

AULANI, DISNEY VACATION CLUB® VILLAS, KO OLINA, HAWAII COMPONENT SITE PUBLIC OFFERING STATEMENT

The following revisions have been approved by the Division of Florida Condominiums, Timeshares, and Mobile Homes and are immediately incorporated into Aulani, *Disney Vacation Club*® Villas, Ko Olina, Hawaii Component Site Public Offering Statement (Rev. 01/16/2014). All other terms of the Component Site Public Offering Statement shall remain in full force and effect.

- Paragraph 1b was updated to reflect more Vacation Points declared to the Plan. The number of Home Resort Vacation Points available for use by a Purchaser in connection with the Home Resort Reservation Component of the Club's central reservation system is determined using a formula based upon the total square footage relating to the Ownership Interest acquired by the Purchaser, as more particularly described on Exhibit I of the Plan Declaration. The total number of Home Resort Vacation Points currently being declared at the Aulani DVC Resort is 11,519,025 Home Resort Vacation Points. However, only Phase 1, Phase 2 and a portion of Phase 3, consisting of a total of 6,727,814 Home Resort Vacation Points have been declared to the Plan and are currently available for use.
- Paragraph 4a was updated to reflect Disney's Riviera Resort since December 2019.
- Paragraph 4a(3) was updated to reflect the Property Management Fee according to the 2020 estimated budgets.

As set forth in each Property Management Agreement, DVCHMC will be compensated for its site management services by receiving an annual management fee equal to a percentage of the Estimated Budgets, less non-assessment revenue, of each Association exclusive of the management fee itself. It is anticipated that, for the current budget year of the Condominium Association, DVCHMC will receive an annual management fee equal to twelve percent (12%) of the Estimated Budgets, which is equal to the sum of \$284,651 per month or \$3,415,816 per year. It is anticipated that, for the current budget year of the Hotel Condominium Association, DVCHMC will receive an annual management fee equal to twelve percent (12%) of the Estimated Budgets, which is equal to the sum of \$7,738 per month or \$92,854 per year. It is anticipated that, for the current budget year of the Vacation Owners Association, DVCHMC will receive a total fee of twelve percent (12%) of the Estimated Budgets, which is equal to the sum of \$346,937 per month or \$4,163,245 per year. This represents a total management fee of \$639,326 per month or \$7,671,915 per year that DVCHMC will receive for the annual management of all three Associations. This percentage level for compensation may not be increased without the approval of the applicable Board of Directors which are each controlled by DVD; however, the actual compensation received by DVCHMC for these services will increase as the Estimated Budgets increase.

- Paragraph 6b was updated to reflect the 2020 budget.

b. Plan Expenses Guarantee; Reserve Expenses Guarantee; Total Annual Dues.

(1) Plan Operating Expenses Guarantee. Pursuant to a Limited Subsidy Agreement between DVD and the Vacation Owners Association, DVD has agreed that each Purchaser and Member will pay an annual assessment for operating expenses of the Vacation Ownership Plan of \$4.1991 per Vacation Point through December 31, 2020 (exclusive of real property taxes). DVD will pay the difference between the actual costs incurred in operating the Plan (excluding real property taxes) and the sum of the amount of operating assessments assessed to all Members other than DVD and income from other sources. Provided DVD timely performs its obligation under the Limited Subsidy Agreement, DVD's payments thereunder to the Vacation Owners Association shall satisfy fully its obligation to pay assessments attributable to each Ownership Interest owned by DVD. Notwithstanding the foregoing, any expenses incurred as a result of (i) any new category of imposition that comes into effect after the date of the Limited Subsidy Agreement which is levied or assessed by any local, county, state or federal government, no matter how characterized, or (ii) any increase in transient accommodation taxes and any Special Assessments for capital expenditures, insurance policy deductibles, underinsured losses, or uninsured losses, will be assessed against all Members owning Ownership Interests, their successors or assigns, including DVD. The Limited Subsidy Agreement shall automatically be renewed for successive one-year periods with respect to the estimated annual operating expense assessment for the Plan (as it may be adjusted from year to year) for each such successive one-year period unless DVD elects to terminate the agreement upon thirty (30) days prior written notice. DVD reserves the right to discontinue offering this subsidized operating assessment in the future. This developer subsidy is limited to Plan assessments and does not apply to Condominium assessments.

