



April 18, 2007

Jimmy Lewis
Majestic Beach Towers
2140 11th Avenue South
Birmingham, Alabama 35205

Dear Mr. Lewis:

As Majestic Beach Towers moves into its first season with both towers operational, it has become apparent that additional communication with the owners is necessary to insure the high quality environment is consistently maintained.

The weeks surrounding the Easter holiday traditionally have been the highest occupancy weeks of the spring season in Panama City Beach. This year was no exception. March 30th through April 8th the resort experienced occupancy levels near or at 100%. With all 530 units full at the resort, the number of guests and owners on property was in excess of 1,500 people per day.

The crowd this year was very rough in terms of their behavior and conduct. It was the worst behaved group we have seen in Panama City Beach in many years. Most resort properties in the Panama City Beach area experienced similar types of conduct during this ten day period. The feedback from hotels, restaurants and attractions was very similar.

As the on-site rental management company, we currently manage over 275 units at Majestic Beach Towers. Our company has the ability to have a high level of control with the units we manage. The management of the remaining 255 units is handled by outside rental management companies, individual owners or are not rented and used for personal use by owners. For these units the authority of the management company is very limited unless a specific rule or policy is violated and reported.

Andrew S. Phillips • General Manager

Direct Line (850) 235-4900 • andy.phillips@majesticbeachresort.com

10901 Front Beach Road • Panama City Beach, Florida 32407 • (850) 563-1000

Reservations: (866) 494-3364 • Mailing Address: 11212 Front Beach Road, Panama City Beach, FL 32407

It would be beneficial to share the following information with all owners that are not on the on-site rental program. Some of the precautions our management company utilizes to insure the rules and regulations for the resort are strictly adhered to include the following.

1. All guests are informed of our twenty-five and over policy at the time the reservation is made. This includes internet based reservations and bookings through our central reservations office.
2. All registered guests must be twenty-five years of age or older. A photocopy of a drivers license or picture identification is taken during the check-in process as proof the registered guest is twenty-five or older.
3. Maximum Occupancy Standards.
 - a. Studio - 2 people
 - b. Deluxe Studio - 4 people
 - c. One Bedroom - 4 people
 - d. Two Bedroom - 6 people
 - e. Three Bedroom - 8 people
 - f. Four Bedroom - 10 people

If a unit is found in violation of the maximum occupancy guidelines the registered guest is contacted and advised that the unit has exceeded the maximum occupancy limits and must conform to the unit limits immediately. Failure to do so can lead to eviction.

4. To help in controlling the number of occupants the following information is recorded on all registration cards.
 - Number of car passes issued
 - Number of pool tags issues
 - Photo copy of picture ID
5. If any type of complaint is received at the front desk (noise, too many people in unit, items being thrown off balcony, or any other rule violation) security is sent to the room to investigate. If the unit is on the Majestic Beach Resort on-site rental program the Manager on Duty is notified. The Manager on Duty will speak to the registered guest and make the decision on how to handle the problem. Based on the severity of the violation, various action steps will be taken to address the problem including eviction.

In units not on the on-site rental program and the guests or owners of the unit are the source of the complaint, the rental company or owner will be notified and made aware of the problem or issue.

Although the type of behavior experienced at the resort during the first week of April is not the norm, the levels of business will continue to grow, specifically in June and July. It is critical that all owners and rental companies work together to make the resort the finest in Panama City Beach.

As always, please let me know if I can be of any further assistance.

Sincerely,



Andy Phillips
General Manager

AP/cag