



November 2007

Dear Eagle's Nest Owner,

I hope your holiday gatherings are filled with warm family memories of the balmy breezes and spectacular sunsets at Eagle's Nest. Your time with family is special in today's hectic world, and your piece of paradise at Eagle's Nest is a treasure.

Much progress was made in 2007 toward improvements at your island home away from home. Aside from property-wide interior renovations that included furniture, window treatments and bedspread replacements as well as villa interior painting and various common area upgrades, perhaps the most significant project was the completion of hurricane window and door replacements in all villa units.

We expect 2008 to be equally productive, with continued amenity enhancements such as free beach towel rental (with deposit) beginning in January and continued research into bringing high-speed Internet access to all units. It is important to thank you and your fellow Owners for your prompt payment of your special assessment, as it allowed us to expedite the completion of the hurricane-code window and door replacement project and maintain our consistently small increases in maintenance fees (less than 3 percent).

Your Board of Directors met on November 5, 2007, and approved the attached budget. You will find a conservative increase to your maintenance fees, with an operating fee of \$581 and a reserve fee of \$181.

2008 Maintenance Billing

Enclosed is the statement for your 2008 maintenance assessment, real estate taxes and Hilton Grand Vacations Club dues (if applicable). The assessment portion funds the upkeep of your resort, enabling your association to maintain your property as well as make improvements. Please know that your Board of Directors and Hilton Grand Vacations worked carefully to establish the 2008 budget for your association, addressing important needs for maintaining and enhancing your property while keeping in mind the need to manage increases to your annual maintenance fee.

Your prompt payment of this bill – due by January 1, 2008 – is appreciated. Payment on or before that date will ensure sufficient flow of funds to support ongoing operations at your resort.

Board of Directors

I would like to take this opportunity to thank your Board of Directors – Charles Shelby-President, Wayne Gruber-Vice President, Sharon Bohrer-Secretary /Treasurer, Pat Doherty and Jon Udell – for the notable dedication they have given on behalf of the association.

At the 2008 Annual Owners Meeting, one candidate will be elected to the Board of Directors. If you are interested in pursuing candidacy, please complete the enclosed Board of Directors Candidate Form and return it by January 1, 2008.

ARDA – Timeshare's First Line of Defense

As the vacation ownership industry's trade association, the American Resort Development Association (ARDA) promotes a "timeshare-friendly" legislative agenda at the local, state and federal levels. On behalf of ARDA, we would like to thank those who have supported these efforts by making a voluntary \$3 annual contribution to ARDA.

ARDA has been successful at protecting timeshare Owners from excess federal taxes (on prepaid assessments, surplus assessments and capital reserve funds) as well as from excess resort-use taxes. ARDA has also been instrumental in preserving the second home exemption for timeshare Owners. Your Board of Directors encourages you again to make this voluntary contribution of \$3 when paying your 2008 assessment. To learn more about ARDA, visit www.arda.org.

If you have any questions, please feel free to contact me at (239) 394-5167. On behalf of the entire staff of Eagle's Nest, we look forward to welcoming you back to the familiar comfort of your home away from home.

Warmest regards,



Mona Fohlbrook
Resort Manager

**Vacation Reminder – Just a reminder that week one (1) begins on January 4, 2008.
Please check your vacation calendar to verify the dates for your week(s) of ownership
to ensure travel reservations are made for the correct dates.**

EAGLE'S NEST ON MARCO BEACH CONDOMINIUM ASSOCIATION, INC.
ANNUAL BUDGET FOR THE PERIOD
JANUARY 1, 2008 THROUGH DECEMBER 31, 2008

