

**Department of Real Estate
of the
State of California**

FINAL CONDITIONAL
TIME-SHARE PLAN PUBLIC REPORT

- Single-Site Time-Share Plan
- Multi-Site Time-Share Plan (Specific Time-Share Interest)
- Multi-Site Time-Share Plan (Non-Specific Time-Share Interest)

In the matter of the application of
DISNEY VACATION DEVELOPMENT, INC.,
a Florida corporation

FILE NO. **166567HF-F00**

ISSUED: JANUARY 26, 2023

AMENDED/
RENEWED:

EXPIRES: JANUARY 25, 2028

for a Time-Share Plan Public Report on

DISNEY VACATION CLUB

THE VILLAS AT DISNEYLAND HOTEL

ORANGE COUNTY, CALIFORNIA

DEPARTMENT OF REAL ESTATE

by 
Signature

Phil Ore

Printed Name

CONSUMER INFORMATION

(If checked) The attached Public Report issued by the State of _____ (if applicable) has been accepted, pursuant to Section 11227(i) of the B&P Code, in lieu of a public report prepared for the State of California pursuant to Section 11234 of the B&P Code.

❖ **This report is not a recommendation or endorsement of the time-share plan; it is informative only.**

❖ **Buyer or lessee must sign that (s)he has received and read this report.**

This report expires on the date shown above. All material changes must be reported to the Department of Real Estate. (Refer to Section 11226(f) of the B&P Code; and Chapter 6, Title 10 of the California Administrative Code, Regulation 2806.) Some material changes may require amendment of the Public Report.

Section 12920 of the California Government Code provides that the practice of discrimination in housing accommodations on the basis of race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, marital status, national origin, ancestry, familial status, source of income, disability, veteran or military status, or genetic information is against public policy.

Under Section 125.6 of the B&P Code, California real estate licensees are subject to disciplinary action by the Real Estate Commissioner if they discriminate or make any distinction or restriction in negotiating the sale or lease of real property because of the race, color, sex, religion, ancestry, national origin, disability, medical condition, genetic information, marital status, sexual orientation, or physical handicap of the client. If any prospective buyer or lessee believes that a licensee is guilty of such conduct, (s)he should contact the Department of Real Estate.

Read the entire report on the following pages before contracting to buy or lease an interest in this time-share plan.

THE VILLAS AT DISNEYLAND HOTEL
File No. 166567HF-F00
TIME-SHARE PLAN DISCLOSURES
TABLE OF CONTENTS

PART I. GENERAL DISCLOSURES:

Control of Association	4
Points-Based Projects	5
Incidental Benefits	5
Exchange Program	5
Natural Hazard	5
Important Cautionary Notes	6

PART II

1. Developer, the type of time-share plan being offered	8
2. Type of accommodations	9
3. Number of accommodations and time-share interests	10
4. Amenities	10
5. Completion of improvements	11
6. Duration, phases, and operation of the time-share plan	11
7. Managing Entity	12
8. Annual Budget	13
9. Fees due from the purchaser at closing	14
10. Financing	14
11. Liens, defects, or encumbrances	14
12. Bankruptcies, civil or criminal suits, adjudication, or disciplinary actions	14
13. Fees or charges for the use of amenities	15
14. Insurance	15
15. Tax lien or other lien	15
16. Right of first refusal	15
17. Escrow Deposits	16
18. Assessments	16
19. Exchange Programs	16
20. Incidental Benefits	17

EXHIBITS

- A. Estimated Budget
- B. Occupancy Information

TIME-SHARE PLAN DISCLOSURES - PART I
GENERAL DISCLOSURES

1. This time-share plan is registered with the California Department of Real Estate as required by law. Registration does not constitute an endorsement of the time-share plan and the California Department of Real Estate has not passed on the merits of the time-share property being offered for sale.
2. You may cancel the purchase of the time-share interest(s) in the time-share plan without any penalty or obligation and you are legally entitled to the return of all money and other consideration you have given towards the purchase. California law requires that you must notify the developer in writing of your intent to cancel within seven (7) calendar days of receipt of the public report or the date you sign the purchase contract, whichever date is later. However, the developer has provided for your notification to the developer in writing within ten (10) calendar days of receipt of the public report or the date you sign the purchase contract, whichever date is later. The notice of cancellation must be affixed to the front of this public report.
3. As a general rule, a developer's promotional and marketing costs in a time-share offering constitute a major portion of the purchase price. Should you purchase a time-share interest, you may find it difficult to resell your time-share interest without the use of an extensive promotional and advertising campaign or use of a sales organization. As the original purchase price of a time-share offering may represent a significant part of the developer's promotional and marketing costs, you may recoup only a portion of the purchase price if a resale buyer can be found. As most licensed real estate agents have not entered into the resale market, those who have often charge commission that significantly exceeds the normal commission for sale.
4. You are urged to visit and inspect the time-share property before entering into an agreement to purchase. You should determine for yourself that the property meets your personal requirements and expectations. Misunderstandings more easily arise as to the desirability of the property when this is not done. You should also carefully review the purchase contract to ensure that any promises of importance to you are included in the contract.
5. Failure to pay the assessments levied by the time-share association will prevent you from occupying and using a time-share accommodation and result in a lien on your interest. In the event of any other breach by a time-share owner of any of the project's governing documents, the time-share association may, after notifying the time-share owner, suspend such owner's right to occupy an accommodation.
6. The developer must, prior to close of escrow, provide you with a notice describing any and all material changes to the offering since the date of issuance of this public report. (Refer to Section 11226(f)(2) of the Business & Professions Code.)
7. The ability of time-share owners to control operations and management of the time-share plan may be severely limited as long as the developer controls the association or management or the reservation system. You should thoroughly review the governing documents for the time-share plan so that you will have a better understanding of your rights as a member of the time-share plan association.
8. You have a duty to pay assessments even if you are unsuccessful in reserving an accommodation.
9. A one-to-one purchaser to accommodation ratio must be maintained. This means that the ratio of the number of purchasers eligible to use the accommodations of the time-share plan on a given day must never exceed the total number of accommodations available for use within the time-share plan on that day. A purchaser who is delinquent in the payment of time-share assessments shall continue to be eligible to use the accommodations of the time-share plan for purposes of calculating the one-to-one purchaser to accommodation ratio. (Refer to Business & Professional Code Section 11250.)

