



November 2010

Dear Eagle's Nest Owner,

As we bid farewell to another beautiful South Florida summer, with anticipation of even more gorgeous seasons ahead, we are grateful for the privilege of serving you and the role we play in making your vacations fun, relaxing and unforgettable.

In recent months, several property enhancements have been made, including resurfacing of the walkway, and replacement of the screen enclosures and handrails. We also installed the tower renovation model in unit 107. You will recall from our fall 2009 edition of the *Sandscript*, the Board of Directors have grappled with the timing for this much needed renovation project. Last year, the Board, after much research, consideration and analysis, and in an effort to avoid the assessment, decided not to accelerate the timing for the unit renovation project from the reserve-scheduled date of 2015. This year, however, plumbing damage and repair costs have, out of necessity, brought the project to the immediate forefront. After decades of processing heavily treated island water, the cast iron drain lines and copper feed lines in our buildings are in need of a behind-the-walls structural overhaul. Therefore, we are combining several individual repair projects into one comprehensive renovation project that will span two years. We will start in the tower with 39 units slated to be renovated in August, September and October of 2011, and the remaining tower units will be completed in May and June of 2012. A model villa unit will be completed by June of 2011 for the purpose of planning the renovations that will commence in the villa units the following year.

2011 Billing / Budget Impacts

Enclosed are the 2011 budget and statement for your association's 2011 assessment, and 2010 real estate taxes which are billed in arrears. Together with your management company, your association's Board of Directors works diligently to establish your association's budget. Before approving the budget and annual assessment to Owners, your Board evaluates and prioritizes projects for the maintenance of and enhancements to your property. In 2010, through our continued efforts to find innovative and cost-effective operating methods, some of our costs were reduced, such as the \$49,000 reduction seen in our insurance premiums for the 12 month year beginning in July 2010 and ending in June 2011. This savings, combined with efficient staffing and improved utility costs, has allowed us to maintain our operating fee at \$625.00 for 2011, the same rate as in 2010. Many expenses involved in the unit renovation project are funded for in the reserves portion of the budget, such as paint, furniture, carpet and tile replacement. However, the nature of the behind-the-walls plumbing replacement will require additional funding for completion within the next two years. The 2011 reserve billing at \$298 and a Board-approved mid-year assessment of \$300 due May 1, 2011, will provide adequate funds for the necessary acceleration of our unit renovation project from originally commencing in 2012 with a 2015 completion, to now commencing in 2011 with a 2012 completion.

In the coming months, the tower project specification manual will be established by the engineering firm of Karins Engineering, and will be put out for competitive bid by qualified contractors. Included in these specifications will be a unit cost for removal and replacement of cabinets and countertops. The vendor has informed us that if they discover any cabinets that have been severely affected by water damage, those cabinets will need to be replaced. Based on our knowledge from the model unit, we can assume a minimum of two base cabinets per unit will need to be replaced. Following review of the bids, a contractor will be selected based not only on price, but also on quality of work history and understanding of the scope of our time sensitive work. Actual tower renovation costs can then be locked-in by contract. As tower units are completed and villa model plans are established in 2011, we will have a more complete picture of our funding needs entering the budgeting period for 2012. However, since in this 2011 billing cycle we have begun a gradual progression toward meeting statutory reserve funding recommendations, we expect future funding needs will come in slightly less than this year.

For more information about your billing statement - including Frequently Asked Questions - please review "Understanding Your Vacation Ownership Statement" under the NEWS tab on the association website.

Prompt payment of the enclosed bill – DUE ON JANUARY 1, 2011 – is appreciated

Payment posted on or before that Due Date will ensure sufficient flow of funds to support ongoing operations at your property. Remember that the date your payment gets posted to your account can take up to ten business days from the date of postmark on the envelope.