(2) Reserve Expenses Guarantee. Pursuant to a Limited Subsidy Agreement between DVD and the Vacation Owners Association, each Purchaser and Member will pay an annual assessment for Plan reserve expenses of \$0.9006 per Vacation Point through December 31, 2020. DVD will pay the difference between the actual amount budgeted for Plan reserve

assessments and the sum of the amount of Plan reserves assessments collected from all Members and income from other sources to be applied against reserve assessments. Notwithstanding the foregoing, any expenses incurred as a result of (i) any new category of imposition that comes into effect after the date of this Agreement which is levied or assessed by any local, county, state or federal government, no matter how characterized, or (ii) any increase in transient accommodation taxes and any Special Assessments for capital expenditures, insurance policy deductibles, underinsured losses, or uninsured losses, will be assessed against all Members owning Ownership Interests, their successors or assigns, including DVD. The Limited Subsidy Agreement shall automatically be renewed for successive one-year periods with respect to the estimated annual reserve assessment for the Plan (as it may be adjusted from year to year) for each such successive one-year period unless DVD elects to terminate the agreement upon thirty (30) days prior written notice. DVD reserves the right to discontinue offering this subsidized reserves assessment in the future. This developer subsidy is limited to Plan assessments and does not apply to Condominium assessments

(3) Total Annual Dues: The estimated Annual Dues for the year January 1, 2020 through December 31, 2020 are \$8.3312 per Vacation Point, which is comprised of the estimated Annual Operating Budget (\$4.1991 per Vacation Point), and Capital Reserves Budget (\$0.9006 per Vacation Point) for the Vacation Ownership Plan; plus the estimated Annual Operating Budget (\$2.2644 per Vacation Point) and Capital Reserves Budget (\$0.2797 per Vacation Point) for the Vacation Ownership Condominium and the estimated real property taxes (\$0.6874 per Vacation Point). The total amount of Annual Dues (including estimated real property taxes) paid by a Purchaser or Member is determined by multiplying the total number of Vacation Points represented by the Ownership Interest purchased by \$8.3312. For example, if the Ownership Interest is represented by 230 Vacation Points, the estimated Annual Dues would be \$1,916.18.

- Paragraph 7b(2)(a) was updated to reflect a nightly range of taxes based on the current annual dues.

(a) Transient Accommodations Tax; General Excise Tax. **Members will be required to pay at or before check-out a nightly transient accommodations tax for each night during their stay.** The State of Hawai'i taxes the occupancy of Vacation Ownership Units. The amount of the tax is 10.25% of the fair market rental value. The "fair market rental value" is set to one-half of the gross daily maintenance fees paid by the Member and attributable to the Vacation Ownership Unit unless the taxpayer proves or the tax director determines that the gross daily maintenance fees do not fairly represent fair market rental value taking into account comparable transient accommodation rentals or other appraisal methods. At present, the tax is payable by each Member or primary occupant at or before check-out. Based upon the 2020 Annual Dues, for stays occurring in 2020, the tax per night will range from a low of approximately \$6.83/night to a high of \$78.56/night. For stays occurring after 2020, the tax per night will be based upon the Annual Dues for the year in which the stay occurs, which may be higher than the tax per night for stays in 2020. The Board of Directors of the Vacation Owners Association may choose in the future to charge the tax when making or confirming a reservation, at any other time determined by such Board of Directors, or include it in the assessments of the Members. The amount of the tax will also increase if Hawai'i increases the tax rate. The State of Hawai'i and the City and County also charge a general excise tax on amounts collected by the Vacation Owners Association, including assessments. Although the tax rate is 4.5%, the charge for the tax will be higher to ensure that the Vacation Owners Association receives the amount it needs, net after taxes. The State of Hawai'i or the City and County of Honolulu may increase or decrease the occupancy tax or the general excise tax from time to time, and may extend the general excise tax to amounts collected by the Condominium Association. DVD makes no representations as to the taxes that may be charges by the City and County of Honolulu or the State of Hawai'i in the future.

Exhibits 12 and 13 - Estimated Budgets and Schedules of Required Purchasers' Expenses

Attached are the 2020 estimated budgets for the associations.

Aulani, Disney Vacation Club® Villas, Ko Olina, Hawai'i
2020 Dues Assessments

Association	Annual Dues Per Vacation Point (all amounts expressed in 2020 dollars)
Ali'i Nui Vacation Owners Association, Inc.	
Operating	\$4.1991
Reserve	\$0.9006
Ali'i Nui Villas Condominium Association, Inc.	
Operating	\$2.2644
Reserve	\$0.2797
Ad Valorem Taxes	\$0.6874
TOTAL	\$8.3312

Ali'i Nui Vacation Owners Association, Inc.

Estimated Operating Budget For January 1, 2020 Through December 31, 2020

<u>295 Vacation Homes</u>		
<u>Revenue Components</u>	<u>2020 Annual Budget</u>	<u>2020 Annual Budget (Per Vacation Point)</u>
Member Late Fees and Interest	\$279,864	\$0.0383
Breakage Income	1,830,856	0.2503
Member Annual Dues Assessment	30,709,355	4.1991
TOTAL REVENUES AND INCOME	\$32,820,075	\$4.4877
<u>Cost Components</u>		
Administration and Front Desk	\$7,954,295	\$1.0876
Annual Audit	15,571	0.0021
Master Association Fees	533,766	0.0730
DVC Reservation Component	40,624	0.0056
General Excise Tax	1,866,739	0.2552
Housekeeping	7,133,057	0.9754
Income Taxes	709,270	0.0970
Insurance	858,478	0.1174
Legal	1,045	0.0001
Maintenance	3,560,968	0.4869
Management Fee	4,163,245	0.5693
Member Activities	176,660	0.0242
Resort Access Fee	1,955,039	0.2673
Security	776,192	0.1061
Utilities	3,075,126	0.4205
TOTAL OPERATING EXPENSES	\$32,820,075	\$4.4877

