

COPPER CREEK VILLAS & CABINS AT DISNEY'S WILDERNESS LODGE 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 Copper Creek Villas & Cabins at Disney's Wilderness Lodge Component Site Public Offering Statement (Rev. 04/2019). 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(3) was updated to reflect the Property Management Fee according to the 2021 estimated budgets.

As set forth in the Property Management Agreement, DVCMC 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 DVCMC by the Association, including all fees, profits, revenue or monies generated from the concessions as described in the Property Management Agreement. For the current budget year, DVCMC will receive an annual management fee for Copper Creek Villas & Cabins, equal to \$143,824 per month or \$1,725,886 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 DVCMC 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 \$5.6254 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 \$5.6254 per Vacation Point.

Exhibit 7 - Estimated Budgets and Schedule of Required Purchasers' Expenses

Attached are the 2021 estimated budgets for the association.

Copper Creek Villas & Cabins at Disney's Wilderness Lodge Condominium Association, Inc.

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

<u>184 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	\$111,248	\$0.0335
Breakage Income	479,164	0.1442
Member Annual Dues Assessment	14,403,075	4.3357
Parking Revenue	12,834	0.0039
TOTAL REVENUES AND INCOME	\$15,006,321	\$4.5173
<u>Cost Components</u>		
Administration and Front Desk	\$2,154,889	\$0.6487
Annual Audit	14,900	0.0045
DVC Reservation Component	21,253	0.0064
Fees to the Division	18,768	0.0056
Housekeeping	4,207,004	1.2664
Income Taxes	124,431	0.0375
Insurance	290,146	0.0873
Legal	1,000	0.0003
Maintenance	2,333,900	0.7026
Management Fee	1,725,886	0.5195
Member Activities	745,089	0.2243
Security	200,547	0.0604
Transportation	2,579,144	0.7764
Utilities	589,364	0.1774
TOTAL OPERATING EXPENSES	\$15,006,321	\$4.5173

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 Copper Creek Villas & Cabins at Disney's Wilderness Lodge ("Resort"). See also Additional Budget Notes

Description of Revenue Components:

1. Interest Income - Taxes and Operating - Interest earned on (i) ad valorem tax deposits held in escrow and (ii) operating budget deposits invested until expended for operating expenses.

2. 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.
3. 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.
4. Member Annual Dues Assessment - The amount assessed to Owners with an Ownership Interest in Copper Creek Villas & Cabins at Disney's Wilderness Lodge.
5. 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 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. 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 \$4.3357 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	184 Vacation Homes	
	2021 Annual Budget	2021 Annual Budget (Per Vacation Point)
Capital Reserves	\$4,387,299	\$1.3207
Interest Income	(102,816)	(0.0310)
TOTAL CAPITAL RESERVES BUDGET	\$4,284,483	\$1.2897

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 (184 Vacation Homes)
Roof Replacement/Repair		20 - 45	1 - 30	\$11,174,314
Interior Refurbishment		1 - 28	1 - 25	27,028,249
External Building Painting		7 - 10	1 - 6	3,035,528
Common Element Renovation		1 - 30	1 - 27	14,719,427
Pavement Resurfacing		3 - 40	2 - 36	159,055
Capital Reserves	\$12,194,854			
TOTAL	\$12,194,854			\$56,116,573

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 Copper Creek Villas & Cabins at Disney's Wilderness Lodge. 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 \$1.2897 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. Shared Facilities - The use of certain facilities, including without limitation, hotel check-in facility, back office facilities, telephone equipment rooms, etc., are being provided to the Resort pursuant to the terms of either the Property Management Agreement or the Master Declaration as a shared area, the cost of operating and maintaining such facilities being apportioned among its users including Owners and are included in certain of the Cost Components in the 2021 Estimated Operating Budget, including Administration and Front Desk, Housekeeping, Maintenance, Utilities and Member Activities. If the Resort was required to provide such facilities within the Condominium Property and solely for the use and benefit of the owners, the cost of operating the Condominium Property would increase.
3. 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.
4. 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, 2068, 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.

DVD retains no less than 2 percent of the total ownership interests in each unit declared in the Condominium and is responsible for annual dues with respect to its retained or unsold ownership interests. DVD has retained ownership interests equivalent to approximately 64,926 vacation points. In addition, DVD had unsold ownership interests equivalent to approximately 155,764 vacation points as of December 31, 2019. During the year ended December 31, 2019, DVD annual dues paid to the Association were \$1,569,552.

As of December 31, 2019, the amount due from DVD of \$153,270 is primarily related to annual dues.

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 year ended December 31, 2019, were \$1,666,876.

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 year ended December 31, 2019, the Association received \$464,502 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 \$2,146,573 related to annual dues collected but not yet remitted to the Association, net of allocable expenses.

5. Management Agreement - The Association currently has a three-year management agreement ending February 16, 2023 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.

6. 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.
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 9,384.

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 \$1.9649 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 \$7.5903 per Vacation Point, which is comprised of the estimated Annual Operating Budget (\$4.3357 per Vacation Point), the estimated Annual Capital Reserves Budget (\$1.2897 per Vacation Point) and the estimated ad valorem taxes (\$1.9649 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 \$7.5903. For example, if the Ownership Interest is represented by 230 Vacation Points, the estimated Annual Dues would be \$1,745.77.

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Exhibit 0 - Public Offering Statement Text

- The language in paragraph 1a(1), was updated as follows:

(1) Ground Lease. The Copper Creek Villas & Cabins 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 Copper Creek Villas & Cabins.

- Paragraph 4a was updated to reflect Disney's Riviera Resort since December 2019.