

**The Cabins Resort Use Plan**  
**Estimated Operating Budget For The Year**  
**January 1, 2024 Through December 31, 2024**

	<b>76 Vacation Homes</b>	
	<b>2024 Annual</b>	<b>2024 Annual</b>
<b>Revenue Components</b>	<b>Budget</b>	<b>Budget</b>
		<b>(Per Vacation Point)</b>
Member Late Fees and Interest	\$20,666	\$0.0493
Breakage Income	106,309	0.2534
Member Annual Dues Assessment	3,591,477	8.5610
Pet Fees	19,209	0.0458
<b>TOTAL REVENUES AND INCOME</b>	<b>\$3,737,661</b>	<b>\$8.9095</b>
<b>Cost Components</b>		
Administration and Front Desk	\$445,928	\$1.0630
Annual Audit	2,261	0.0054
DVC Reservation Component	3,694	0.0088
Fees to the Division	5,635	0.0134
Housekeeping	1,287,209	3.0683
Income Taxes	18,471	0.0440
Insurance	112,625	0.2685
Legal	296	0.0007
Maintenance	303,303	0.7230
Management Fee	371,445	0.8854
Member Activities	232,586	0.5544
Security	52,676	0.1256
Transportation	800,951	1.9092
Utilities	100,581	0.2398
<b>TOTAL OPERATING EXPENSES</b>	<b>\$3,737,661</b>	<b>\$8.9095</b>

### **Estimated Operating Budget Notes**

All capitalized terms not defined in these budget notes will have the same meanings ascribed to such terms in the Component Site Public Offering Statement for The Cabins at Disney's Fort Wilderness Resort Use Plan ("The Cabins Resort Use Plan"). See also Additional Budget Notes.

#### **Description of Revenue Components:**

1. **Member Late Fees and Interest** - All delinquent Annual Dues payments are subject to a late fee of \$25 per Vacation Ownership Interest, plus interest at the maximum rate permitted by law (currently 18 percent) accrued on the amount outstanding from the original due date.
2. **Breakage Income** - As stated in the Resort Documents, Disney Vacation Club Management, LLC ("DVCM") rents, during the Breakage Period (as defined in the Membership Agreement), certain accommodations that have not been reserved by Club Members. The Association is entitled to receive, as breakage income, the proceeds of such rentals not to exceed 2.5 percent of the aggregate of The Cabins Resort Use Plan Budget comprised of the operating budget (total operating expenses less the sum of pet fees and Club Member late fees and interest) and capital reserve budget in each calendar year.
3. **Member Annual Dues Assessment** - The amount assessed to Owners with a Vacation Ownership Interest in The Cabins Resort Use Plan.
4. **Pet Fees** - The amount collected from Club Members and Guests to cover additional cleaning costs.

#### **Description of Cost Components:**

1. **Administration and Front Desk** – All costs and expenses incurred in administering, managing, and operating the property subjected to The Cabins Resort Use Plan ("Resort"), including component site administration. Also includes costs of front desk operations and resort management, including operating supplies and equipment rental, and operational and administrative support from the WALT DISNEY WORLD® Resort ("WDW"). Since The Cabins Resort Use Plan is the only trust use plan currently in the Trust, this cost component also includes costs and expenses for administrating the Trust and Association at the Trust level, including the annual trustee fee.
2. **Annual Audit** – Fee for the independent audit of the Association's financial statements as required by Florida law.
3. **DVC Reservation Component** – Fee paid to Buena Vista Trading Company for providing the exchange component of the Club central reservation system.
4. **Fees to the Division** – Annual fee of \$2 per Vacation Home per seven days of annual use availability assessed by the State of Florida for regulation of the timeshare industry in Florida.
5. **Housekeeping** – Cost of cleaning Vacation Homes and public areas and replacement of disposable amenities in Vacation Homes. Also includes the purchase, replacement and cleaning of linens and towels.
6. **Income Taxes** – Federal income taxes. Trust associations may not claim non-profit status under Section 501 of the Internal Revenue Code of 1986, as amended, for federal income tax purposes under current regulations.
7. **Insurance** – Cost of insurance premiums for property coverage, general liability, workers' compensation, crime and Director's and Officer's liability.
8. **Legal** – Cost of legal counsel regarding The Cabins Resort Use Plan and Association business.

