

REVISIONS DATED 10/2021
DISNEY'S RIVIERA RESORT COMPONENT SITE PUBLIC OFFERING STATEMENT

The following revisions have been approved by the Division of Florida Condominiums, Timeshares, and Mobile Homes Florida and are immediately incorporated into the Disney's Riviera Resort Component Site Public Offering Statement (Rev. 02/28/2019). All other terms of the Component Site Public Offering Statement shall remain in full force and effect.

Exhibit 0 - Public Offering Statement Text

- Paragraph 1b was updated with the current number of declared Vacation Points: 3,325,222.
- Paragraph 5a was updated to reflect the current number of declared Vacation Homes.

5. Description of the Riviera Resort.

a. Resort Accommodations and Facilities. The buildings, Vacation Homes, and Use Day availability periods currently declared consist of the following:

Number of Residential Buildings (Residential Buildings):	1
Number of Vacation Homes in Each Building:	341
Number of Seven (7) Use Day Availability Periods in Each Vacation Home:	51
Total Number of Vacation Homes Declared:	167
Total Number of Each Type of Vacation Home:	
Grand Villa Vacation Home (3 Bedroom/3 Bath)	7
Two-Bedroom Vacation Home- can be locked-off into One-Bedroom and Studio Vacation Homes (2 Bedroom/2 Bath)	67
Two-Bedroom Vacation Home- cannot be locked-off into One-Bedroom and Studio Vacation Homes (2 Bedroom/2 Bath)	48
One-Bedroom Vacation Home (1 Bedroom/1 Bath)	15
Deluxe Studio Vacation Home (1 Bedroom/1 Bath)	18
Tower Studio Vacation Home (1 Bedroom/ 1 Bath)	12
Total Number of Seven (7) Use Day Availability Periods:	8,517

REVISIONS DATED 6/2021
DISNEY'S RIVIERA RESORT COMPONENT SITE PUBLIC OFFERING STATEMENT

The following revisions have been approved by the Division of Florida Condominiums, Timeshares, and Mobile Homes Florida and are immediately incorporated into the Disney's Riviera Resort Component Site Public Offering Statement (Rev. 02/28/2019). All other terms of the Component Site Public Offering Statement shall remain in full force and effect.

Exhibit 0 - Public Offering Statement Text

- Paragraph 4(a)(3) was updated to change DVCM's address to 215 Celebration Place Suite 300, Celebration, FL 34747.

REVISIONS DATED 12/2020
DISNEY'S RIVIERA RESORT COMPONENT SITE PUBLIC OFFERING STATEMENT

The following revisions have been approved by the Division of Florida Condominiums, Timeshares, and Mobile Homes Florida and are immediately incorporated into the Disney's Riviera Resort Component Site Public Offering Statement (Rev. 02/28/2019). All other terms of the Component Site Public Offering Statement shall remain in full force and effect.

Exhibit 0 – Public Offering Statement Text

- Paragraph 4a(1) was updated to state the correct name of the vacation ownership plan at The Villas at Disney's Grand Floridian Resort and to reflect Disney's Riviera Resort since December 2019.
- Paragraph 4a(3) was updated to reflect the Property Management Fee according to the 2021 estimated budgets.

As set forth in the Property Management Agreement, DVCM will be compensated for its site management services by receiving an annual management fee equal to the sum of twelve percent (12%) of the total Estimated Budgets and special assessments or any other charges required to be collected from Owners. The twelve percent (12%) portion of the Management Fee shall be calculated on all line items of the Estimated Budgets, and any special assessments or other charges required to be collected from Owners, except transportation fees and the resulting twelve percent (12%) amount itself. The Management Fee is in addition to, all other compensation, reimbursements, costs, or expenses paid to DVCM by the Association, including fees, profits, revenue, or monies, if any, generated from the concessions as described in the Property Management Agreement. It is anticipated that, for the first year of operation at the Riviera Resort, DVCM will receive an annual management fee equal to \$149,511 per month or \$1,794,127 per year. This percentage level for compensation may not be increased without the approval of the Board controlled by DVD; however, the actual compensation received by DVCM for these services will increase as the Estimated Budgets increase.