Please be aware that your account will be considered past due after January 1, 2011. Failure to pay the total amount due within 45 days of the Due Date will result in a late charge (**payment must be posted to your account prior to February 15th to avoid the late charge**); if full payment is not received within 75 days of the Due Date, additional finance charges will be incurred (**payment must be posted to your account prior to March 15th to avoid additional finance charges**). Delayed payments may result in denied use of your timeshare and the account may be turned over to an attorney for collections as early as April, resulting in additional fees. Any late fees and related charges will not be waived, in accordance with your association's governing documents, applicable law and/or the policies set by your Board of Directors as applicable.

Payment Options

By Check – Paying by check is the most cost-effective payment method for your association. Please make your check payable to **Eagle's Nest on Marco Beach Condominium Association, Inc.**, include your ownership account number on the check and remit it with your payment stub. If you own at more than one property, please prepare a separate check for each Owners' association to prevent co-mingling of funds among associations. Multiple weeks owned at Eagle's Nest on Marco Beach may be paid for with a single check.

By Credit / Debit Card Online – If you are a Hilton Grand Vacations Club Member, log in at hgyclub.com using your Club Member number and password, and click "Pay Fees & Taxes" under the "My Ownership" tab. If you've never logged in before, visit the "Create an Account" section on the website's sign-in page to create your password and access your account. **If you are not a Club Member**, simply go to hgyclub.com and click the online payment button for non-members.

All payments must be payable in U.S. funds. Please do not mail cash or send payments by express mail.

Board of Directors Updates

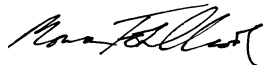
At the last Annual Owners Meeting, the ownership elected Fred Bathon and Sharon Bohrer to seats on the Board of Directors. We are pleased to have them as Board Members and look forward to their many contributions to your Owners' association. We also extend our thanks to the rest of your Board Members – Wayne Gruber, Mitch Moore and Bob Kelsey - for their continued support and leadership. At the 2011 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 to the address indicated by January 14, 2011.

ARDA – Working to Protect Timeshare Owners

The ARDA-Resort Owners Coalition (ARDA-ROC) is the first line of defense against legislation that may negatively impact timeshare owners and their well-being. On behalf of ARDA-ROC, we would like to thank those who have supported these efforts by making a voluntary \$3 annual contribution to the coalition. Your Board of Directors has again included an option for this contribution on your billing statement and encourages you to consider this voluntary \$3 donation when paying your 2011 assessment.

If you have any questions about your 2011 maintenance fees and taxes, please feel free to contact me at 239-394-5167. On behalf of the team here at Eagle's Nest on Marco Beach, 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 (1) begins on Friday, January 7, 2011. Please check your HGVC 2011 Vacation Calendar on the Association website to verify dates for your week(s) of ownership to ensure travel reservations are made for the correct dates.

EAGLES NEST ON MARCO BEACH CONDOMINIUM ASSOCIATION, INC
ANNUAL BUDGET FOR THE PERIOD
JANUARY 1, 2011 THROUGH DECEMBER 31, 2011