9. Maintenance - Cost of interior and exterior maintenance and repairs not paid for out of replacement reserves. Also includes landscaping, pest control and fire alarm monitoring.
10. Management Fees - Fee paid to DVCM for providing management services to the Association according to the Property Management Agreement and the Trust and Association Management Agreement. The total management fees are equal to 12 percent of the total Budget exclusive of real estate taxes, transportation fees, and the management fees, themselves.
11. Member Activities - Cost of recreation operations, certain Club Member activities and events at the Resort. Cost of quarterly Club Member newsletter, annual Association meetings and printing and postage for Association legal mailings.
12. Security - Cost of security guard coverage at the Resort.
13. Transportation - Cost of WDW transportation provided to the Resort.
14. Utilities - Cost of electricity, gas, water, sewer, solid waste disposal, cable television, and telephone service at the Resort.

**General Notes:**

1. Centralized and Shared Services - Certain of the variable and semi-variable expenses related to the provision of certain services to the Resort as set forth in the 2024 estimated annual operating budget, including expenses for housekeeping, maintenance and front desk operations, may be lower than they otherwise would be if such services were being provided only to the Resort instead of taking into account that the services are also being provided to adjacent accommodations that are not part of the Resort.
2. Trust Expenses - As set forth in the Resort Documents, The Cabins Resort Use Plan is included in the Trust. Since it is the only trust use plan in the Trust at this time, certain cost components included in the Budget may also include costs and expenses related to Trust level expenses, including administering the Trust and Association at the Trust level as included in the Administration and Front Desk cost component. Refer to the Resort Documents for details concerning the Trust and Trust expenses.
3. Developer Guarantee - DVD has agreed to guarantee to each Purchaser and Owner that they will only be required to pay an assessment for operating expenses of \$8.5610 per Vacation Point through December 31, 2024, exclusive of ad valorem taxes which are billed separately. In consideration of this guarantee and pursuant to Florida law, DVD will be excused from the payment of its share of the expenses which otherwise would have been assessed against its unsold Vacation Ownership Interests during the term of the guarantee. As a consequence of this exemption, during the term of this guarantee, existing Owners and current Purchasers will not be specially assessed with regard to Common Expenses, except as hereinafter provided, if Common Expenses exceed the guarantee per Vacation Point amount and DVD will pay any difference between actual expenses and assessments collected from all Owners and income from other sources. Amounts expended for any insurance coverage required by law or the Resort Documents to be maintained by the Association and depreciation expense related to real property shall be excluded from the calculation of the Developer obligation except that for real property used for the production of fees, revenue or other income depreciation expense shall be excluded only to the extent they exceed the net income from the production of such fees, revenue or other income. DVD will pay such expenses as needed to meet expenses as they are incurred. However, any 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 Vacation Ownership Interests on the date of such natural disaster or act of God, or their successors or assigns, including DVD as to its unsold Vacation Ownership Interest, the Association maintains all insurance coverages required by Section 721.165, Florida Statutes. DVD reserves the right, but is under no

obligation, to extend and/or increase the amount of this guarantee for one (1) or more periods of one (1) year each after the expiration of this guarantee period on December 31, 2024, as permitted by Florida law.

See also Additional Budget Notes.