Estimated Capital Reserves Budget For January 1, 2020 Through December 31, 2020

Replacement Fund Components	295 Vacation Homes	
	2020 Annual Budget	2020 Annual Budget (Per Vacation Point)
Capital Reserves	\$11,167,612	\$1.5270
Interest Income	(450,519)	(0.0616)
Developer Contribution	(4,130,695)	(0.5648)
TOTAL CAPITAL RESERVES BUDGET	\$6,586,398	\$0.9006

Capital Reserve Analysis For The Year Ended December 31, 2019

Replacement Fund Components	Estimated Fund Balance as of December 31, 2019	Estimated Useful Lives (Years)	Estimated Remaining Useful Lives (Years)	Estimated Current Replacement Costs (295 Vacation Homes)
Roof Replacement/Repair				\$ -
Interior Refurbishment		1 - 28	1 - 28	95,028,649
External Building Painting				-
Common Element Renovation				-
Pavement Resurfacing				-
Capital Reserves	\$38,132,176			
TOTAL	\$38,132,176			\$95,028,649

Ali'i Nui Villas Condominium Association, Inc.

Estimated Operating Budget For January 1, 2020 Through December 31, 2020

Revenue Components	Total	Air Space Units	Standard Commercial Units	295 Vacation Homes	
				Vacation Ownership Units	2020 Annual Budget (Per Vacation Point)
Condominium Commercial Facilities Revenue	\$4,558,107	\$40,936	\$211,390	\$4,305,781	\$0.3738
Shared Area Income	3,411,280	30,636	158,204	3,222,440	0.2797
Member Annual Dues Assessment	27,590,782	216,354	1,290,889	26,083,539	2.2644
TOTAL REVENUES AND INCOME	\$35,560,169	\$287,926	\$1,660,483	\$33,611,760	\$2.9179
Cost Components					
Administration	\$972,190	\$8,731	\$45,087	\$918,372	\$0.0797
Annual Audit	15,571	140	722	14,709	0.0013
Master Association Fees	288,159	2,588	13,364	272,207	0.0236
General Excise Tax	358,623	3,221	16,632	338,770	0.0294
Custodial	2,557,124	8,599	124,475	2,424,050	0.2104
Income Taxes	437,744	3,931	20,301	413,512	0.0359
Insurance	887,620	7,972	41,165	838,483	0.0728
Legal	1,045	9	48	988	0.0001
Maintenance	2,259,336	7,816	108,902	2,142,618	0.1860
Management Fee	3,415,816	26,081	159,729	3,230,006	0.2804
Member Activities	13,728,036	123,291	636,661	12,968,084	1.1258
Security	377,493	3,390	17,507	356,596	0.0310
Utilities	1,498,743	13,460	69,507	1,415,776	0.1229
Hotel Condominium Assessment	370,710	3,329	17,192	350,189	0.0304
Shared Area Expenses	8,391,959	75,368	389,191	7,927,400	0.6882
TOTAL OPERATING EXPENSES	\$35,560,169	\$287,926	\$1,660,483	\$33,611,760	\$2.9179

Estimated Capital Reserves Budget For January 1, 2020 Through December 31, 2020

Replacement Fund Components	Total	Air Space Units	Standard Commercial Units	295 Vacation Homes	
				Vacation Ownership Units	2020 Annual Budget (Per Vacation Point)
Capital Reserves	\$3,764,779	\$24,074	\$175,054	\$3,565,651	\$0.3095
Hotel Condominium Assessment	20,335	183	943	19,209	0.0017
Shared Area Expense	520,183	4,672	24,124	491,387	0.0427
Interest Income	(214,930)	(1,930)	(9,968)	(203,032)	(0.0176)
Shared Area Income	(690,080)	(6,198)	(32,004)	(651,878)	(0.0566)
TOTAL CAPITAL RESERVES BUDGET	\$3,400,287	\$20,801	\$158,149	\$3,221,337	\$0.2797

Capital Reserve Analysis For The Year Ended December 31, 2019

Replacement Fund Components	Estimated Fund Balance as of December 31, 2019	Estimated Useful Lives (Years)	Estimated Remaining Useful Lives (Years)	Estimated Current Replacement Costs
Roof Replacement/Repair		20 - 40	12 - 31	\$13,845,915
Interior Refurbishment				-
External Building Painting		7 - 10	1 - 3	12,082,656
Common Element Renovation		1 - 30	1 - 23	53,765,263
Pavement Resurfacing		3 - 20	1 - 12	1,100,559
Shared Area Expenses		5 - 30	1 - 23	4,246,369
Capital Reserves	\$19,739,609			
TOTAL	\$19,739,609			\$85,040,762