10. Control of Association: Section 9.2 of the Declaration of Covenants, Conditions, and Restrictions and Condominium and Vacation Ownership Plan of The Villas at Disneyland Hotel (the "Declaration"), provides that each Owner of a timeshare interest (an "Ownership Interest") in a unit declared to the time-share plan (a "DVC Unit") of The Villas at Disneyland Hotel, a leasehold condominium (the "Condominium"), other than Disney Vacation Development, Inc. ("Developer"), is a Class A Member of The Villas at Disneyland Hotel Condominium Association (the "Association"). The Developer is the sole Class B Member. Class B membership shall automatically be converted to Class A membership and Class B membership shall thereafter cease to exist when the Developer has sold more than eighty percent (80%) of the Ownership Interests in DVC Units in all phases of Condominium.

However, the Developer has the right to retain control the Association for the Condominium even after a majority of the Ownership Interests at the Condominium have been sold pursuant to the Master Cotenancy Agreement for the Condominium, to which your Ownership Interest is subject as indicated in your deed. The Master Cotenancy Agreement provides for the following:

The Developer will be authorized to cast the vote for a given DVC Unit at the Condominium at Association meetings in whatever manner it deems appropriate unless it is otherwise instructed in writing in advance of such meetings by the owners ("Owners") who own sixty percent (60%) of the Ownership Interests in that DVC Unit. This authority extends to the election of the board of directors of the Association (the "Board"), as well as to other matters. At least sixty percent (60%) of the Ownership Interests in at least a majority of the DVC Units would need to agree to remove the Developer as the voting representative in order for the Owners to exercise any significant control over the Association. Therefore, as a practical matter, the Owners will probably be unable to remove the Developer from control of the Association for the Condominium throughout its term.

However, the Developer will not cast the DVC Unit's vote in any of the foregoing respects without the prior concurrence in writing of the Owners of 60% of the Ownership Interests in that DVC Unit:

- a. Waiver of any material rights of the Association or of the Owners against the Developer or any of its affiliates;
- b. Waiver or reduction of required replacement reserves;
- c. Any increase in the annual operating budget for the Association in excess of one hundred and fifteen percent (115%) of the previous year's budget, excluding reserves and ad valorem taxes;
- d. Any increase in the calculation of compensation paid to Disney Vacation Club Management, a Florida limited liability company ("DVCM") as the property management company for the Condominium pursuant to the Property Management Agreement for the Condominium;
- e. Reallocation of the undivided interests in the common areas of the Condominium appurtenant to each DVC Unit, other than the reallocation that results from the addition of phases, or annexation or deannexation of property to the extent permitted by the Declaration;
- f. Amendment of the Declaration, the Articles of Incorporation, or the Bylaws of the Association in any manner that is materially adverse to the Owners as a whole; or
- g. Voluntary termination of the Condominium or any proposition not to reconstruct, repair, or replace any portion of any DVC Unit or common area at the Condominium after casualty.

(Refer to Business and Professions Code Sections 11265(b) and 11266(g)).

11. THIS TIME-SHARE PLAN MAY NOT BE SUBJECT TO THE SAME PROTECTIONS AGAINST FORFEITURE AND FORECLOSURE AS PROVIDED BY CALIFORNIA LAW. YOU SHOULD BECOME FAMILIAR WITH THE PROCEDURES PROVIDED BY THE LAWS OF THE STATE IN WHICH THE TIME-SHARE PLAN IS LOCATED. (REFER TO BUSINESS & PROFESSIONS CODE SECTION 11274(f)).

No timeshare interest owner shall be prevented from using a time-share plan as a result of changes in the manner in which point values may be used. (Refer to Business & Professions Code Section 11233(c)(2).) In the event vacation point values are changed or adjusted, you must not be prevented from using your home resort in the same manner as provided under your purchase agreement/contract (Refer to Business & Professions code 11233(c)(3).)

12. Incidental Benefits: If you are offered the opportunity to acquire an incidental benefit in connection with the sale of a time-share interest, the Developer shall provide you with a disclosure statement containing all of the following information:
- a. A general description of the incidental benefit, including the terms and conditions governing the use of the incidental benefit.
 - b. A statement that the continued availability of the incidental benefit is not necessary for the use and enjoyment of the purchaser's use of any accommodation of the time-share plan.
 - c. A statement that the purchaser's use of or participation in the incidental benefit is completely voluntary, and payment of any fee or other cost associated with the incidental benefit is required only upon that use or participation.
 - d. A listing of the fees, if any, that the purchaser will be required to pay to use the incidental benefit. A statement that no costs of acquisition, operation, maintenance, or repair of the incidental benefit shall be passed on to purchasers of time-share interests in the time-share plan as a common expense of the time-share plan.
13. Exchange Program: This time-share plan may be affiliated with one or more exchange programs whereby time-share owners may voluntarily exchange the right to use and occupy accommodations and facilities in this project with accommodations in other projects. Exchange programs are not subject to Department of Real Estate laws and regulations. Therefore, the Department of Real Estate has not evaluated any exchange program(s) included in this offering. There is no guarantee that this project will remain affiliated with any particular exchange program. Since exchange programs are unregulated, the Department recommends prospective purchasers use discretion in evaluating exchange programs offered in conjunction with time-share offering.
14. The Developer must make copies of each of the following documents available for examination by prospective purchasers before execution of a purchase agreement and copies of those documents must be given to the purchaser as soon as practicable before transfer of the interest to be acquired by the purchaser: (1) Declaration of Covenants, Conditions and Restrictions for the time-share plan, (2) Articles of Incorporation and Bylaws for the time-share plan, (3) any other instrument that establishes or defines the common, mutual, and reciprocal rights and responsibilities of owners of interests in the time-share plan, and (4) the current budget and financial statements for the time-share plan. (See Business & Professions Code Section 11226.1.)
15. Natural Hazard. The Developer has advised that all or portions of Condominium is located within an Area of Potential Flooding as shown on an inundation map. Additionally, the Developer has advised that prospective purchasers of ownership interests in The Villas at Disneyland Hotel will be provided a separate disclosure required under