**76 Vacation Homes**

Replacement Fund Components	2024 Annual	2024 Annual
	Budget	Budget
	(Per Vacation Point)	
Capital Reserves	\$676,290	\$1,6121
Interest Income	0	0.0000
<b>TOTAL CAPITAL RESERVES BUDGET</b>	<b>\$676,290</b>	<b>\$1,6121</b>

**Capital Reserve Analysis For The Year Ended December 31, 2023**

Replacement Fund Components	Estimated Fund Balance as of December 31, 2023	Estimated Useful Lives (Years)	Estimated Remaining Useful Lives (Years)	Estimated Current Replacement Costs (76 Vacation Homes)
Roof Replacement/Repair		20	20	\$190,142
Interior Refurbishment		7 - 28	7 - 28	4,924,287
External Building Painting		9	9	230,665
Common Element Renovation		3 - 30	1 - 30	2,079,735
Pavement Resurfacing		3-25	2 - 18	285,821
Capital Reserves	\$0			
<b>TOTAL</b>	<b>\$0</b>			<b>\$7,710,650</b>

### **Estimated Capital Reserves Budget Notes**

All capitalized terms not defined in these budget notes will have the same meanings ascribed to such terms in the Component Site Public Offering Statement for The Cabins Resort Use Plan. See also Additional Budget Notes.

1. **Funds Covered** - The annual budget for capital reserves covers funds set aside, in accordance with Chapter 721, Florida Statutes, using the pooling accounting method, for the repair or replacement of major items pertaining to the Vacation Homes and Common Areas with a useful life of greater than one year. The interest earned on these funds remains in the capital reserves account and is not absorbed into the operating budgets.
2. **Developer Guarantee** - DVD has agreed to guarantee to each Purchaser and Owner that they will only be required to pay an assessment for reserves expenses of \$1.6121 per Vacation Point through December 31, 2024, exclusive of ad valorem taxes, which are billed separately. In consideration of this guarantee and pursuant to Florida law, DVD will be excused from the payment of its share of the Common Expenses which otherwise would have been assessed against its unsold Vacation Ownership Interests during the term of the guarantee. As a consequence of this exemption, during the term of this guarantee, DVD will pay any difference between actual expenses and assessments collected from all Owners and income from other sources. DVD will pay such expenses as needed to meet expenses as the expenses are incurred. 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 Vacation Ownership Interests on the date of such natural disaster or act of God, or their successors or assigns, the Association maintains all insurance coverages required by Section 721.165, Florida Statutes. DVD reserves the right, but is under no obligation, to extend and/or increase the amount of this guarantee for one (1) or more periods of one (1) year each after the expiration of this guarantee period on December 31, 2024, as permitted by Florida law.

See also Additional Budget Notes.

### **Additional Budget Notes**

1. **2024 Dollars** - All costs are stated in 2024 dollars unless otherwise indicated.
2. **Annual Budgets** - The 2024 estimated Budgets are annual budgets based upon 76 Vacation Homes in The Cabins Resort Use Plan being open for a full year in 2024 for the purpose of calculating annual assessments. Because it is estimated that The Cabins Resort Use Plan will only be open less than 12 months during 2024, assessments for 2024 will be prorated.
3. **Shared Facilities** - The use of certain facilities, including without limitation, cabins check-in facility, back office facilities, telephone equipment rooms, etc., are being provided to The Cabins Resort Use Plan pursuant to the terms of either the Property Management Agreement, Trust and Association Management Agreement, the Master Declaration, the Common Facilities Agreement, or the Declaration of Covenants, Conditions, and Restrictions as a shared facility by Owners and other users of adjacent property. The cost of operating and maintaining such facilities is apportioned among its users, including Owners, and are included in certain of the cost components in the 2024 estimated operating budget, including Administration and Front Desk, Housekeeping, Maintenance, Utilities and Member Activities. If the Resort was required to provide such facilities only within the Resort and solely for the use and benefit of the Owners, the cost of operating The Cabins Resort Use Plan would increase.
4. **Books and Records** - The books and records for the Association are maintained at: 215 Celebration Place, Celebration, Florida 34747. The person responsible for the upkeep and custodianship of the books and records of the Association is the Treasurer of the Association, (407) 566-3000.