Budget Notes For 2020 Estimated Operating And Reserve Budgets For

**Ali'i Nui Vacation Owners Association, Inc. ("Vacation Owners Association")
Ali'i Nui Villas Condominium Association, Inc. ("Vacation Ownership Condominium Association")**

These budget notes are for the 2020 Estimated Operating and Reserve Budgets for Aulani, *Disney Vacation Club*® Villas, Ko Olina, Hawai'i Condominium (the "**Vacation Ownership Condominium**" or "**Condominium**"), and Aulani, *Disney Vacation Club Villas*®, Ko Olina, Hawai'i Vacation Ownership Plan ("**Vacation Ownership Plan**" or "**Plan**"). All capitalized terms not defined in these budget notes will have the same meanings ascribed to such terms in the Second Amended and Restated Declaration of Condominium Property Regime for Aulani, *Disney Vacation Club*® Villas, Ko Olina, Hawai'i Condominium (the "**Vacation Ownership Condominium Declaration**"), or the *Disney Vacation Club*® Villas, Ko Olina, Hawai'i Vacation Ownership Plan Declaration of Covenants, Conditions and Restrictions, and Grant and Reservation of Easements (the "**Vacation Ownership Plan Declaration**"), as applicable. The budgets have been prepared on an accrual basis. See also Additional Budget Notes.

Aulani Description

The overall property comprising the Aulani Resort is subject to an Amended and Restated Declaration of Covenants, Conditions, Easements and Restrictions (the "**Master Declaration**") and contains: (i) the Aulani, A Disney Resort & Spa, Ko Olina, Hawai'i Condominium (the "**Hotel Condominium**") and (ii) the Vacation Ownership Condominium which includes units subject to the Vacation Ownership Plan. In addition, the Hotel Condominium and Vacation Ownership Condominium include (i) properties that are subject to separate ownership and control (e.g., Commercial Units); and (ii) areas (e.g., support walls, roofs, building systems, sidewalks and amenities) that are commonly-used or integral to the structure, operation, use, or enjoyment of the Aulani Resort as a whole even though such areas are located on portions of the property that are under separate ownership and control (the "**Shared Areas**"). See Additional Budget Note 2.

Description of Revenue Components (applicable to both the Plan and Condominium Budgets except where noted):

1. **Member Late Fees and Interest** - All delinquent Annual Dues payments are subject to a late fee of \$25 per Ownership Interest, plus interest up to the maximum rate permitted by law (currently 12 percent) accrued on the amount outstanding from the original due date.
2. **Breakage Income** - As stated in the Plan Documents, Disney Vacation Club Hawai'i Management Company, LLC ("DVCHMC") rents, during the Breakage Period, certain accommodations that have not been reserved by Members. The Vacation Owners Association is entitled to receive, as breakage income, the proceeds of such rentals not to exceed 2.5 percent of the aggregate of (i) the Vacation Ownership Plan Estimated Operating Budget and Capital Reserve Budget less non-assessment revenue, plus (ii) the share of the Condominium Estimated Operating Budget and Capital Reserve Budget assessed to Owners in the Plan less non-assessment revenue. This revenue component is only included in the Plan Budget.
3. **Condominium Commercial Facilities Revenue** - The Common Elements of the Vacation Ownership Condominium include parking garages, cabanas and beach facilities that generate revenue. The revenue generated from these facilities (less a separate management fee to DVCHMC of 10% of the revenues, plus tax, as compensation for operating the facilities) is used to offset Common Expenses of the Vacation Ownership Condominium. This revenue component is only applicable to the Condominium Budget.
4. **Shared Area Income** - Shared Area income consist of funds received from the owners of interests or parcels in the Resort that are not part of the Vacation Ownership Condominium as their share of the Shared Area Expenses for the Shared Areas located as part of the Vacation Ownership Condominium. See Additional Budget Note 2. This revenue component is only applicable to the Condominium Budget.
5. **Member Annual Dues Assessment** - The amounts assessed to Owners under the Plan Budget or Condominium Budget, as applicable.

Description of Cost Components (applicable to both the Plan and Condominium Budgets except where noted):

