

**ESTIMATED
2007 OPERATING BUDGET**

FOR

**WORLDQUEST RESORT
CONDOMINIUM ASSOCIATION, INC.
(PHASES I THROUGH V)**

WorldQuest Resort Condominium Association, Inc.
Estimated Operating Budget
For the Year Beginning January 1, 2007
And
Ending December 31, 2007
(Phases I through V)
(170 Units)

<u>Owner's Support Revenues</u>	<u>Yearly</u>	<u>Monthly</u>
	<u>2007</u>	<u>2007</u>
Maintenance Fees for Total Units	\$1,142,526.15	\$95,210.51
 <u>Operating Expenses</u>		
Security Services	153,447.00	12,787.25
Repairs and Maintenance	152,001.00	12,666.75
Utilities and Other Services	106,753.00	8,896.09
Insurance	292,168.00	24,347.34
Taxes and License	3,400.00	283.34
Administrative Expenses	7,344.00	612.00
Management Fees	84,619.00	7,051.59
Legal and Professional Fees	3,264.00	272.00
Annual Fees to the Division	2,183.00	181.92
Common Area Hskp. Expense	44,752.00	3,729.34
Telecommunications (\$110 / unit / month)	224,400.00	18,700.00
World Gateway Assoc. Dues	<u>11,186.00</u>	<u>932.17</u>
Total Operating Expenses	<u>1,085,517.00</u>	<u>90,459.79</u>
 <u>Reserve Expenses (See Notes)</u>		
Roof Replacement	17,080.00	1,423.34
Building Painting	28,657.15	2,388.10
Elevators	10,280.00	856.67
Pavement Resurfacing	<u>992.00</u>	<u>82.67</u>
Total Provisions for Reserves	<u>57,009.15</u>	<u>4,750.78</u>
Total Operating Expenses and Reserve	<u>\$1,142,526.15</u>	<u>95,210.51</u>
 <u>Estimated Condominium Unit Assessment</u>		
Total Operating Expenses and Reserve/Total	<u>\$6720.74</u>	<u>\$560.06</u>
Number of Units (1,091,908.15/170) = Annual		
Assessment / 12 = Monthly Assessment		

NOTES TO BUDGET FOR

THE WORLDQUEST RESORT CONDOMINIUM ASSOCIATION, INC.

NOTE 1. By definition, a budget is an estimate of expenses. However, actual expenses incurred may be more or less than the estimated expenses set forth in the Budget. The Developer and the Association cannot and do not make any representation or warranty that actual expenses will not increase as a result of inflation, etc. Furthermore, if the estimated expenses in certain categories of the Budget, for example, water or electricity, are greater than the actual expenses incurred for those categories, then the excess will be used to offset any deficit occurring in the categories of the Budget where actual expenses exceed the estimated expenses.

NOTE 2. Management Fees. The management fees, payable to a management firm affiliated with the Developer, are based on eight percent (8%) of the Condominium Association Operating Budget.

NOTE 3. Property taxes will be billed separately to each Unit Owner from the taxing authority.

NOTE 4. The Board of Directors of the Association shall purchase insurance for the Resort Facility in accordance with the Declaration of Condominium attached to the Prospectus as Exhibit A-1.

NOTE 5. Assessments for Common Expenses are made in accordance with provisions of the Declaration of Condominium attached hereto as Exhibit A-1 with respect to operation, maintenance and management of the Common Elements. The Assessments, with respect to Owners of the Units shall be determined pursuant to Schedule 2 of the Declaration of Condominium attached to the Prospectus as Exhibit A-1.