Government Code Section 8589.4. If any disclosure, or any material amendment to any disclosure, required to be made by the Developer regarding this natural hazard is delivered after the execution of an offer to purchase, the purchaser shall have three days after delivery in person or five days after delivery by deposit in the mail to terminate the offer by delivery of a written notice of termination to the developer or the developer's agent.

Since all or portions of the time-share plan subject to this public report are located within one or more natural hazard areas, your homeowner's insurance and/or insurance coverage for any association or commonly owned areas may be affected. You should contact your lender and insurance carrier for more information regarding types of insurance and costs to cover your property, as well as the Association or Developer regarding any assessment increases due to additional insurance costs.

16. Important Cautionary Notes:

- You only have seven (7) days from the date you entered into the purchase contract to rescind, cancel, and unwind your time-share purchase. After the seven days have transpired, you have no further rescission or contract cancellation rights. (Refer to Section 11235 of the Business & Professions Code.)
- As a part of your decision of whether to purchase a time-share, you should strongly consider conducting your own investigation of what you may be buying. For example, if possible, you should visit and inspect the time-share property(ies) to see if your expectations and needs would be met. Furthermore, you may wish to conduct other investigations, such as an internet search, for any other applicable information about the project that you may be buying into and/or the time-share developer/company/sales team that you may be buying from.
- All promises made to you during the sales presentation (which induced you to purchase the time-share) must - or certainly should - be in the contract you sign. If they are not included in the contract, or if the contract language disclaims any promises made during the sales presentation, those promises are not binding and enforceable.
- Carefully read and fully understand the contract. If you cannot understand the contract and its terms, have it reviewed by someone who does, and have them explain the agreement and terms to you.
- Do thorough research and in-depth homework about the time-share (including valuation and values, applicable points, points and reservations systems, availability of property(ies) and vacation opportunities, and maintenance fees), the time-share development, and the time-share developer.
- Educate yourself thoroughly about your rights and obligations as a time-share owner, what it is that you have purchased (or will be purchasing), your vacation plan, the history of the plan, and make certain that the time-share and its offerings meets your current and future needs (and the maintenance fees and related obligations are ones that you can afford).
- Evaluate the value to you of the time-share, and consider the aggregate of the purchase price and all maintenance fees that you must pay yearly (including the current fees and any possible/probable increases to those fees).
- Understand that the vast majority of time-shares are not investments in real property, and they are not assets that appreciate (grow) in value.

- Re-selling time-shares can be extremely difficult. Educate yourself about the re-sale market, and understand that the time-share you purchase, as well as all of the associated maintenance fee obligations, might be yours for a lifetime.

TIME-SHARE PLAN DISCLOSURES - PART II

1. **State the name and address of the developer, the type of time-share plans being offered, the name and address of the time-share projects and describe each component site, including the name and address of each component site.**

Disney Vacation Development, Inc. ("DVD"), a Florida corporation located at 215 Celebration Place, Suite 300, Celebration, FL 34747 is the developer of the multi-site time-share plan known as Disney Vacation Club (the "Club"), the name given by DVD to the reservation system and other services which will be operated by DVD's affiliate, Disney Vacation Club Management, LLC ("DVCM"), a Florida limited liability company, located at 215 Celebration Place, Suite 300, Celebration, FL 34747 and Buena Vista Trading Company ("BVTC"), a Florida limited liability company, located at 215 Celebration Place, Suite 300, Celebration, FL 34747. DVD is a subsidiary of The Walt Disney Company, a publicly traded Delaware corporation.

Disney Vacation Club Currently Includes The Following Resorts:

The Villas at Disneyland Hotel, a Leasehold Condominium ("Disneyland Hotel Villas") located at 1150 Magic Way, Anaheim, California 92802.

Disney Vacation Club at Walt Disney World Resort, a Leasehold Condominium ("Disney's Old Key West Resort") located at 1510 North Cove Road, Lake Buena Vista, Florida 32830.

Disney Vacation Club at Vero Beach, a Condominium ("Disney's Vero Beach Resort") located at 9250 Island Grove Terrace, Vero Beach, Florida 32963.

Disney Vacation Club at Hilton Head Island Horizontal Property Regime ("Disney's Hilton Head Island Resort") located at 22 Harbourside Lane, Hilton Head Island, South Carolina 29928.

Disney Vacation Club at Disney's BoardWalk Villas, A Leasehold Condominium ("Disney's BoardWalk Villa's") located at 2101 N. Epcot Resorts Blvd., Lake Buena Vista, Florida 32830.

The Villa's at Disney's Wilderness Lodge, A Leasehold Condominium ("The Villas at Disney's Wilderness Lodge") located at 801 Timberline Drive, Lake Buena Vista, Florida 32830.