Description	4800	2011	2011	2010	2010	2010
	unit/weeks	Annual Budget	Per Unit/ Week	Per Unit/ Week	Annual Budget	Proj. Actuals For Year
REVENUE						
Association Fees		2,999,978	625.00	625.00	3,000,013	3,000,013
Late Fee Income		31,000	6.46	6.46	31,000	30,999
NSF Income		0	0.00	0.00	0	213
Interest Income		0	0.00	0.00	0	1,872
Sales Rent Income		15,700	3.27	3.48	16,700	12,335
Concession Income		10,332	2.15	2.09	10,032	10,036
Week 53 Income		0	0.00	0.00	0	7,373
Flex Reservation Fees		300	0.06	0.02	100	325
Other Revenue		2,230	0.46	0.44	2,100	2,439
TOTAL OPERATING REVENUE		3,059,540	637.40	637.49	3,059,945	3,065,605
ADMINISTRATIVE						
Annual Audit		6,500	1.35	1.35	6,500	6,502
Other Administrative Expenses		72,309	15.07	13.67	65,570	66,750
Postage, Printing, Newsletter		25,350	5.28	6.12	29,374	21,056
Management Fees		197,944	41.24	40.83	195,984	195,984
Division Fees		9,600	2.00	2.00	9,600	9,600
Financial Services Fees		53,147	11.07	10.96	52,620	52,620
Board Reimbursement		13,000	2.71	2.50	12,000	8,530
Total		377,850	78.72	77.43	371,648	361,042
OPERATING EXPENSE						
Office, Desk		445,488	92.82	88.65	425,522	417,371
Housekeeping, Laundry, Supplies		531,859	110.80	107.57	516,395	435,174
Security Provisions		111,870	23.31	22.61	108,517	107,072
Grounds & Landscaping		60,550	12.61	13.55	65,050	55,690
Pool & Spa		43,700	9.10	9.13	43,800	43,659
Recreation		54,444	11.34	13.14	63,054	32,910
Store		(4,700)	(0.98)	(2.31)	(11,100)	(2,274)
Total		1,243,211	259.00	252.34	1,211,238	1,089,603
UTILITIES						
Electric		205,600	42.83	43.04	206,600	185,864
Water, Sewer, Gas		181,550	37.82	34.25	164,400	169,362
Waste Disposal		24,900	5.19	5.03	24,160	26,584
Telephone		27,760	5.78	5.78	27,760	26,058
Cable Television		35,880	7.48	6.90	33,096	34,120
Total		475,690	99.10	95.00	456,016	441,988
BUILDING						
Maintenance - Service, Equipment, Supplies		421,084	87.72	89.58	429,975	487,583
Building & Equipment Contracts		28,600	5.96	5.96	28,600	28,855
Elevator Contracts		11,984	2.50	2.50	11,984	11,565
Total		461,668	96.18	98.04	470,559	528,002
INSURANCE & TAXES						
General Insurance		481,221	100.25	108.85	522,484	486,343
Income Tax		26,400	5.50	4.58	22,000	27,158
1 Taxes Upon Timeshare Property (Ad Valorem Tax)		n/a	n/a	n/a	n/a	n/a
Taxes Upon Leased Areas		n/a	n/a	n/a	n/a	n/a
Total		507,621	105.75	113.43	544,484	513,501
SALE OF ASSOCIATION WEEKS						
Sale of Association Weeks		(120,000)	(25.00)	(4.58)	(22,000)	(134,517)
Cost of Sales		113,500	23.65	5.83	28,000	97,611
Total		(6,500)	(1.35)	1.25	6,000	(36,906)
OPERATING EXPENSE TOTAL		3,059,540	637.40	637.49	3,059,945	2,897,231
OPER. PROFIT/(LOSS)		0	0.00	0.00	0	168,374

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.

	Statutory Reserve Funding					With Owner Waiver of Statutory Reserve Funding	
	2011 Annual Budget	2011 Per Unit/ Week	2010 Per Unit/ Week	2010 Annual Budget	2010 Proj. Actuals For Year	2011 Annual Budget	2011 Per Unit/ Week
RESERVE REVENUE	2,322,749	483.90	231.00	1,108,829	1,108,829	1,430,428	298.00
RESERVE EXPENSES							
Capital Reserves:							
Interior	1,808,678	376.81	143.24	687,600	687,600	1,087,031	226.46
Roof	33,705	7.02	5.54	26,610	26,610	26,610	5.54
Paving	16,369	3.41	1.67	8,000	8,000	8,000	1.67
Capital Improvements	267,475	55.72	56.45	270,946	270,946	169,593	35.33
Total	2,126,227	442.96	206.90	993,156	993,156	1,291,234	269.00
Painting Reserve	196,522	40.94	24.10	115,673	115,673	139,194	29.00
Total	196,522	40.94	24.10	115,673	115,673	139,194	29.00
RESERVE EXPENSE TOTAL	2,322,749	483.90	231.00	1,108,829	1,108,829	1,430,428	298.00
RESERVE PROFIT/(LOSS)	0	0.00	0.00	0	0	0	0.00

