



November 2011

Dear Eagle's Nest Owner,

After years of planning, discussion and review, we are happy to report that through Phase I of our Tower project, 40 of the 70 tower units have undergone the most extensive renovation in our 30 year history. Aside from the structural aspects of the project, such as replacing all plumbing feed and drain lines, the unit interiors have received a major facelift. Feedback from Owners and guests has been extremely positive and those who have enjoyed occupancy in the renovated units raved about the quality of workmanship, the fresh new look and the comfort and convenience of all the new features. Please check out our website (www.eaglesnestmarco.com) for a more complete list of renovation details.

Phase II of this project will commence on April 27, 2012 and will continue through June. Owners affected in weeks 17 through 24 will be contacted with more specific information as the year progresses. A one-bedroom villa model (unit 1110) and a two-bedroom villa model (unit 1108) will be established this year with model work beginning on November 25, scheduled for completion by December 23. Phase III of this interior renovation is scheduled for completion in the spring of 2013.

Other exciting changes at our resort include the Monday morning towel exchange at 10 a.m. until noon at the Housekeeping department on the ground floor; beach towels now stocked in units for your convenience; and perhaps best of all is our success in negotiating a new contract with Comcast Cable to provide internet modems in every room by year end.

2012 Billing / Budget Impacts

Together with your management company, your association's Board of Directors works diligently to establish your association's budget.

Enclosed are the 2012 budget and statement for your association's 2012 assessment, and 2011 real estate taxes which are billed in arrears. The operating assessment portion of the budget funds the day-to-day operations of your resort. After three years of being able to hold our operating fee with no increase, it inevitably changed and in 2012 this fee has increased by \$25 to \$650.

The reserves portion of the assessment provides funding for future improvements to the property, including replacement of furniture, roofing, painting and other enhancements as needed. The Board approved a reserve fee of \$398 for our 2012 budget year, thereby meeting the level of funding needed by statutory requirements to be considered fully funded.

For more information about your billing statement – including Frequently Asked Questions – please review "Understanding Your Vacation Ownership Statement" on the association website at www.eaglesnestmarco.com and click on the NEWS tab.

Prompt payment of the enclosed bill – DUE ON JANUARY 1, 2012 – is appreciated

Payment posted on or before January 1, 2012, 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, 2012. 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 ownership interest and the account may be turned over to an attorney for collections, 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. Multiple weeks owned at Eagle's Nest may be paid for with a single check. 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.

By Credit / Debit Card Online – If you are a Hilton Grand Vacations Club Member, log in at hgvclub.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 hgvclub.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 Tom Cockerell to the Board of Directors. We look forward to his contributions to the long-term prosperity of your association. We also extend our thanks to the rest of your Board Members – Bob Kelsey, Wayne Gruber, Fred Bathon and Sharon Bohrer – for their continued support and leadership. At the 2012 Annual Owners Meeting, two (2) candidates 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 on the form by January 16, 2012.

ARDA – Working to Protect Timeshare Owners

The American Resort Development Association (ARDA) serves as the vacation ownership industry's trade association, and works to promote a "timeshare-friendly" legislative agenda. ARDA is dedicated to communicating with and activating the one million members that make up its Resort Owners Coalition (ARDA-ROC) about legislative and regulatory policies impacting the industry. To that end, the organization recently launched a new website (ARDA-ROC.org) to help inform and motivate owners to become more vocal with policy makers to preserve, protect and enhance vacation ownership.

At its core, the site provides information regarding current and resolved legislative activity around the country, as well as from select jurisdictions. You can stay informed on important news, events, specific bills of interest and pertinent legislation relative to South Florida. Additionally, the site offers information and resources, including consumer advisories and links to governors' offices, attorneys general, regulatory agencies and consumer groups.

We would like to thank those who have supported these efforts by making a voluntary \$3 annual contribution to the ARDA-ROC. 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 2012 assessment.

If you have any questions about your 2012 maintenance fees and taxes, please feel free to contact me at 239-394-5167. On behalf of the team here at 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

REMINDER – **Week 1** starts on **Friday, January 6, 2012** or **Saturday, January 7, 2012**. Please check your HGVC 2012 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, 2012 THROUGH DECEMBER 31, 2012