Disney's Beach Club Villa's, A Leasehold Condominium ("Disney's Beach Club Villas") located at 1900 Epcot Resorts Boulevard, Lake Buena Vista, Florida 32830.

Disney's Saratoga Springs Resort, A Leasehold Condominium, ("Disney's Saratoga Springs Resort") located at 1960 Broadway Lake Buena Vista, Florida 32830.

Disney's Animal Kingdom Villas, A Leasehold Condominium, ("Disney's Animal Kingdom Villas") located at 4701 Osceola Parkway Lake Buena Vista, Florida 32830.

Bay Lake Tower at Disney's Contemporary Resort, A Leasehold Condominium, ("Disney's Bay Lake Tower Resort") located at 4600 N. World Drive, Lake Buena Vista, Florida 32830.

The Villas at Disney's Grand Californian Hotel, a Leasehold Condominium ("The Villas at Disney's Grand Californian Hotel") located at 1600 South Disneyland Drive, Anaheim, California 92802.

Aulani, Disney Vacation Club® Villas, Ko Olina, Hawai'i, a Condominium and Vacation Ownership Plan ("Aulani Resort") located at 92-1185 Ali'i Nui Drive, Kapolei, Hawaii, 96707.

The Villas at Disney's Grand Floridian Resort, A Leasehold Condominium, ("Grand Floridian Villa") located at 4501 Floridian Way, Lake Buena Vista, Florida 32830.

Disney's Polynesian Villas & Bungalows, a Leasehold Condominium, ("Polynesian Villas & Bungalows") located at 1600 Seven Seas Drive, Lake Buena Vista, Florida 32830.

Copper Creek Villas & Cabins at Disney's Wilderness Lodge, a Leasehold Condominium, ("Copper Creek Villas & Cabins") located at 901 Timberline Drive, Lake Buena Vista, Florida 32830.

Disney's Riviera Resort, a Leasehold Condominium, ("Riviera Resort) located 1080 Esplanade Avenue, Lake Buena Vista, Florida 32830

Other resort properties may be added to or become affiliated with Disney Vacation Club, but there is no obligation on the part of DVD to do so, and no assurance is given that such an expansion of the Disney Vacation Club will occur.

Neither DVD nor its parent, nor any of its affiliated companies, have any obligation to build any additional Disney Vacation Club Resorts ("DVC Resorts") or to add additional component sites to the Disney Vacation Club multi-site time-share plan. Do not purchase an Ownership Interest in a Disney Vacation Club Resort in reliance upon the addition of new resorts or component sites.

The Club is a specific interest multi-site time-share plan. DVD will convey to you, by deed (a "Deed"), an undivided real estate interest ("Ownership Interest") in a DVC Unit along with the DVC Unit's undivided interest in the common areas at the Condominium.

The term of the time-share plan and the duration of Ownership Interests at The Villas at Disneyland Hotel (the "Resort") will continue through January 31, 2074.

At the end of the term of the Resort, unless additional resorts are added, Disney Vacation Club will contain only the DVC Resorts for which the term has not expired. DVD is not required to add any additional DVC Resorts to the Disney Vacation Club. Do not purchase an Ownership Interest in reliance upon the addition of other resorts or the ability to reserve at a particular DVC Resort after the term of that DVC Resort expires.

The DVC Resort at which a Member acquires an Ownership Interest is referred to as his or her "Home Resort". For example, if you purchase an Ownership Interest in Disneyland Hotel Villas, Disneyland Hotel Villas will be your "Home Resort."

At the time a Deed is conveyed you will automatically become a member of the Club ("Club Member"). Your Ownership Interest will be symbolized by the number of Home Resort Vacation Points denoted in your Deed. Vacation Points were created for the administrative convenience and the operation of the Club and to facilitate the usage of the Club by Members. When used to reserve accommodations at one's Home Resort, Vacation Points are referred to as "Home Resort Vacation Points". When used to reserve accommodations at a DVC Resort other than one's Home Resort, Vacation Points are referred to as "DVC Vacation Points."

- 2. Describe the existing or proposed accommodations, including the type and number of time-share interests in the accommodations, and if the accommodations are proposed or not yet complete or fully functional, an estimated date of completion.**

DVD intends to develop Disneyland Hotel Villas in phases. The following describes the accommodations at the Resort for the initial phases that will be added to the Resort and for all of the proposed phases, including the number and type of time-share interests, the total number of Vacation Points associated with those interests. Construction of the initial

phases is not yet completed. Pursuant to Section 11230 of California Business and Professions Code, DVD has posted completion bonds which constitute financial guarantees to complete all improvements at Disneyland Hotel Villas.

The Villas at Disneyland Hotel (3,255,992 Vacation Points):

Type of Vacation Home	Quantity of the initial phase(s)	Quantity if all phases added
Grand Villa Vacation Home (3 bedroom/4 bath; approximately 2,756 net sq. ft.)	1	2
Two-Bedroom Vacation Home – can be locked-off One-Bedroom and Studio Vacation Homes (2 bedroom/3 bath; approximately 1,161 net sq.ft.)	1	18
Two-Bedroom Vacation Home – cannot be locked-off into One-Bedroom and Studio Vacation Homes (2 bedroom/3 bath; approximately 1,161 net sq.ft.)	2	20
One-Bedroom Vacation Home (1 bedroom/2 bath; approximately 754 net sq.ft.)	1	1
Deluxe Studio Vacation Home (1 bedroom/1 bath; approximately 370 net sq.ft.)	46	245
Deluxe Studio Garden Vacation Home (1 bedroom/1 bath; approximately 368 net sq.ft.)	2	4
Duo Studio Vacation Home (1 bedroom/1 bath; approximately 270 net sq. ft)	6	32
Duo Studio Garden Vacation Home (1 bedroom/1 bath; approximately 251 net sq.ft)	2	4
Total Number of Vacation Homes	61	326

DVD is under no obligation to submit phases to the Resort in any sequence or to construct, develop, or add any phase other than those phases that DVD may initially declare as part of the Resort. Additionally, DVD has reserved the rights to add Units to the Resort that will not be included in the time-share plan as DVC Units and may be used or sold by DVD for other purposes, including as a resort hotel.