1. Administration and Front Desk – Administrative costs of resort management, including operating supplies and equipment rental and operational, IT and administrative support, plus, in the case of the Vacation Ownership Plan, front desk operations and bell services.
2. Annual Audit - Fee for the independent audit of each of the Association's financial statements.
3. Master Association Fees - Fees paid to Ko Olina Community Association, Inc. and the Ko Olina Resort Operators Association, Inc. for security, maintenance, landscaping and other services for the Ko Olina Resort.
4. DVC Reservation Component - Fee paid to Buena Vista Trading Company for providing the exchange component of the Club central reservation system. This cost component is only applicable to the Plan Budget.
5. Custodial - Cost of cleaning public areas - only applicable to the Condominium Budget.
6. Housekeeping - Cost of cleaning Vacation Homes and cost of disposable amenities placed in each Vacation Home. Also includes the purchase, replacement and cleaning of linens and towels. This cost component is only applicable to the Plan Budget.
7. Income Taxes – Federal and state income taxes. Condominium and vacation owners associations may not claim non-profit status for federal income tax purposes under current regulations.
8. Insurance - Cost of insurance premiums for property coverage, general liability, workers' compensation, crime and Director's and Officer's liability.
9. Legal - Cost of legal counsel regarding Association business.
10. Maintenance - Cost of interior and exterior maintenance and repairs of the Common Elements of the Condominium and of Units included in the Vacation Ownership Plan not paid for out of replacement reserves. Also includes landscaping, pest control and fire alarm monitoring.
11. Management Fee - Fee paid to DVCHMC for providing management services to each of the Associations according to the Property Management Agreement for each Association. The fee is equal to 12 percent of the total Operating and Reserve Budget exclusive of non-assessment revenues, ad valorem taxes, and the management fee, itself.
12. Shared Area Expenses - The Member's share of the Shared Area Expenses charged through the Vacation Ownership Condominium Association, for the Shared Areas that are not included in the Vacation Ownership Condominium. This cost component is only applicable to the Condominium Budget.
13. Member Activities - Cost of recreation operations, certain Member activities and events at *Aulani, A Disney Resort & Spa, Ko Olina, Hawai'i Resort (the "Resort")*. Cost of quarterly Member newsletter, annual Association meetings and printing and postage for Association legal mailings.
14. Resort Access Fee - Fee paid to Ko Olina Club, LLC for providing to Members certain rights of access to and benefits associated with certain Ko Olina Resort entertainment facilities and services. This cost component is only applicable to the Plan Budget.
15. Security - Cost of security for the Resort.
16. Utilities – Cost of electricity, gas, water, sewer, solid waste disposal and cable television.

17. Hotel Condominium Assessment - The assessment billed to the Vacation Ownership Condominium Association by the Ali'i Nui Hotel Condominium Association, Inc. for the Vacation Ownership Condominium Association's share of the common expenses of the Aulani, A Disney Resort & Spa, Ko Olina, Hawai'i Condominium. See those Budgets for more details. This cost component is only applicable to the Condominium Budget.
18. General Excise Tax - State tax that is a privilege tax imposed on business activity in the State of Hawai'i and the City and County of Honolulu. The estimated total tax due to the State of Hawai'i and the City and County of Honolulu on the items of expenses and revenues that are subject to the tax.

General Notes:

Developer Subsidy (guarantee) for Plan Assessments - Pursuant to a Limited Subsidy Agreement between DVD and the Vacation Owners Association, DVD has agreed that each Purchaser and Owner will pay an annual assessment for operating expenses of the Vacation Ownership Plan of \$4,1991 per Vacation Point through December 31, 2020 (exclusive of ad valorem taxes). DVD will pay the difference between the actual costs incurred in operating the Plan (excluding ad valorem taxes) and the sum of the amount of operating assessments assessed to all Owners other than DVD with respect to such operating costs (excluding ad valorem taxes) and income from other sources. Provided DVD timely performs its obligation under the Limited Subsidy Agreement, DVD's payments thereunder to the Vacation Owners Association shall satisfy fully its obligation to pay assessments attributable to each Ownership Interest owned by DVD. Notwithstanding the foregoing, any expenses incurred as a result of (i) any new category of imposition that comes into effect after the date of the Limited Subsidy Agreement which is levied or assessed by any local, county, state or federal government, no matter how characterized, or (ii) any increase in transient accommodation taxes and any Special Assessments for capital expenditures, insurance policy deductibles, underinsured losses, or uninsured losses, will be assessed against all Owners owning Ownership Interests, their successors or assigns, including DVD as to its unsold Ownership Interest. The Limited Subsidy Agreement shall automatically be renewed for successive one-year periods with respect to the estimated annual operating expense assessment for the Plan (as it may be adjusted from year to year) for each such successive one-year period unless DVD elects to terminate the agreement upon thirty (30) days prior written notice. DVD reserves the right to discontinue offering this subsidized operating assessment in the future. This developer subsidy is limited to Plan assessments and does not apply to Condominium assessments.

See also Additional Budget Notes.