Description	4800 unit/weeks	2008 Annual Budget	2008 Per Unit/ Week	2007 Per Unit/ Week	2007 Annual Budget
REVENUE					
Association Fees		2,788,800	581.00	566.00	2,716,791
Late Fee Income		26,000	5.42	5.42	26,000
Interest Income		45,000	9.37	10.41	50,000
Long Distance		1,525	0.32	0.28	1,325
Sales Rent Income		16,368	3.41	3.22	15,444
Concession Income		9,456	1.97	1.91	9,180
Flex Reservation Fees		0	0.00	0.00	0
Other Revenue		1,426	0.30	0.00	0
TOTAL OPERATING REVENUE		2,888,575	601.79	587.24	2,818,740
ADMINISTRATIVE					
Annual Audit		6,204	1.29	1.13	5,400
Bad Debt Expense		6,000	1.25	1.25	6,000
Other Administrative Expenses		71,212	14.85	11.06	53,127
Postage, Printing, Newsletter		32,800	6.83	6.38	30,650
Management Fees		186,684	38.89	38.02	182,484
Division Fees		9,600	2.00	2.00	9,600
Financial Services Fees		50,400	10.50	10.50	50,400
Board Reimbursement		13,500	2.81	1.67	8,000
Total		376,400	78.42	72.01	345,661
OPERATING EXPENSE					
Office, Desk		425,841	88.72	89.88	431,445
Housekeeping, Laundry, Supplies		517,779	107.87	104.45	501,372
Security Provisions		92,390	19.25	12.00	57,600
Grounds & Landscaping		59,621	12.42	14.19	68,114
Pool & Spa		33,800	7.04	6.38	30,600
Recreation		27,353	5.70	6.85	32,881
Store		(3,882)	(0.81)	1.13	5,400
Total		1,152,902	240.19	234.88	1,127,412
UTILITIES					
Electric		182,300	37.98	35.21	169,000
Water, Sewer, Gas		136,950	28.52	30.90	148,300
Waste Disposal		23,250	4.84	5.00	24,000
Telephone		33,000	6.88	7.00	33,600
Cable Television		28,248	5.89	5.77	27,708
Total		403,748	84.11	83.88	402,608
BUILDING					
Maintenance - Service, Equipment, Supplies		474,795	98.91	109.55	525,882
Building & Equipment Contracts		13,500	2.81	2.63	12,600
Elevator Contracts		10,730	2.24	1.95	9,341
Total		499,025	103.96	114.13	547,823
INSURANCE & TAXES					
General Insurance		434,000	90.42	80.57	386,736
Income Tax		27,000	5.63	2.71	13,000
Taxes Upon Timeshare Property (Ad Valorem Taxes)		n/a	n/a	n/a	n/a
Taxes Upon Leased Areas		n/a	n/a	n/a	n/a
Total		461,000	96.05	83.28	399,736
SALE OF ASSOCIATION WEEKS					
Sale of Association Weeks		35,500	7.40	7.40	35,500
Cost of Sales		(31,000)	(6.46)	(6.46)	(31,000)
Total		4,500	0.94	0.94	4,500
TOTAL OPERATING EXPENSES		2,888,575	601.79	587.24	2,818,740
OPER. PROFIT/(LOSS)		0	0.00	0.00	0

1 Ad Valorem Taxes on individual weeks are billed by the Collier County Property Appraiser's office based on the relative value of the unit week and therefore, are not reflected in the above operating budget.

EAGLE'S NEST ON MARCO BEACH CONDOMINIUM ASSOCIATION, INC.
ANNUAL BUDGET FOR THE PERIOD
JANUARY 1, 2008 THROUGH DECEMBER 31, 2008

4800 unit/weeks	Statutory Reserve Funding				With Owner Waiver of Statutory Reserve Funding	
	2008 Annual Budget	2008 Per Unit/ Week	2007 Per Unit/ Week	2007 Annual Budget	2008 Annual Budget	2008 Per Unit/ Week
RESERVE REVENUE	1,258,684	262.23	174.00	835,227	868,779	181.00
RESERVE EXPENSES						
Capital Reserves:						
Interior	836,673	174.31	130.41	625,906	547,205	114.00
Roof	32,844	6.84	5.85	28,100	28,820	6.00
Paving	19,824	4.13	2.08	10,000	10,000	2.08
Recreation	0	0.00	0.00	0	0	0.00
Capital Improvements	266,028	55.42	19.41	93,180	204,713	42.66
Total	1,155,369	240.70	157.75	757,186	790,738	164.74
Painting Reserve	103,315	21.53	16.25	78,041	78,041	16.26
Total	103,315	21.53	16.25	78,041	78,041	16.26
RESERVE EXPENSE TOTAL	1,258,684	262.23	174.00	835,227	868,779	181.00
RESERVE PROFIT/(LOSS)	0	0.00	0.00	0	0	0.00