- Describe the number of accommodations and time-share interests, expressed in periods of seven-day use availability or other time increments applicable to the time-share plan, committed to the multi-site time-share plan, and available for use by purchasers and a representation about the percentage of useable time authorized for sale, and if that percentage is 100 percent, then a statement describing how adequate periods of time for maintenance and repair will be provided.

	No. of Vacation Homes	Units Available	No. of Seven-Day Use Availability Periods	Total No. of Seven-Day Use Availability Periods
The Villas at Disneyland Hotel	326	61	52	3,172

The time-share plan uses a flexible Vacation Point system. Under the Vacation Point System, the Ownership Interest purchased by an individual will vary from that purchased by another individual depending upon his or her respective vacation needs. Therefore, it is impossible to anticipate the exact number of undivided Ownership Interests that will be sold in each Unit; however it is anticipated that individuals will generally purchase an Ownership Interest equal to the right to reserve seven (7) Use Days. Maintenance and repair of the accommodations of the DVC Units ("Vacation Homes") will be conducted on an as-needed basis during periods of time when the Vacation Homes are unreserved and unoccupied. After maintenance and repair has been completed, any remaining unreserved time will be used by DVC and BVTC as they determine in their discretion, including for rental to the general public.

- Describe any existing or proposed amenities of the time-share plan, and if the amenities are proposed or not yet complete or fully functional, the estimated date of completion.

The construction, equipping, and finishing of the amenities of The Villas at Disneyland Hotel that are currently being offered for sale consist of a swimming pool and spa, and an interactive water feature and are estimated to be completed in Fall 2023. The amenities of The Villas at Disneyland Hotel will be available for use by Owners, their

guests, exchangers, and renters; renters of accommodations not yet declared as part of Resort; by owners of interests in property adjacent to or nearby the Resort and their invitees, guests, exchangers, and renters; and by parent company, affiliates, subsidiaries, and related entities of the DVD ("The TWDC Companies") and their invitees, guests, exchangers, and renters.

DVD is not required to construct or declare as part of The Villas at Disneyland Hotel any amenities or other commonly used facilities other than the amenities or other commonly used facilities declared in the initial phase or phases. However, DVD has reserved the right to add amenities or other commonly used facilities to The Villas at Disneyland Hotel sort without the consent of the Owners or the Association; provided, however, that all costs of construction of such additional amenities or facilities shall be borne exclusively by DVD. If DVD does add amenities or other commonly used facilities to The Villas at Disneyland Hotel, those amenities facilities will be included as part of the common areas of The Villas at Disneyland Hotel. All costs of maintenance, repair, and replacement of any such additional amenities or facilities will be borne by the Owners and shall be assessed to the Owners as a part of their Annual Dues subject to the limitation in the increase of the Estimated Budgets under California law.

5. Describe financial arrangements that have been made for the completion of any incomplete, promised improvements.

Pursuant to Section 11230 of California Business and Professions Code, DVD has posted completion bonds which constitute financial guarantees to complete all improvements at The Villas at Disneyland Hotel.

6. Describe the duration, phases, and operation of the time-share plan.

Duration:

Ownership Interests in The Villas at Disneyland Hotel will expire on January 31, 2074.

The term of the time-share plan as to other DVC Resorts, will continue through the date specified below for each DVC Resort:

<u>Resort</u>	<u>Termination Date</u>
Disney Vacation Club at WALT DISNEY WORLD Resort	January 31, 2057
Disney Vacation Club at Vero Beach	January 31, 2042
Disney Vacation Club at Hilton Head Island Horizontal Property Regime	January 31, 2042
Disney Vacation Club at Disney's BoardWalk Villas,	January 31, 2042
The Villas at Disney's Wilderness Lodge	January 31, 2042
Disney's Beach Club Villas	January 31, 2042
Disney's Saratoga Springs Resort	January 31, 2054
Disney's Animal Kingdom Villas	January 31, 2057
Bay Lake Tower at Disney's Contemporary Resort	January 31, 2060
The Villas at Disney's Grand Californian Hotel	January 31, 2060
Aulani, Disney Vacation Club Villas, Ko Olina, Hawai'i	January 31, 2062
The Villas at Disney's Grand Floridian Resort	January 31, 2064
Disney's Polynesian Villas & Bungalows	January 31, 2066
Copper Creek Villas & Cabins at Disney's Wilderness Lodge	January 31, 2068
Disney's Riviera Resort	January 31, 2070

At the end of the term of each DVC Resort, unless additional resorts are added, Disney Vacation Club will contain only the DVC Resorts for which the term has not expired. DVD is not required to add any additional DVC Resorts to the Disney Vacation Club. Do not purchase an Ownership Interest in reliance upon the addition of other resorts or the ability to reserve at a particular DVC Resort after the term of that DVC Resort expires.

Phases: DVD intends to develop The Villas at Disneyland Hotel in phases. The initial phase(s) and the proposed phases are described in Paragraph 2 above. Some of the other DVC Resorts also have been developed in phases, and not all of the phases have yet to be included in the Club. DVD is under no obligation to submit phases to the Resort in any sequence or to construct, develop, or add any phase other than those phases that DVD may initially declare as part of the Resort or any other DVC Resort.