- Paragraph 6b was updated to reflect the 2021 estimated budgets.

b. Basis for Assessments.

DVD has agreed to guarantee to each Purchaser and Owner that they will only be required to pay an assessment for operating and reserves expenses of \$6.5412 per Vacation Point through December 31, 2021, exclusive of Ad Valorem Real Estate 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 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 by the Condominium 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 Ownership Interests on the date of such natural disaster or act of God, or their successors or assigns, including DVD as to its unsold Ownership Interest, provided that during any period of time DVD controls the Association pursuant to Section 718.301, Florida Statutes, 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, 2021, as permitted by Florida law.

The 2021 annual assessment (exclusive of Ad Valorem Real Estate Taxes) will be calculated by multiplying the number of Vacation Points associated with your Ownership Interest by \$6.5412 per Vacation Point.

Exhibit 6 - Estimated Budgets and Schedule of Required Purchasers' Expenses

Attached are the 2021 estimated budgets for the Riviera Resort.

Disney's Riviera Resort Condominium Association, Inc.

Estimated Operating Budget For The Year January 1, 2021 Through December 31, 2021

<u>180 Vacation Homes</u>		
<u>Revenue Components</u>	<u>2021 Annual Budget</u>	<u>2021 Annual Budget (Per Vacation Point)</u>
Member Late Fees and Interest	\$71,281	\$0.0234
Breakage Income	511,584	0.1677
Member Annual Dues Assessment	16,987,575	5.5694
Parking Revenue	107,624	0.0353
TOTAL REVENUES AND INCOME	\$17,678,064	\$5.7958
<u>Cost Components</u>		
Administration and Front Desk	\$1,993,745	\$0.6537
Annual Audit	14,900	0.0049
DVC Reservation Component	9,846	0.0032
Fees to the Division	18,597	0.0061
Housekeeping	6,704,292	2.1980
Income Taxes	114,183	0.0374
Insurance	288,736	0.0947
Legal	2,000	0.0007
Maintenance	1,508,174	0.4945
Management Fee	1,794,127	0.5882
Member Activities	1,013,045	0.3321
Security	230,095	0.0754
Transportation	3,206,574	1.0513
Utilities	779,750	0.2556
TOTAL OPERATING EXPENSES	\$17,678,064	\$5.7958

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 Disney's Riviera Resort ("Resort"). 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 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 Condominium Documents, Disney Vacation Club Management, LLC ("DVC") rents, during the Breakage Period, certain accommodations that have not been reserved by 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 Condominium Operating Budget (total operating expenses less the sum of parking revenue and Member late fees and interest) and Capital Reserve Budget in each calendar year.
3. Member Annual Dues Assessment - The amount assessed to Owners with an Ownership Interest in Disney's Riviera Resort.
4. Parking Revenue - The amount allocated to the Association that is derived from parking fees charged to renters of Vacation Homes.

Description of Cost Components:

1. Administration and Front Desk - Cost of front desk operations and resort management, including operating supplies and equipment rental. Also includes costs for operational and administrative support from the WALT DISNEY WORLD® Resort ("WDW").
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 week 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. Timeshare condominium associations may not claim non-profit status 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 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 Fee - Fee paid to DVC for providing management services to the Association according to the Property Management Agreement. The fee is equal to 12 percent of the total Operating and Reserve Budget exclusive of real estate taxes, transportation fees and the management fee, itself.
11. Member Activities - Cost of recreation operations, certain Member activities and events at the Resort. Cost of quarterly Member newsletter, annual Association meetings and printing and postage for Association legal mailings.
12. Security - Cost of 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. Property Management Subcontract - Certain of the variable and semi-variable expenses related to the provision of certain services to the Condominium as set forth in the 2021 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 Condominium instead of included in a property management subcontract that takes into account that the services are also being provided to adjacent accommodations that are not part of the Condominium.