Summary	Statutory Reserve Funding				With Owner Waiver of Statutory Reserve Funding	
	2008 Annual Budget	2008 Per Unit/ Week	2007 Per Unit/ Week	2007 Annual Budget	2008 Annual Budget	2008 Per Unit/ Week
OPERATING FEE	2,788,800	581.00	566.00	2,716,791	2,788,800	581.00
CAPITAL RESERVE	1,155,369	240.70	157.75	757,186	790,738	164.74
PAINTING RESERVE	103,315	21.53	16.25	78,041	78,041	16.26
SPECIAL ASSESSMENT	0	0.00	0.00	0	0	0.00
NET BEFORE CREDITS	4,047,484	843.23	740.00	3,552,018	3,657,579	762.00
CREDITS						
PAINTING RESERVE REFUND	0	0.00	0.00	0	0	0.00
OPER. SURPLUS REFUND	0	0.00	0.00	0	0	0.00
TOTAL CREDITS	0	0.00	0.00	0	0	0.00
TOTAL AMOUNT BILLED	4,047,484	843.23	740.00	3,552,018	3,657,579	762.00

EAGLE'S NEST ON MARCO BEACH CONDOMINIUM ASSOCIATION, INC.
RESERVE ANALYSIS FOR THE PERIOD
JANUARY 1, 2008 THROUGH DECEMBER 31, 2008

4800 unit/weeks Replacement Fund	Average Estimated Life (in years)	Average Estimated Remaining Life (in years)	Estimated Replacement Cost (96 units)	2008 Statutory Reserve Funding	Estimated Fund Balance As of 1/1/08	2008 Proposed Reserve/Assmt. Funding	2008 Projected Expenses	Estimated Fund Balance As of 12/31/08
Interior	12.43	6.68	\$5,964,340	\$836,673	\$373,710	\$547,205	\$656,010	\$264,905
Roof	20.00	16.78	562,000	32,844	10,778	28,820	0	39,598
Painting	7.70	5.68	601,040	103,315	14,660	78,041	0	92,701
Paving	40.00	17.00	400,000	19,824	63,000	10,000	0	73,000
Recreation	0.00	0.00	0	0	0	0	0	0
Capital Improvements	10.55	7.26	1,941,800	266,028	11,010	204,713	150,600	65,123
TOTAL			\$9,469,180	\$1,258,684	\$473,158	\$868,779	\$806,610	\$535,327

	2008 Statutory Reserve Funding	2008 Proposed Reserve Funding
Operating Fee	\$581.00	\$581.00
Capital Reserve	240.70	164.74
Painting Reserve	21.53	16.26
Special Assessment	0.00	0.00
Total Amount Billed	\$843.23	\$762.00
Painting Reserve Refund	0.00	0.00
Operating Surplus Refund	0.00	0.00
TOTAL AMOUNT BILLED	\$843.23	\$762.00

** The State of Florida mandates that condominium associations prepare calculations to fully fund reserves. The Law also provides the reserve requirement may be waived or reduced, allowing the unit owners to put less money into the reserve accounts. To meet fully funded requirements for Statutory Reserves, the resulting annual maintenance fee would be \$843.23. The Board of Directors recommended a vote in favor of waiving the full funding requirements for Statutory Reserves at the 2007 annual meeting, thereby establishing the maintenance fee at \$762.00 for the 2008 budget year.

NOTE:

There may be some items that may require future replacement and are not reserved for, i.e.: replacement of plumbing, railings, electrical wiring, etcetera. These types of items will need to be paid from operating funds or will require a special assessment.

The components' actual replacement costs and useful lives may vary from the estimated amounts. If additional funds are needed, the Association has the right, subject to Board approval, to increase regular assessments, pass special assessments, or delay major repairs and replacements until funds are available.

There are 4800 periods of 7-day annual use availability that exist within the timeshare plan for which annual fees are required to be paid to the Division of Florida Land Sales, Condominiums and Mobile Homes, Bureau of Timeshare, in accordance with Section 721.27, Florida Statutes.