Operation of the Resort and the Club:

The Villas at Disneyland Hotel Condominium Association, Inc., a non-profit, mutual benefit corporation (the "Association"), located at 215 Celebration Place, Suite 300, Celebration, FL 34747, is responsible for managing and operating the Resort. The Association has engaged DVCM to act as the property management company for the Resort pursuant to the Property Management Agreement.

The Club is not a separate legal entity but is, rather, a term used to describe the variety of services made available by DVCM and BVTC to Club Members. Purchasers of Ownership Interests will receive no interest in DVD, DVCM, BVTC or any of The TWDC Companies. DVCM and BVTC are responsible for the operation of the Club pursuant to a series of inter-connecting agreements and documents. These agreements and documents also govern the rights of reservation, use, and occupancy of Club accommodations by Club Members. Copies of these documents are included in the Florida Multi-Site and Component Site Public Offering Statements received as a part of your purchase documents. You are encouraged to read these documents carefully to ensure your understanding of their importance and functions. Except as narrowly defined rights with respect to several significant matters, each Club Member agrees, by acceptance of their deed by which title to the Ownership Interest is acquired, to permit DVD, DVCM, BVTC, or other of The TWDC Companies to operate and manage the Club as they deem to be in the best interest of the Club and Club Members as a whole.

Copies of DVD governing documents including the Association Bylaws, Declaration of Condominium, Association Articles of Incorporation, the Master Cotenancy Agreement, the DVC Resort Agreement and Disney Vacation Club Membership Agreement can be found in the Florida Component Site Public Offering Statement for each DVC Resort included with the purchase documents and provided to each purchaser. Additional DVC Resort documents are available upon purchaser request.

7. State the name and principal address of the managing entity and a description of the procedures, if any, for altering the powers and responsibilities of the managing entity and for removing or replacing it.

The Villas at Disneyland Hotel Condominium Association, Inc., a non-profit, mutual benefit corporation located at 215 Celebration Place, Suite 300, Celebration, FL 34747, is responsible for the operations and maintenance of the Resort pursuant to the terms of the Declaration. The Association is governed by the Board, which has engaged DVCM to manage and operate the Resort for the Association. DVCM has been delegated such administrative functions and powers as set forth in the Declaration and the Property Management Agreement, including: (a) supervision of the immediate management and operation of the Resort; (b) maintenance and repair; (c) lease, purchase, maintenance and replacement of furniture, fixtures, and equipment; (d) employment, supervision and dismissal of such personnel as it deems necessary for maintenance and operation; (e) entering into contracts with others for the furnishing of such services as it deems proper; (f) preparation of a proposed budget and schedule of assessments; (g) collection of all assessments and payment of all bills; (h) purchase of such insurance as is contemplated by the Declaration; and (i) custody and control of funds and maintenance of books and records and preparation of financial reports.

The Property Management Agreement between the Association and DVCM has an initial term of five (5) years and thereafter automatically renews for additional three (3) year terms unless the Association by the vote or written assent of a majority of the voting power residing in Club Members other than DVD determines not to renew the contract and gives appropriate notice of that determination. The Property Management Agreement may also be terminated for

cause at any time by the Board, and with not less than ninety (90) days' written notice to the Association of the intention of DVCM to resign.

In the event DVCM is terminated as the management company of the Resort, BVTC shall have the right to approve any replacement management company pursuant to the DVC Resort Agreement, and may terminate the DVC Resort Agreement if the management company or management of the Resort is not acceptable to BVTC. Such termination would sever the relationships between the Resort and other DVC Resorts and limit the use of accommodations for the Resort solely to the Owners of Ownership Interests in the Resort. A copy of the Property Management Agreement is available upon request at no cost to purchasers.

8. Describe the current annual budget as required by Section 11240, along with the projected assessments and a description of the method for calculating and apportioning the assessments among purchasers.

The 2023 Estimated Budgets, for the operation and maintenance of the Resort and for the operation of long-term reserves for the major components of the common elements of the Resort, is attached to this Public Report as Exhibit "A;" also, please see Exhibit 6, Estimated Budgets and Schedule of Required Purchasers' Expenses in the Florida Component Site Public Offering Statement. DVD has provided a certified copy of the budget. Each Owner will be assessed, on an annual basis, an amount equal to such Owner's pro rata share of the operating cost and ad valorem taxes attributable to the Ownership Interest as set forth in the budgets, which pro rata share is determined by the relative percentage interest of the Owner's Ownership Interest, expressed in Vacation Points.

In lieu of paying the assessment due on its unsold Ownership Interests in the same manner as all of the other Owners, DVD has subsidized (*i.e.*, guaranteed) that the total allocated share of operating expenses attributable to each Owner's Ownership Interest will not exceed a stated amount per Vacation Point during the one-year term of the subsidy. The subsidy arrangement commences on January 1, 2023, and is effective for a one (1) year period, subject to DVD's right to renew the subsidy for additional one (1) year terms. If the subsidy for the Resort is not renewed, the annual costs of ownership of an Ownership Interest could rise. You have no assurance that the subsidy will continue beyond the above calendar year. As a result of the subsidy the current cost for the calendar year 2023, per Home Resort Vacation Point for each Owner is as noted in the following chart:

	Estimated Operating & Reserves	Ad Valorem Taxes	Total	Annual Assessment for an Allocation of 230 Vacation Points
The Villas at Disneyland Hotel	\$8.0995	\$.9538	\$9.0533	\$2,082.26

You will be required to pay the annual assessment regardless of whether you make a reservation or occupy any Resort or DVC Resort accommodation. Failure to pay may result in loss of your Ownership Interest.

DVD's obligation to perform under the terms of the subsidy is secured by a bond issued in favor of the Association and held by First American Title Insurance Company, as escrow holder. Should DVD fail to any amounts due to the Association under the terms of the subsidy the Association may make a claim for payment of the amounts due on the bond.