Budget Notes For Estimated Capital Reserves

1. Funds Covered - The annual budgets for Capital Reserves covers funds set aside for the repair or replacement of major items pertaining to the Vacation Homes and Common Elements with a useful life of greater than one year. The interest earned on these funds remains in the Capital Reserves accounts and is not absorbed into the Operating Budgets.
2. Shared Area Income - Shared Area income consist of funds received from the owners of interests or parcels in the Resort that are not part of the Vacation Ownership Condominium and is their share for Capital Reserves for the Shared Areas located in the Vacation Ownership Condominium. Shared Area Income reduces the amount of the reserve assessment payable by Owners. See Additional Budget Note 2.
3. Developer Reserves Contribution - Prorated share of reserves for 16 Vacation Homes, placed into service in 2013, that will become Active Units in the Plan during 2020.
4. Developer Subsidy (guarantee) for Plan Assessments - Pursuant to a Limited Subsidy Agreement between DVD and the Vacation Owners Association, each Purchaser and Owner will pay an annual assessment for Plan reserve expenses of \$0.9006 per Vacation Point through December 31, 2020. DVD will pay the difference between the actual amount budgeted for Plan reserve assessments and the sum of the amount of Plan reserves assessments collected from all Owners and income from other sources to be applied against reserve assessments. Notwithstanding the foregoing, any expenses incurred as a result of (i) any new category of imposition that comes into effect after the date of this Agreement which is levied or assessed by any local, county, state or federal government, no matter how characterized, or (ii) any increase in transient accommodation taxes and any Special Assessments for capital expenditures, insurance policy deductibles, underinsured losses, or uninsured losses, will be assessed against all Owners owning Ownership Interests, their successors or assigns, including DVD. The Limited Subsidy Agreement shall automatically be renewed for successive one-year periods with respect to the estimated annual reserve assessment for the Plan (as it may be adjusted from year to year) for each such successive one-year period unless DVD elects to terminate the agreement upon thirty (30) days prior written notice. DVD reserves the right to discontinue offering this subsidized reserves assessment in the future. This developer subsidy is limited to Plan assessments and does not apply to Condominium assessments.

Additional Budget Notes

1. 2020 Dollars - All costs are stated in 2020 dollars unless otherwise indicated.
2. Expenses Generally and Cost Sharing - As a general rule, each owner of a Unit in the Condominium or the Hotel Condominium (or the owners association's on such owner's behalf) must account for, and is liable to pay, expenses attributable to such owner's interest or parcel separate from owners of the other interests or parcels. However, pursuant to the Master Declaration each owner is responsible for a share of the expenses and reserves for Shared Areas ("**Shared Area Expenses**") whether or not such Shared Areas are part of the property owned by such owner. The Shared Area Expenses are allocated and shared pursuant to the Master Declaration. Further, pursuant to the Master Declaration and the Property Management Agreements, certain goods, materials, services, labor or operational or maintenance functions are or may be provided on a consolidated basis to the entire Resort ("**Shared Services**") and those expenses are allocated and shared by the various owners on the same basis that expenses are allocated and shared for the Shared Areas ("**Shared Service Expenses**"). If an Association was required to obtain such Shared Services solely for its members, the operating costs for that Association could increase. As an example, Administration, Insurance, Maintenance, Security and Utilities are Shared Service Expenses.

3. Books and Records - The books and records for the Associations are maintained at: 1390 Celebration Boulevard, Celebration, Florida 34747. The person responsible for the upkeep and custodianship of the books and records of each Association is the Treasurer of each Association (407) 566-3000.

4. Related Party Transactions -

Ali'i Nui Vacation Owners Association, Inc. ("Vacation Owners Association" or "Association"):

DVD is a Florida corporation and a related entity of The Walt Disney Company ("TWDC"), a Delaware corporation. DVD acquired a term-of-years interest in certain property, located in Ko Olina, Hawai'i. DVD developed the Condominium on the property, and sells Ownership Interests in Condominium Units, as part of the Vacation Ownership Plan. Unless otherwise extended, the term-for-years interest will expire on January 31, 2062, and vest to the benefit of ABC, Inc., a New York corporation. ABC, Inc. is also a subsidiary of TWDC.

Certain directors or officers of DVD or DVCHMC 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 year ended December 31, 2018, DVD annual dues paid to the Association were \$7,162,174.

As of December 31, 2018, the amount due from DVD of \$1,524,124 is primarily related to dues on unsold ownership interest and the developer's converter reserve contribution.

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

Management fees payable to DVCHMC are 12 percent of the total operating and reserve budget exclusive of non-assessment revenues, ad valorem taxes, and the management fee, itself. Management fees incurred during the year ended December 31, 2018, were \$3,095,717.

DVCHMC has entered into an agreement with the Association whereby DVCHMC may operate a resort hotel operation with respect to the rental of unreserved accommodations in the Condominium. Gross 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 reserve budget, as defined, in each calendar year, as breakage revenue. During the year ended December 31, 2018, the Association received \$1,477,968 in breakage revenues.

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

Amounts due to or from DVCHMC are payable in full and due on demand. As of December 31, 2018, the amount due to DVCHMC of \$650,262 related to allocable expenses, net of annual dues collected but not yet remitted to the Association.

Related Party Transactions -

Ali'i Nui Villas Condominium Association, Inc. ("Vacation Ownership Condominium Association"):

DVD is a Florida corporation and a related entity of The Walt Disney Company ("TWDC"), a Delaware corporation. DVD acquired a term-for-years interest in certain property, located in Ko Olina, Hawai'i. DVD developed the Condominium on the property, and sells Ownership Interests in Condominium Units, as part of the Vacation Ownership Plan. Unless otherwise extended, the term-for-years interest will expire on January 31, 2062, and vest to the benefit of ABC, Inc., a New York corporation. ABC, Inc. is also a subsidiary of TWDC.