2. 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 \$5.5694 per Vacation Point through December 31, 2021, 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 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 Condominium 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 Ownership Interests on the date of such natural disaster or act of God, or their successors or assigns, including DVD as to its unsold Ownership Interest, provided that during any period of time DVD controls the Association pursuant to Section 718.301, Florida Statutes, 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, 2021, as permitted by Florida law.

See also Additional Budget Notes.

Estimated Capital Reserves Budget For January 1, 2021 Through December 31, 2021

Replacement Fund Components	180 Vacation Homes	
	2021 Annual Budget	2021 Annual Budget (Per Vacation Point)
Capital Reserves	\$3,035,299	\$0.9951
Interest Income	(71,111)	(0.0233)
TOTAL CAPITAL RESERVES BUDGET	\$2,964,188	\$0.9718

Capital Reserve Analysis For The Year Ended December 31, 2020

Replacement Fund Components	Estimated Fund Balance as of December 31, 2020	Estimated Useful Lives (Years)	Estimated Remaining Useful Lives (Years)	Estimated Current Replacement Costs (180 Vacation Homes)
Roof Replacement/Repair		20 - 30	19 - 29	\$2,951,775
Interior Refurbishment		1 - 21	5 - 20	48,112,376
External Building Painting		9	8	4,522,922
Common Element Renovation		1 - 30	1 - 29	30,550,379
Pavement Resurfacing		3 - 20	2 - 19	1,040,950
Capital Reserves	\$3,574,000			
TOTAL	\$3,574,000			\$87,178,402

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 Disney's Riviera Resort. 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 Units and Common Elements 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 \$0.9718 per Vacation Point through December 31, 2021, 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 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 Ownership Interests on the date of such natural disaster or act of God, or their successors or assigns, including DVD, provided that during any period of time DVD controls the Association pursuant to Section 718.301, Florida Statutes, 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, 2021, as permitted by Florida law.

See also Additional Budget Notes.

Additional Budget Notes

1. 2021 Dollars - All costs are stated in 2021 dollars unless otherwise indicated.
2. Books and Records - The books and records for the Association are maintained at: 1390 Celebration Boulevard, 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.
3. 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, as successor by merger to Walt Disney World Hospitality & Recreation Corporation ("WDWHRC"), 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 ownership interests in Condominium units as part of the vacation ownership plan. Unless otherwise extended, the ground lease will expire on January 31, 2070, 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.

During the period from July 20, 2018 (date of inception) through December 31, 2019, DVD annual dues paid to the Association were \$214,853.

As of December 31, 2019, the amount due from DVD of \$136,336 is primarily related to the annual dues assessments.

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 total annual operating and reserve budget exclusive of real estate taxes, transportation fees, and the management fee, itself. Management fees incurred during the period from July 20, 2018 (date of inception) through December 31, 2019, were \$38,466.

DVCM has an agreement with the Association whereby DVCM may operate a resort hotel with respect to the rental of unreserved accommodations in the Condominium. 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. During the period from July 20, 2018 (date of inception) through December 31, 2019, the Association received \$11,566 in 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. As of December 31, 2019, the amount due from DVCM of \$922,726 related to annual dues collected but not yet remitted to the Association, net of allocable expenses.

4. Management Agreement - The Association currently has a three-year management agreement ending February 17, 2022 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 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 Condominium. 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.

5. Vacation Homes - Wherever used throughout this budget, the term Vacation Home does not include studio or one bedroom accommodations that comprise part of a two bedroom lockoff Vacation Home.
6. 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 17,391.

Estimated Ad Valorem Taxes for January 1, 2021 through December 31, 2021

The amount of ad valorem taxes assessed against each Unit will be determined by the Orange County Property Appraiser's Office and the Reedy Creek Improvement District Appraiser, respectively. The estimated ad valorem tax assessments to be included on your 2021 Annual Dues billing statement will be \$1.8421 per Vacation Point. 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.