If the budgets furnished to you by DVD shows a monthly assessment figure which is at least 20% more or at least 10% less than the assessment amount shown in this Public Report, you should contact the Department of Real Estate before entering into an agreement for purchase.

Expenses of operation are difficult to predict accurately and, even if accurately estimated initially, most expenses increase with the age of facilities and with increases in the cost of living. Expenses may also increase if DVD elects to include additional facilities within the Resort. DVD has reserved the right to add amenities or other commonly used facilities to The Villas at Disneyland Hotel sort without the consent of the Owners or the Association; provided,

however, that all costs of construction of such additional amenities or facilities shall be borne exclusively by DVD. If DVD does add amenities or other commonly used facilities to The Villas at Disneyland Hotel, those amenities facilities will be included as part of the common areas of The Villas at Disneyland Hotel. All costs of maintenance, repair, and replacement of any such additional amenities or facilities will be borne by the Owners and shall be assessed to the Owners as a part of their Annual Dues subject to the limitation in the increase of the Estimated Budgets under California law.

DVD has provided to you a copy of the current budgets for the Association for the Resort as attached, and as Exhibit 6 of the Component Site Public Offering Statement for the Resort.

9. Describe any initial or special fee due from the purchaser at closing together with a description of the purpose and method of calculating the fee.

In addition to the purchase price and any finance charges for financed purchases, purchasers are required to pay document preparation fees and closing costs as described in the Purchase Agreement. Purchasers shall pay the cost of recording the grant deed and the deed of trust (if applicable), any documentary stamp tax due on the deed as required under California law, and the cost for an owner's policy of title insurance (if the purchaser does not decline to purchase title insurance). DVD shall pay the premium for a mortgagee policy of title insurance, if DVD elects to purchase a mortgagee policy.

The document preparation fee is currently \$250.00. The fee to record the grant deed is currently \$6.00 for the first page and \$3.00 for each page thereafter. The recording fee for the documentary stamps currently will be approximately \$0.55 per each \$500 of the purchase price. The cost of an owner's title insurance policy is currently \$80.00. If the purchase is financed through DVD, the fee to record the deed of trust is currently \$6.00 for the first page and \$3.00 for each page thereafter.

10. Describe any financing offered by or available through the developer.

DVD may offer purchase-money financing to qualified purchasers for up to ninety percent (90%) of the purchase price for Ownership Interests at interest rates ranging from zero percent (0%) to the highest rate per annum permitted under California law, depending upon the amount of the down payment, the number of monthly payments desired and other factors. Such financing may be changed by DVD without notice, and any change in the financing offered to Purchasers will not be deemed to be a material change giving rise to rescission rights.

This information is provided to comply with the disclosure requirements of California law and is not an offer of financing nor a guarantee that financing will be offered by DVD or that purchaser will be qualified to obtain such financing if offered.

11. Describe any liens, defects, or encumbrances on or affecting the title to the time-share interest.

Each Purchaser's Ownership Interest in a Unit shall be free and clear of all liens, encumbrances, defects, judgments and mortgages, except that each such Ownership Interest shall be subject to the following matters of title: the Resort governing documents (including the Declaration, the Association Articles of Incorporation, the Association Bylaws, and the Condominium Rules and Regulations); the Master Declaration; the Ground Lease, the Master Cotenancy Agreement; the DVC Membership Agreement; the DVC Resort Agreement; any deed of trust placed upon the purchaser's Ownership Interest in connection with purchase-money or third-party financing; taxes and assessments for the year of purchase and subsequent years; and restrictions, reservations, conditions, limitations, easements, and matters of record prior to purchase or imposed by governmental authorities having jurisdiction or control over the Resort.

12. Describe any bankruptcies, pending civil or criminal suits, adjudication, or disciplinary actions of which the developer has knowledge that would have a material effect on the developer's ability to perform its obligations.

DVD has no knowledge of any bankruptcies, pending civil or criminal suits, adjudication, or disciplinary actions that would have a material effect on the ability of DVD to perform its obligations.

13. Describe any current or expected fees or charges to be paid by time-share purchasers for the use of any amenities related to the time-share plan.

Owners, their guests, exchangers, and renters must pay for parking at a location near the Resort at the then current parking rates. Additionally, Owners, their guests, exchangers, and renters will be responsible for any purchases made at any retail locations, food and beverage, merchandise, equipment rentals, spas, additional housekeeping, or other incidentals and programs that are not included in the time-share plan.

Pursuant to Anaheim Municipal Code (the "Code") Chapter 2.12 as amended, the City of Anaheim, a California municipal corporation (the "City") imposes a Transient Occupancy Tax ("TOT") on operators and timeshare vacation club resorts similar to the Resort. DVD and the City have entered into a Transient Occupancy Tax agreement ("TOT Agreement") that requires the Resort to collect, at checkout, from the occupant of a DVC Unit (whether such occupant is an Owner, a transient guest, a timeshare exchanger, or other occupant), a TOT payment for each night that the DVC Unit was occupied and in an amount based on the valuation assigned to such night pursuant to the TOT Agreement.