NOTE 6. Reserve Analysis (Phases I through V):

**Reserves Analysis for Budget Year 2007
Phases 1, 2, and 3 (3 buildings opened July 2006)**

Fund Type	Useful Life	Remaining Useful Life by 12/31/2007	Estimated Replacement Costs	Reserve Funds Balance as of 12/31/06	2007 Assessment	Total Assesments through December 31, 2007
Roof Replacement	50	48.5 yrs	\$700,000.00	\$7,000.00	\$14,000.00	\$21,000.00
Building Painting	7	5.5 yrs	\$150,000.00	\$8,200.00	\$23,942.86	\$32,142.86
Elevators	25	23.5 yrs	\$225,000.00	\$5,200.00	\$8,300.00	\$13,500.00
Pavement Resurfacing	5	3.5 yrs	\$18,000.00	\$5,200.00	\$200.00	\$5,400.00
Total Provisions			\$1,093,000.00		\$46,442.86	\$72,042.86

**Reserves Analysis for Budget Year 2007
Phases 4 and 5 (2 buildings opening September 2007)**

Fund Type	Useful Life	Remaining Useful Life by 12/31/2007	Estimated Replacement Costs	Reserve Funds Balance as of 12/31/06	2007 Assessment	Total Assessments through December 31, 2007
Roof Replacement	50	49.67	\$466,666.67	\$0.00	\$3,080.00	\$3,080.00
Building Painting	7	6.67	\$100,000.00	\$0.00	\$4,714.29	\$4,714.29
Elevators	25	24.67	\$150,000.00	\$0.00	\$1,980.00	\$1,980.00
Pavement Resurfacing	5	4.67	\$12,000.00	\$0.00	\$792.00	\$792.00
Total Provisions			\$728,666.67		\$10,566.29	\$10,566.29

Total For 2007	\$57,009.15
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NOTE 7. The books and records of the WORLDQUEST RESORT, A CONDOMINIUM is located at 8601 Worldquest Blvd, Orlando, FL 32821.

NOTE 8. There are no recreational facilities as part of the common elements of this Condominium.

NOTE 9. The proposed Estimated Budget is based on bids and estimates that were valid at the time that they were made. Costs are subject to change. In particular, the cost of insurance for condominium associations in Florida is particularly difficult to predict. Given hurricanes, storms and other recent events, insurance rates have risen substantially in recent years and are subject to change. Although the Association is required to purchase property insurance, the cost of that insurance is beyond the control of the Association.

NOTE 10. Pursuant to Chapter 718, *Florida Statutes* Developer guarantees to each Owner of a Unit that through December 31, 2007, the total annual assessment for Common Expenses imposed on Owners of Units shall not exceed, exclusive of taxes, \$6720.74 per year or \$560.06 per month. In consideration of this guaranty, Developer is excused from the payment of its share of the Common Expenses which otherwise would have been assessed against its unsold Units in the Condominium during the term of the guaranty. Except as provided below, the actual amount of the Common Expenses to be paid by Developer will be equal to the amount necessary to pay the difference between the actual expenses less the sum of the regular periodic assessments collected from all Owners. As a consequence of this exemption, Developer shall pay any amount of Common Expenses incurred each Estimated Budget year which exceed regular periodic assessments, including guaranteed assessments collected from Owners for such Estimated Budget year, for so long as the guaranty remains in effect. However, any Common Expenses incurred during the guarantee period resulting from a natural disaster or an act of God, which are not covered by insurance proceeds from the insurance maintained by the Association, will be assessed against all Owners owning Residential Units on the date of such natural disaster or act of God, including Developer, provided that during any period of time Developer controls the Association pursuant to §718.301, *Florida Statutes*, the Association maintains all insurance coverages required by §718.111(11)(a), *Florida Statutes*. Developer shall have the right, but not the obligation, to unilaterally

extend this guaranty for one or more periods of one (1) year each after the expiration of the initial guaranty period on December 31, 2007.

NOTE 11.

THE BUDGET CONTAINED IN THIS OFFERING CIRCULAR HAS BEEN PREPARED IN ACCORDANCE WITH THE CONDOMINIUM ACT AND IS A GOOD FAITH ESTIMATE ONLY AND REPRESENTS AN APPROXIMATION OF FUTURE EXPENSES BASED ON FACTS AND CIRCUMSTANCES EXISTING AT THE TIME OF ITS PREPARATION. ACTUAL COSTS OF SUCH ITEMS MAY EXCEED THE ESTIMATED COSTS. SUCH CHANGES IN COST DO NOT CONSTITUTE MATERIAL ADVERSE CHANGES IN THE OFFERING.