Description	4,800 unit/weeks	2012 Annual Budget	2012 Per Unit/ Week	2011 Per Unit/ Week	2011 Annual Budget
REVENUE					
Association Fees		3,120,019	650.00	625.00	2,999,978
Late Fee Income		32,100	6.69	6.46	31,000
Sales Rent Income		15,700	3.27	3.27	15,700
Concession Income		10,644	2.22	2.15	10,332
Flex Reservation Fees		0	0.00	0.06	300
Other Revenue		39,137	8.15	0.43	2,050
TOTAL OPERATING REVENUE		3,217,600	670.33	637.37	3,059,360
ADMINISTRATIVE					
Annual Audit		6,500	1.35	1.35	6,500
Other Administrative Expenses		95,381	19.86	15.86	76,109
Postage, Printing, Newsletter		23,500	4.90	5.28	25,350
Management Fees		206,052	42.93	41.24	197,944
Division Fees		9,600	2.00	2.00	9,600
Financial Services Fees		55,332	11.53	11.07	53,147
Board Reimbursement		20,000	4.17	2.71	13,000
Total		416,365	86.74	79.51	381,650
OPERATING EXPENSE					
Office, Desk		429,039	89.38	91.25	437,976
Housekeeping, Laundry, Supplies		527,576	109.91	110.01	528,059
Security Provisions		158,420	33.00	23.31	111,870
Grounds & Landscaping		63,100	13.15	12.61	60,550
Pool & Spa		43,900	9.15	9.10	43,700
Recreation		46,840	9.76	11.02	52,894
Store		16,621	3.46	0.55	2,632
Total		1,285,496	267.81	257.85	1,237,681
UTILITIES					
Electric		184,175	38.37	42.83	205,600
Water, Sewer, Gas		199,860	41.63	37.82	181,550
Waste Removal		25,370	5.29	5.19	24,900
Telephone		25,560	5.33	5.78	27,760
Cable Television		38,400	8.00	7.48	35,880
Total		473,365	98.62	99.10	475,690
BUILDING					
Maintenance - Service, Equipment, Supplies		466,611	97.20	92.67	444,838
Building & Equipment Contracts		6,540	1.36	1.33	6,396
Elevator Contracts		11,984	2.50	2.50	11,984
Total		485,135	101.06	96.50	463,218
INSURANCE & TAXES					
General Insurance		548,739	114.32	100.25	481,221
Income Tax		15,000	3.13	5.50	26,400
¹ Tax on 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		563,739	117.45	105.75	507,621
SALE OF ASSOCIATION WEEKS					
Sale of Association Weeks		(120,000)	(25.00)	(25.00)	(120,000)
Cost of Sales		113,500	23.65	23.65	113,500
Total		(6,500)	(1.35)	(1.35)	(6,500)
OPERATING EXPENSE TOTAL		3,217,600	670.33	637.37	3,059,360
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.

	Statutory Reserve Funding			With Owner Waiver of Statutory Reserve Funding		
	2012 Annual Budget	2012 Per Unit/ Week	2011 Per Unit/ Week	2011 Annual Budget	2012 Annual Budget	2012 Per Unit/ Week
RESERVE REVENUE	1,620,023	337.51	298.00	1,430,428	1,910,448	398.00
RESERVE EXPENSES						
Capital Reserves:						
Interior	1,144,365	238.41	226.46	1,087,031	1,404,915	292.68
Roof	40,345	8.41	5.54	26,610	41,010	8.54
Paving	16,781	3.50	1.67	8,000	17,600	3.67
Recreation	0	0.00	0.00	0	0	0.00
Common Area	0	0.00	0.00	0	0	0.00
Capital Improvements	258,574	53.87	35.33	169,593	286,464	59.68
Total	1,460,065	304.19	269.00	1,291,234	1,749,989	364.57
Painting Reserve	159,958	33.32	29.00	139,194	160,459	33.43
Total	159,958	33.32	29.00	139,194	160,459	33.43
RESERVE EXPENSE TOTAL	1,620,023	337.51	298.00	1,430,428	1,910,448	398.00
RESERVE PROFIT/(LOSS)	0	0.00	0.00	0	0	0.00

**EAGLES NEST ON MARCO BEACH CONDOMINIUM ASSOCIATION, INC
ANNUAL BUDGET FOR THE PERIOD
JANUARY 1, 2012 THROUGH DECEMBER 31, 2012**

Summary	Statutory Reserve Funding				With Owner Waiver of Statutory Reserve Funding	
	2012 Annual Budget	2012 Per Unit/ Week	2011 Per Unit/ Week	2011 Annual Budget	2012 Annual Budget	2012 Per Unit/ Week
OPERATING FEE	3,120,019	650.00	625.00	2,999,978	3,120,019	650.00
CAPITAL RESERVE	1,460,065	304.19	269.00	1,291,234	1,749,989	364.57
PAINTING RESERVE	159,958	33.32	29.00	139,194	160,459	33.43
SPECIAL ASSESSMENT	0	0.00	300.00	1,440,000	0	0.00
NET BEFORE CREDITS	4,740,042	987.51	1,223.00	5,870,406	5,030,467	1,048.00
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	4,740,042	987.51	1,223.00	5,870,406	5,030,467	1,048.00

**EAGLES NEST ON MARCO BEACH CONDOMINIUM ASSOCIATION, INC
RESERVE ANALYSIS FOR THE PERIOD
JANUARY 1, 2012 THROUGH DECEMBER 31, 2012**

4800 unit/weeks Replacement Fund	Average Estimated Life (in years)	Average Estimated Remaining Life (in years)	Estimated Replacement Cost (4800 units)	2012 Statutory Reserve Funding	Estimated Fund Balance As of 1/1/2012	2012 Proposed Reserve/Assmt. Funding	2012 Projected Expenses	Estimated Fund Balance As of 12/31/2012
Interior	16.80	9.47	12,000,088	1,144,365	1,166,587	1,404,915	2,318,500	253,002
Roof	21.12	13.83	562,000	40,345	3,838	41,010	0	44,848
Painting	7.82	3.31	579,000	159,958	49,807	160,459	90,000	120,266
Paving	50.00	23.00	400,000	16,781	14,031	17,600	0	31,631
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	16.46	9.87	2,553,392	258,574	1,173	286,464	73,000	214,637
Special Assessment			0	0	0	0	0	0
TOTAL			16,094,480	1,620,023	1,235,436	1,910,448	2,481,500	664,384

	2012 Statutory Reserve Funding	2012 Proposed Reserve Funding
Operating Fee	\$650.00	\$650.00
Capital Reserve	\$304.19	\$364.57
Painting Reserve	\$33.32	\$33.43
Special Assessment	\$0.00	\$0.00
Total Amount Billed	\$987.51	\$1,048.00
Painting Reserve Refund	\$0.00	\$0.00
Operating Surplus Refund	\$0.00	\$0.00
TOTAL AMOUNT BILLED	\$987.51	\$1,048.00

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.