14. Describe the insurance coverage, including limits and deductibles, provided for the protection of the purchaser.

The Association will obtain and maintain insurance for the Condominium property in an amount as required by applicable law. All improvements on the Condominium Property must be insured in the event of a casualty in an amount equal to the maximum insurable replacement cost (subject to reasonable deductibles), exclusive of foundation and excavation costs and items normally excluded from coverage, and all personal property owned by the Association shall be insured for its value, as determined from time to time by the Board; provided, however, that the amount of insurance shall not be less than eighty percent (80%) of the full replacement value of the Condominium property. All Association Property must be insured for its current replacement cost, and all personal property owned by the Association shall be insured for its value, as determined from time to time by the Board. The Association will also obtain and maintain in full force and effect commercial general liability insurance (including bodily injury, libel, slander, false arrest and invasion of privacy coverage) and property damage insurance with such limits as the Board may from time to time determine, insuring the Association against any liability to the public or the Owners (and their lessees, guests, invitees, licensees and exchangers) arising out of or incident to the ownership, control, existence, operation, management, maintenance or use of the Common Areas, Association Property and any other areas under the control of the Association. The insurance will cover claims of one or more insured parties against other insured parties and the amount of the insurance will not be less than five hundred thousand dollars (\$500,000) to one million dollars (\$1,000,000) for personal injury and one hundred thousand dollars (\$100,000) for property damage for any single occurrence.

15. Describe the extent to which a time-share interest may become subject to a tax lien or other lien arising out of claims against purchasers of different time-share interests.

Each Ownership Interest is separately owned by the Purchaser, so a tax or other lien against one Owner will not affect the Ownership Interest of another Owner, except in the case of additional Owners on the same Ownership Interest.

16. Disclose any right of first refusal or other restraint on the transfer of all or any portion of a time-share interest.

You should not purchase an Ownership Interest with any expectation that you will be able to rent, sell, or refinance your Ownership Interest.

While you are not prohibited from selling your Ownership Interest on your own terms, you are only permitted to sell your entire Ownership Interest in a single transaction. In addition, you must first provide DVD the right to purchase your Ownership Interest on the same terms and conditions as those which are offered to you by a prospective third-party purchaser if you receive an offer which you find acceptable. If you have elected to finance the purchase of your Ownership Interest with DVD, the sale, transfer, or further encumbrance of your Ownership Interest will be subject to the "due on sale or encumbrance" provisions of your mortgage with DVD. This means that upon the sale or the transfer of all of your Ownership Interest or upon any attempt by you to subject your Ownership Interest to a lien or mortgage other than the purchase money mortgage in favor of DVD, the entire loan amount which you owe DVD and which is the subject of your mortgage with DVD automatically becomes due and payable in full.

- 17. Provide a statement disclosing that any deposit made in connection with the purchase of a time-share interest shall be held by an escrow agent until expiration of any right to cancel the contract and that any deposit shall be returned to the purchaser if he or she elects to exercise his or her right of cancellation. Alternatively, if the Commissioner has accepted from the developer a surety bond, irrevocable letter of credit, or other financial assurance, each of which shall be enforceable by the association, in lieu of placing deposits in an escrow account, submit:**

(A) A statement disclosing that the developer has provided a surety bond, irrevocable letter of credit, or other financial assurance in an amount equal to or in excess of the funds that would otherwise be placed in an escrow account, (B) a description of the type of financial assurance that has been obtained, (C) a statement that if the purchaser elects to exercise his or her right of cancellation as provided in the contract, the developer shall return the deposit, and (D) a description of the person or entity to whom the purchaser should apply for payment.

DVD has posted a surety bond in the amount of \$25,000,000.00 with the California Department of Real Estate in lieu of placing Purchaser's deposits in escrow. If a Purchaser chooses to cancel their purchase before expiration of the rescission period, DVD will return the Purchaser's deposit. Purchaser shall apply to Disney Vacation Development, Inc. for return of the deposit. Purchaser shall apply to DVD, Attention: Quality Assurance at 1936 Broadway, Suite 2200, Lake Buena Vista, Florida 32830. Your notice of cancellation may also be sent via fax to 407-938-6586 or by e-mail at WDWDVCCancelRequests@Disney.com for return of the deposit.

- 18. Submit a statement that assessments collected from the purchasers will be kept in a segregated account separate from the assessments collected from the purchasers of other time-share plans managed by the same managing entity, along with a statement identifying the location of the account and a disclosure of the rights of owners to inspect the records pertaining to their accounts.**

Currently, DVCM only manages one multi-site timeshare plan, which is the Club. However, DVCM maintains separate accounts for each DVC Resort, including the Resort, to allow for the segregation of assessments collected from Owners for the different DVC Resorts managed by DVCM. Owners have the right to inspect the records of this account by notifying the managing agent in writing of their desire to do so in accordance with the Declaration and the Bylaws. The operating and reserves accounts for the Resort are with Wells Fargo Bank, N.A. in San Francisco, California.

- 19. If the time-share plan provides purchasers with the opportunity to participate in an exchange program, state the name and address of the exchange company and describe the method by which a purchaser accesses the exchange program.**

Interval International External Exchange Program: Pursuant to an agreement between Interval International, Inc. ("II"), a Florida corporation, whose address is 6262 Sunset Drive, Miami, FL 33143, and DVCM as the management

company for each DVC Resort, DVCM has become a "corporate member" of the II exchange program. Under the terms of the "corporate member" agreement, Club Members can exchange into resorts affiliated with II through the Club. Club Members should refer to their External Exchange Documents for procedures and restrictions involved in requesting an exchange into the II system.

20. Briefly describe any incidental benefits to be included in the offering. The complete incidental benefit disclosure guide (Membership Extras Acknowledgment and Disclosure Statement) required by Business & Professions Code Section 11237 is provided as a part of the purchase documents.

In order to provide DVC Members with additional vacation experiences, Club Members who purchase directly from DVD have access to an array of incidental benefits and programs. These benefits and programs are described along with any restrictions, limitations, and costs in the Membership Extras Acknowledgment and Disclosure Statement, provided as a part of the purchase documents.

If you need clarification as to the statements in this Public Report or if you desire to make arrangements to review the documents submitted by the Developer used in preparing this Public Report you may contact: Department of Real Estate, 1651 Exposition Blvd., P.O. Box 137005, Sacramento, California, 95813-7005 (916) 263-8929.