

**EAGLE'S NEST ON MARCO BEACH
ANNUAL MEETING
MONDAY, MARCH 14, 2011**

The meeting was called to order at 2:00 p.m. by President Wayne Gruber on the mezzanine level at Eagle's Nest Resort, Marco Island, Florida. Board members in attendance were: Wayne Gruber – President, Mitch Moore – Vice President, Bob Kelsey – Treasurer, Fred Bathon – Director and Sharon Bohrer – Director. Attending from Hilton Grand Vacations (HGV) were: Mona Fohlbrook – Resort Manager, Claudia Phoenix – Assistant Resort Manager, Lael Kilpatrick – Regional Director Resort Operations and Riki Martin – Executive Assistant and Acting Recording Secretary for this meeting.

Mr. Gruber introduced the Board members and management team.

A sign-in sheet was circulated for owners present to sign in lieu of a formal roll call. A quorum was established. Mr. Gruber requested submission of all outstanding proxies.

APPROVAL OF PREVIOUS MINUTES

Mr. Gruber asked if there were any corrections to the minutes of the Annual Meeting held on March 8, 2010. **MOTION was made Jerry Teagan and seconded by Warren Rasmussen to approve the minutes of the Annual Meeting held on March 8, 2010.** All voted in favor. **Motion carried.**

REPORTS:

MANAGER'S REPORT

Mrs. Fohlbrook thanked the Board of Directors for their support and volunteer time. She also thanked the Eagle's Nest staff for their commitment to the property. They have done an excellent job this year in keeping cost low while providing quality service. A review of past projects included:

- The completion of flat screen TV installation in the one bedroom Villas
- The completion of Tower and Villa walkway restoration and screen enclosure/ handrail replacement at walkways

BOARD OF DIRECTORS REPORT

Mr. Gruber introduced the Board of Directors

Mitch Moore

Mr. Moore stated we are facing a challenging time and our job as a Board of Directors overall is to maintain Eagle's Nest as a premier resort. This year completes my third term on the Board of Directors. Thanks to the owners, management and the Board of Directors it was my pleasure to serve on the board.

Fred Bathon

Mr. Bathon has completed his first year on the Board of Directors and has been very involved in the construction and completion of the model unit. He invited the owners to view the model unit after the meeting. The Board has done everything possible to keep the project cost down, while maintaining quality and has planned for more efficient use of our dollars by including in project specifications cost saving features such as CFI lighting and an A/C shut off control on the lanai sliding doors.

Sharon Bohrer

Mrs. Bohrer has served on the Board of Directors for 15 years and is very involved with the furnishings chosen for the unit renovations. She reminded the owners that everything you enjoy is paid for by the owners we are not subsidized and so every decision is made with detailed consideration to insure that we best meet the overall needs of the property.

Bob Kelsey

Mr. Kelsey has completed his second year on the Board of Directors and is considered the financial guru. He stated that Eagle's Nest is beginning the first renovation of this magnitude in our 26 years. The three year project will include both the Tower and Villa unit renovations. In the fall of 2011, 39 Tower units will be completed in stacks 04 through 07 of all floors and one model Villa will be installed in December. In spring of 2012 30 Tower units, stacks 03 through 01 and one more Villa model will be completed. In 2013 the remaining 24 Villas will be completed. This construction plan will require a one time Special Assessment of \$395 due in May 2011.

Wayne Gruber

Mr. Gruber stated that most of our attention has been on the upcoming unit renovations. However, another very important issue in 2011 will be the renewal negotiations of our resort management contract with Hilton Grand Vacations for the years 2012 through 2014. These talks will begin in July or August. He also thanked the other four Board members for their hard work and support during the past year.

Mrs. Fohlbrook presented a token of appreciation to the outgoing Board member Mitch Moore.

FINANCIAL REPORT – Presented to the Board at their AM meeting

As a recap of the year's activities:

Operating cash	\$1,526,319
Reserve Cash	\$ 482,048

4 Certificates of Deposit 100% guaranteed by FDIC earning an average of 2.67% ranging from less than one year to 5 years totaling \$482,099

Total operating revenue	\$3,245,348
Total operating expenses	\$3,078,485

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Excess (deficiency) \$ 166,863

Beginning Operating Deficit Balance January 1, 2010 \$(28,624)
Interfund Transfer to Reserves \$(126,000)
Ending Operating Fund Balance December 31, 2010 \$12,239

RESALES REPORT

2010

Number of Weeks Sold 84
Dollar Volume \$659,268

YTD 2011

Number of Weeks Sold 21
Dollar Volume \$202,900

NEW BUSINESS

Ratification of 2010 Budget

MOTION was made by Doris Cockerell and seconded by Emil Hanner to approve the 2011 budget as presented. All voted in favor. Motion carried.

DISCUSSION FROM THE FLOOR

- Q. Why are the rental rates lower this year?
A. When the decision on rates were made this past June the Gulf oil spill had taken place and vacationers were afraid that the oil was on our beaches and making decisions to vacation elsewhere.
- Q. Why was the time changed for the Annual meeting?
A. The time change allowed more time for the board meeting agenda to be completed.
- Q. Is Eagle's Nest still an RCI Gold Crown resort?
A. Yes.
- Q. Are there any plans for boardwalk replacement?
A. We are working on getting that moved up on the schedule for replacement sooner than 2017.

Mr. Udell stated that a lot of credit has been given to Hilton Grand Vacations for the personnel and cleanliness of the resort. That credit primarily goes to Mona, she is the one who hires the employees and oversees the property. Mr. Udell gives credit to Hilton Grand Vacations for hiring Mona and Lael they both do a great job for the owners.

TELLER'S REPORT

There were 1,447 unit weeks represented, both in person and by proxy, out of a possible 4,800 unit weeks, which represents 30 % owner response.

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Waiver of Statutory Funding of Reserves

There were 1,328 votes to waive the statutory funding of reserves and 107 votes no to waive the statutory funding of the reserves. Therefore, the reserve funding will remain at the level approved in the 2011 budget.

Election of Directors

There were 6 candidates seeking election to fill the one seat available on the Board of Directors. The candidate receiving the highest number of votes was Tom Cockerell. Thanks to the owners for their participation in the election and in the Annual Meeting.

ADJOURNMENT

MOTION was made and seconded to adjourn the meeting. All voted in favor.
Motion carried.

Meeting adjourned at 3:00 p.m.