Certain directors or officers of DVD or DVCHMC serve on the Board or as officers of the Vacation Ownership Condominium Association. Certain directors or officers of the Vacation Ownership Condominium Association are also employees of TWDC or its affiliates.

During the year ended December 31, 2018, DVD annual dues paid to the Association were \$16,101,105.

As of December 31, 2018, the amount due from DVD of \$818,892 is primarily related to annual dues on unsold ownership interest.

DVCHMC, a Florida corporation, is the manager of the Association and is also a subsidiary of TWDC.

Management fees payable to DVCHMC are 12 percent of the total operating and reserve budget exclusive of non-assessment revenues, ad valorem taxes, and the management fee, itself. Management fees incurred during the period ended December 31, 2018, were \$3,169,276.

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

Amounts due to or from DVCHMC are payable in full and due on demand. As of December 31, 2018, the amount due to DVCHMC of \$1,577,451 related to allocable expenses, net of annual dues collected but not yet remitted to the Association. In addition, DVCHMC is responsible for the management and operation of the Association's commercial facilities and the Association pays DVCHMC a management fee equal to 10% of all gross receipts received through or in connection with these services. Management fees incurred during the year ended December 31, 2018 related to commercial facilities was \$469,223 and are included in member activities.

5. Property Management Agreement – Each Association currently has a three-year management agreement with DVCHMC. Thereafter, each 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. DVCHMC provides on-site management and maintenance services, and off-site administrative and accounting services.

Pursuant to each management agreement, DVCHMC has been delegated the authority by each Association to provide all services, through employees and experts retained by it, incidental to the management and operation of each Association. However, certain operating expenses may be incurred through other TWDC entities.

6. Vacation Homes - Wherever used throughout the budgets or these notes, the term Vacation Home does not include studio or one bedroom accommodations that comprise part of a two bedroom lockoff Vacation Home.

Estimated Ad Valorem Taxes For January 1, 2020 Through December 31, 2020

The amount of ad valorem taxes assessed against each Unit and the Common Elements and Shared Areas of the Resort will be determined by the Real Property Assessment Division, City and County of Honolulu. Each Owner's share of the estimated ad valorem tax assessments to be included on each Owner's 2020 Annual Dues billing statement will be \$0.6874 per Vacation Point. This is an annual amount based in part on the actual ad valorem taxes assessed against the Resort for the first half of 2020 (January 1st to June 30th). This is DVCHMC's best estimate of the actual taxes which will be assessed for the tax year 2020. DVCHMC does not certify this ad valorem tax estimate. Each Owner is responsible for his or her per Vacation Point share of the actual ad valorem taxes billed each year by 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.

2020 Estimated Annual Dues Assessment

The estimated Annual Dues for the year January 1, 2020 through December 31, 2020 are \$8.3312 per Vacation Point, which is comprised of the estimated Annual Operating Budget (\$4.1991 per Vacation Point), and Capital Reserves Budget (\$0.9006 per Vacation Point) for the Vacation Owners Plan; plus the estimated Annual Operating Budget (\$2.2644 per Vacation Point) and Capital Reserves Budget (\$0.2797 per Vacation Point) for the Vacation Ownership Condominium and the estimated ad valorem taxes (\$0.6874 per Vacation Point). The total amount of Annual Dues (including estimated ad valorem taxes) for the Vacation Plan paid by a Purchaser or Owner is determined by multiplying the total number of Vacation Points represented by the Ownership Interest purchased by \$8.3312. For example, if the Ownership Interest is represented by 230 Vacation Points, the estimated Annual Dues would be \$1,916.18.

Developer Credit For Owners Who Purchased Before July 27, 2011: DVD has agreed to provide each Owner who entered into or received a purchase agreement for an Ownership Interest prior to July 27, 2011 with an annual credit. This credit will be provided to all such Owners and their successors in title every year until the earlier of the termination or expiration of the Vacation Ownership Plan or January 31, 2062. For 2020, the annual credit is equal to \$2.0684 per Vacation Point. As a result, in 2020, each such Owner's Annual Dues Assessment for Plan and Condominium Expenses (Operating and Capital Reserve Expenses) and ad valorem taxes shall be \$6.2628 per Vacation Point. The amount of the credit will be adjusted (increased or decreased) annually by an amount equal to the year over year change (increase or decrease) in the total dues assessment as a result of inflation or deflation. This credit shall only apply to those Ownership Interests for which a purchase agreement was entered into or received by a purchaser prior to July 27, 2011 and shall not apply to any Ownership Interests (including add-on Ownership Interests) purchased subsequent to that date. The obligation of DVD to pay this credit is a matter of private contract between DVD and Owners who entered into or received a purchase agreement prior to July 27, 2011. DVD does not offer this credit to Owners who enter into or receive purchase agreements on or after July 27, 2011.

