

Dear Peregrine Owner,  
 2007 maintenance fee is set at \$3.83 per 1000 points which represents a 11.6% increase over last year.  
 The increase is due to hikes in the cost of energy, insurance, maintenance, and housekeeping.

**Peregrine  
 Annual Budget  
 For the year ended December 31, 2007**

	<b>TOTAL</b>	<b>Cost Per 1000 Points</b>
<b>Revenue</b>		
Maintenance Fee Revenue	2,853,529	3.83
Housekeeping Revenue	65,500	0.09
Interest Income	13,200	0.02
Other Revenue	5,160	0.01
<b>Total Association Revenues</b>	<b>2,937,389</b>	<b>3.94</b>
<b>Expenses</b>		
Laundry & Linen service	84,471	0.11
Housekeeping	439,500	0.59
Recreation & Amenities	113,199	0.15
Telephone	42,600	0.06
Repair & Maintenance	335,245	0.45
Grounds & Landscaping	55,620	0.07
Common Area Expenses	66,324	0.09
Trash Removal	33,600	0.05
Utilities - Fuel	205,529	0.28
Utilities - Water & Sewer	34,200	0.05
Utilities - Electricity	96,594	0.13
Cable Television	60,648	0.08
Real Estate and Property Taxes	98,400	0.13
Federal & State Income Tax	3,000	0.00
Insurance	45,848	0.06
Management Fees	247,864	0.33
Reservation & Inventory Management	127,025	0.17
Bad Debt Expense	30,000	0.04
Audit & tax prep	5,400	0.01
Accounting & Data Processing	43,680	0.06
Other Unit Expenses	55,100	0.07
Professional fees	300	0.00
Master Association Dues	40,320	0.05
Fairshare Operations	234,435	0.31
Resort Management	50,486	0.07
<b>SUBTOTAL</b>	<b>2,549,389</b>	<b>3.42</b>
<b>Replacement Reserves</b>	388,000	0.52
<b>Total Replacement Reserves</b>	<b>388,000</b>	<b>0.52</b>
<b>Total Association Expenses</b>	<b>2,937,389</b>	<b>3.94</b>
Less all Other Revenues	(83,860)	(0.11)
<b>Total Maintenance Fee</b>	<b>2,853,529</b>	<b>3.83</b>

*The information contained herein is based on historical records, forecasted data and other sources believed to be reliable, but which are not guaranteed as to accuracy, adequacy or completeness. Further, any revenue projections presented herein are being furnished for informational purposes only, and remain subject to market fluctuations, Acts of God and other extrinsic and uncontrollable factors. Neither Fairfield Resorts, Inc., nor any of its parents, affiliates or subsidiaries, makes any guarantees, promises or other representations as to the revenues that may be generated from either rental operations or any other means in the future.*