**EAGLES NEST ON MARCO BEACH CONDOMINIUM ASSOCIATION, INC
ANNUAL BUDGET FOR THE PERIOD
JANUARY 1, 2011 THROUGH DECEMBER 31, 2011**

Summary	Statutory Reserve Funding			With Owner Waiver of Statutory Reserve Funding			
	2011 Annual Budget	2011 Per Unit/ Week	2010 Per Unit/ Week	2010 Annual Budget	2010 Proj. Actuals For Year	2011 Annual Budget	2011 Per Unit/ Week
OPERATING FEE	2,999,978	625.00	625.00	3,000,013	3,000,013	2,999,978	625.00
CAPITAL RESERVE	2,126,227	442.96	206.90	993,156	993,156	1,291,234	269.00
PAINTING RESERVE	196,522	40.94	24.10	115,673	115,673	139,194	29.00
SPECIAL ASSESSMENT	1,440,000	300.00	0.00	0	0	1,440,000	300.00
NET BEFORE CREDITS	6,762,727	1,408.90	856.00	4,108,842	4,108,842	5,870,406	1,223.00
CREDITS							
PAINTING RESERVE REFUND	0	0.00	0.00	0	0	0	0.00
OPER. SURPLUS REFUND	0	0.00	0.00	0	0	0	0.00
TOTAL CREDITS	0	0.00	0.00	0	0	0	0.00
TOTAL AMOUNT BILLED	6,762,727	1,408.90	856.00	4,108,842	4,108,842	5,870,406	1,223.00

**EAGLES NEST ON MARCO BEACH CONDOMINIUM ASSOCIATION, INC
RESERVE ANALYSIS FOR THE PERIOD
JANUARY 1, 2011 THROUGH DECEMBER 31, 2011**

4800 unit/weeks Replacement Fund	Average Estimated Life (in years)	Average Estimated Remaining Life (in years)	Estimated Replacement Cost (4800 units)	2011 Statutory Reserve Funding	Estimated Fund Balance As of 1/1/2011	2011 Proposed Reserve/Assmt. Funding	2011 Projected Expenses	Estimated Fund Balance As of 12/31/2011
Interior	14.15	4.79	9,413,681	1,808,678	750,074	1,087,031	1,837,105	0
Roof	21.12	14.83	562,000	33,705	61,993	26,610	0	88,603
Painting	7.38	2.29	579,000	196,522	129,442	139,194	138,000	130,636
Paving	50.00	24.00	400,000	16,369	7,140	8,000	0	15,140
Recreation	0.00	0.00	0	0	0	0	0	0
Common Area	0.00	0.00	0	0	0	0	0	0
Capital Improvements	15.03	9.48	2,549,592	267,475	14,134	169,593	7,000	176,727
Special Assessment			1,440,000	0	0	1,440,000	774,266	665,734
TOTAL			14,944,273	2,322,749	962,783	2,870,428	2,756,371	1,076,840

	2011 Statutory Reserve Funding	2011 Proposed Reserve Funding
Operating Fee	\$625.00	\$625.00
Capital Reserve	\$442.96	\$269.00
Painting Reserve	\$40.94	\$29.00
Special Assessment	\$300.00	\$300.00
Total Amount Billed	<u>\$1,408.90</u>	<u>\$1,223.00</u>
Painting Reserve Refund	\$0.00	\$0.00
Operating Surplus Refund	\$0.00	\$0.00
TOTAL AMOUNT BILLED	<u>\$1,408.90</u>	<u>\$1,223.00</u>

** 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 \$1,408.90. The Board of Directors recommends a vote in favor of waiving the full funding requirements for Statutory Reserves at the 2011 annual meeting, thereby establishing the maintenance fee at \$1,223.00 for the 2011 budget year.

NOTE:

There may be some items that 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 Condominium, Timeshares and Mobile Homes, Bureau of Standards and Registration, in accordance with Section 721.27, Florida Statutes.