5. Related Party Transactions - DVD is a Florida corporation and a related entity of The Walt Disney Company ("TWDC"), a Delaware corporation. DVD acquired the property under the terms of a ground lease by and between Walt Disney Parks and Resorts U.S., Inc. ("WDPR"), a Florida corporation, (formerly Walt Disney World Co.), its successors and assigns, and DVD. WDPR is also a subsidiary of TWDC. The terms of the ground lease permit DVD to develop certain real property in Orange County, Florida, for the purpose of offering prospective purchasers vacation ownership interests in The Cabins Resort Use Plan as part of the vacation ownership plan. Unless otherwise extended, the ground lease will expire on January 31, 2075, and vest to the benefit of WDPR.

Certain directors or officers of DVD or Disney Vacation Club Management, LLC ("DVCM") serve on the Board or as officers of the Association. Certain directors or officers of the Association are also employees of TWDC or its affiliates.

DVCM, a Florida limited liability company, is the manager of the Association and is also a subsidiary of TWDC.

Management fees payable to DVCM are 12 percent of the Budget exclusive of real estate taxes, transportation fees, and the management fees, themselves.

DVCM has an agreement with the Association whereby DVCM may operate a resort hotel with respect to the rental of unreserved accommodations in the Resort. Proceeds, resulting from the rental of unreserved accommodations, are retained by the Association up to an amount equal to 2.5 percent of the adjusted operating and capital reserves budget, as defined, in each calendar year, as breakage revenue.

Substantially all operating expenses have been allocated to the Association from DVCM, and certain operating expenses have been rendered by or incurred through other TWDC entities.

Amounts due to or from DVCM are payable in full and due on demand.

6. Management Agreements - The Association currently has three-year property and association management agreements ending January 31, 2027 with DVCM. Thereafter, the management agreement automatically renews for successive periods of three (3) years each, upon its scheduled expiration, unless either party gives the other written notice of nonrenewal, as stipulated in the agreement. DVCM provides association management, on-site management and maintenance services, and off-site administrative and accounting services.

Pursuant to the management agreement, DVCM has been delegated the authority by the Association to provide all services, through employees and experts retained by it, incidental to the management and operation of the Resort and Association. In connection therewith, substantially all operating expenses have been allocated to the Association from DVCM. However, certain operating expenses may be incurred through other TWDC entities.

7. Use Availability Periods - Pursuant to Section 721.13(3)(c)1, Florida Statutes, the total number of 7-day annual use availability periods currently registered with the State of Florida is 18,876.

#### **Estimated Ad Valorem Taxes for January 1, 2024 through December 31, 2024**

The amount of ad valorem taxes assessed against the Resort will be determined by the Orange County Property Appraiser's Office and the Central Florida Tourism Oversight District Appraiser, respectively. The estimated ad valorem tax assessments to be included on your 2024 Annual Dues billing statement will be \$1.9811 per Vacation Point. This is DVCM's best estimate of the actual taxes, which will be assessed for the tax year 2024. DVCM does not certify this ad valorem tax estimate. Each Owner is responsible for his

or her per Vacation Point share of the actual tax bill received each year from the tax collector's office. Any difference between the tax estimate and actual taxes paid on the Owner's behalf will be applied towards the Owner's subsequent year's tax assessment.

#### **2024 Estimated Annual Dues Assessment**

The estimated Annual Dues for the year January 1, 2024 through December 31, 2024 are \$12.1542 per Vacation Point, which is comprised of the estimated annual operating budget (\$8.5610 per Vacation Point), the estimated annual capital reserves budget (\$1.6121 per Vacation Point) and the estimated ad valorem taxes (\$1.9811 per Vacation Point). The total amount of Annual Dues paid by a Purchaser or Owner is determined by multiplying the total number of Vacation Points represented by the Vacation Ownership Interest purchased by \$12.1542. For example, if the Vacation Ownership Interest is represented by 230 Vacation Points, the estimated Annual Dues would be \$2,795.47.

Rev. 10/6/2023