos, Fudge, Funnel Cakes, Cotton Candy, Fresh Subs, and an Expanded Breakfast menu.

With the cost of the initial buildout we would like to offer the Owners of Grand Panama revenue split for the first three years. Following year three we would reach an agreement on a base rent plus a percentage of revenue over a certain dollar amount. The base rent would be established based on the sales from years one thru three.

Year 1: \$25,000 and 10% of revenue over \$125,000 after taxes

Year 2: Analyzed at end of Year one. Rent determined at that time

Year 3: Analyzed at the end of Year two. Rent determined at that time

Year 4 and 5 would be an agreed upon Base Rent plus % over an agreed upon amount

We would also like to have the option to provide music entertainment within the new Coffee Shop during the afternoon hours in the front seating area. We do not want to commit to a set number of days as this would only continue if returns are seen on the revenue side.

We also would like to offer the owners the opportunity to purchase gift cards to give to their guests as an extractor booking. Much like the seasonal beach chairs, you guest can receive a free Daiquiri when booking your room. These would be made available any time and can be held at the bar for your guests upon photo verification. This is something new we are trying at all our bars this season as we have gotten demand for free guests drinks due to check-in or room cleaning problems. What better way to calm the guest than a couple of daiquiris. We apologize for the inability to get the gift cards this season but with Covid and the manufacturer in California, they were faced with tighter restrictions than us in Florida.

Let me know if you have any questions and look forward to continuing to serve the guests and owner at Grand Panama.

*****IF SALES OF THE GRILL DECREASE DUE TO NEW FOOD ESTABLISHMENT THEN BOARD AGREES TO ANALYZE THE TERMS OF THAT CONTRACT.**

Thank you

Mark Buhrman

Mr. Holliday made the motion to accept the offer from Mark Buhrman as proposed. Mr. Junot seconded the motion.

Each board member was polled for their vote.

Mr. Holliday	Yes
Mr. Junot	Yes
Mr. Morreale	Yes
Mr. O'Reilly	Yes
Mrs. Stovall	Yes
Mr. Triplett	Yes
Mr. Booke	Abstained

Motion passed.

Rent will start when build out begins, either November or December of 2021 with a planned opening of March 2022.

Elevator issues:

Because of the salt air and the weather on the beach, elevators are experiencing problems due to corrosion. The corrosion and the resulting problems required the harness for each elevator to be replaced. Note: The elevator harness sends between 16-32 signals per floor to tell the doors it is safe to open or to the elevator that it is safe to operate. If one signal is not sent, the elevator does not operate.

Although a decision was made to wait until after the busy season to install the harnesses, because of the continuing problems it was necessary to install immediately. The harnesses for all elevators been replaced. The harnesses were rebuilt and replaced by Oracle, our elevator maintenance provider. Had the Association purchased the harnesses from Otis the cost of each harness would be approximately 5 times higher than we paid to have them rebuilt by Oracle. Oracle also installed them when they were here on other maintenance calls to reduce labor costs and they are applying protective grease to prevent further corrosion. We are also looking at the call button problems.

Steve Kilcumings is getting bids for the loose railing in some of the elevators and for upgrades to the interior elevator cabins. A bid to replace each elevator for \$255K per elevator was received.

Additional parking updates:

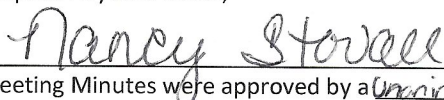
Through negotiations with 360, the Grand Panama Association will be given a plot of land adjacent to our property which will house about 30 parking spaces. In the agreement, 360 will grade and gravel the area. Approximately 20 more parking spaces next to the stand alone parking garage have been identified. A site plan and a grading and drainage plan will be required. A bid of \$12,500 was received from McNeil Carrol Engineering, Inc to include the submittal of all permits and the layouts. Once the information is received, bids for asphaltting of the new parking area can be solicited. The cost for asphaltting will come from reserves.

Mr. Holliday made the motion to approve McNeil Carrol Engineering, Inc. to proceed with the engineering. Mr. Morreale seconded the motion. Motion passed unanimously.

ADJOURNMENT: Mr. Holliday made a motion to adjourn the meeting. Mrs. Stovall seconded the motion. Motion pass unanimously.

Meeting adjourned at 6:15 PM CT

Respectively Submitted,



Meeting Minutes were approved by a Unanimous vote on the 2 day of December, 2021.