2021 Estimated Annual Dues Assessment

The estimated Annual Dues for the year January 1, 2021 through December 31, 2021 are \$8.3833 per Vacation Point, which is comprised of the estimated Annual Operating Budget (\$5.5694 per Vacation Point), the estimated Annual Capital Reserves Budget (\$0.9718 per Vacation Point) and the estimated ad valorem taxes (\$1.8421 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 Ownership Interest purchased by \$8.3833. For example, if the Ownership Interest is represented by 230 Vacation Points, the estimated Annual Dues would be \$1,928.16.

REVISIONS DATED 12/2019
DISNEY'S RIVIERA RESORT COMPONENT SITE PUBLIC OFFERING STATEMENT

The following revisions have been approved by the Division of Florida Condominiums, Timeshares, and Mobile Homes Florida and are immediately incorporated into the Disney's Riviera Resort Component Site Public Offering Statement (Rev. 02/28/2019). All other terms of the Component Site Public Offering Statement shall remain in full force and effect.

Exhibit 0 – Public Offering Statement Text

- The language in paragraph 1a(1), was updated as follows:
 - (1) Ground Lease. The Riviera Resort has been created on a Ground Lease, and the portion of DVD's interest in the Ground Lease that has been declared to the condominium form of ownership is a Common Element of the Riviera Resort.
- Paragraph 4a(1) was updated to state the correct name of the vacation ownership plan at The Villas at Disney's Grand Floridian Resort and to reflect Disney's Riviera Resort since December 2019.
- Paragraph 4a(3) was updated to reflect DVCM's acting as the management company for Disney's Riviera Resort since December 2019.
- Paragraph 5b(2) was updated to reflect that the construction, equipping, and finishing of all Phases of the Riviera Resort, that are currently being offered for sale, is complete.
- Paragraph 5c was updated to reflect that the construction, equipping, and finishing of the recreational facilities of the Riviera Resort, that are currently being offered for sale, is complete.
- The language in paragraph 5c(3), was updated to reflect availability for use of the listed recreational and other commonly used facilities.
- The recreational and other commonly used facilities that have been declared as part of the Riviera Resort and have been filed for sale under Florida law, are described as follows:
 - (i) Feature Swimming Pool and Sunbathing Deck. One (1) heated feature swimming pool and one (1) sun/bathing deck is available for use.
 - (ii) Pool Slide at Feature Swimming Pool. One (1) pool slide is available for use at the feature swimming pool.
 - (iii) Hot Tub at Feature Swimming Pool. One (1) hot tub at the feature swimming pool is available for use.
 - (iv) Children's Interactive Water Area. One (1) children's interactive water area will be located near the feature swimming pool and is available for use.
 - (v) Additional Pool and Sunbathing Deck. One (1) additional heated swimming pool and one (1) sunbathing deck is available for use.
 - (vi) Additional Hot Tub. One (1) additional hot tub is available for use.

REVISIONS DATED 07/2019
DISNEY'S RIVIERA RESORT COMPONENT SITE PUBLIC OFFERING STATEMENT

The following revisions have been approved by the Division of Florida Condominiums, Timeshares, and Mobile Homes Florida and are immediately incorporated into the Disney's Riviera Resort Component Site Public Offering Statement (Rev. 02/28/2019). All other terms of the Component Site Public Offering Statement shall remain in full force and effect.

Exhibit 0 – Public Offering Statement Text

- The language referencing the address of Disney's Riviera Resort, in Section III. Public Offering Statement Text, paragraph 1a., was updated to reflect the recent address change.

1. The Vacation Ownership Plan.

a. The Plan. The legal name of the condominium is Disney's Riviera Resort, a leasehold condominium, and it is located at 1080 Esplanade Avenue, Lake Buena Vista, FL 32830.