Ali'i Nui Hotel Condominium Association, Inc.

Estimated Operating Budget For January 1, 2020 Through December 31, 2020

Revenue Components	Total	Hotel Units	295 Vacation Homes
			Vacation Support Units
Member Annual Dues Assessment	\$788,560	\$417,850	\$370,710
TOTAL REVENUES AND INCOME	\$788,560	\$417,850	\$370,710
Cost Components			
Administration	\$163,700	\$86,743	\$76,957
Annual Audit	15,571	8,251	7,320
Insurance	71,218	37,738	33,480
Legal	1,045	554	491
Maintenance	224,021	118,706	105,315
Management Fee	92,854	49,202	43,652
Security	44,294	23,471	20,823
Utilities	175,857	93,185	82,672
TOTAL OPERATING EXPENSES	\$788,560	\$417,850	\$370,710

The Owners' Share Of This Budget Is Included In The Vacation Ownership Condominium Budget.

Estimated Capital Reserves Budget For January 1, 2020 Through December 31, 2020

Replacement Fund Components	Total	Hotel Units	295 Vacation Homes
			Vacation Support Units
Capital Reserves	\$43,256	\$22,921	\$20,335
TOTAL CAPITAL RESERVES BUDGET	\$43,256	\$22,921	\$20,335

The Owners' Share Of This Budget Is Included In The Vacation Ownership Condominium Budget.

Capital Reserve Analysis For The Year Ended December 31, 2019

Replacement Fund Components	Estimated Fund Balance as of December 31, 2019	Estimated Useful Lives (Years)	Estimated Remaining Useful Lives (Years)	Estimated Current Replacement Costs
Roof Replacement/Repair				\$ -
Interior Refurbishment				-
External Building Painting				-
Common Element Renovation		1 - 30	1 - 23	1,063,350
Pavement Resurfacing		3 - 20	1 - 12	20,173
Capital Reserves	\$492,107			
TOTAL	\$492,107			\$1,083,523

Budget Notes For 2020 Estimated Operating and Reserve Budgets For
Ali'i Nui Hotel Condominium Association, Inc. ("Hotel Condominium Association")

These budget notes are for the 2020 Estimated Operating and Reserve Budgets for Aulani, A Disney Resort & Spa, Ko Olina, Hawai'i (the "**Hotel Condominium**"). All capitalized terms not defined in these budget notes will have the same meanings ascribed to such terms in the Amended and Restated Declaration of Condominium Property Regime for Aulani, A Disney Resort & Spa, Ko Olina, Hawai'i Condominium (the "**Hotel Condominium Declaration**"). The budgets have been prepared on an accrual basis. See also Additional Budget Notes.

Description of Revenue Components:

1. Member Annual Dues Assessment - The amounts assessed to Owners of units in the Hotel Condominium.

Description of Cost Components:

1. Administration - Administrative costs of resort management, including operating supplies and equipment rental and operational, IT and administrative support.
2. Annual Audit - Fee for the independent audit of the Hotel Condominium Association's financial statements.
3. Insurance - Cost of insurance premiums for property coverage, general liability, workers' compensation, crime and Director's and Officer's liability.
4. Legal - Cost of legal counsel regarding Hotel Condominium Association business.
5. Maintenance - Cost of interior and exterior maintenance and repairs of the Common Elements of the Hotel Condominium not paid for out of replacement reserves. Also includes landscaping, pest control and fire alarm monitoring.
6. Management Fee - Fee paid to DVCHMC for providing management services to the Hotel Condominium Association according to the Property Management Agreement for the Hotel Condominium Association. The fee is equal to 12 percent of the total Operating and Reserve Budget exclusive of non-assessment revenues, ad valorem taxes, and the management fee, itself.
7. Security - Cost of security for the Resort.
8. Utilities - Cost of electricity, gas, water, sewer, solid waste disposal and cable television.

See also Additional Budget Notes.

Budget Notes For Estimated Capital Reserves

1. Funds Covered - The annual budget for Capital Reserves covers funds set aside for the repair or replacement of major items pertaining to the Common Elements with a useful life of greater than one year. The interest earned on these funds remains in the Capital Reserves accounts and is not absorbed into the Operating Budget.

Additional Budget Notes

1. 2020 Dollars - All costs are stated in 2020 dollars unless otherwise indicated.
2. Books and Records - The books and records for the Hotel Condominium 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 Hotel Condominium 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 a term-for-years interest in the property, located in Ko Olina, Hawai'i. DVD developed the Condominium on the property, and sells ownership interests in Condominium units, as part of the vacation ownership plan. Unless otherwise extended, the term-for-years interest will expire on January 31, 2062, and vest to the benefit of ABC, Inc., a New York corporation. ABC, Inc. is also a subsidiary of TWDC.

Certain directors or officers of DVD or DVCHMC serve on the Board or as officers of the Hotel Condominium Association. Certain directors or officers of the Hotel Condominium Association are also employees of TWDC or its affiliates.

During the year ended December 31, 2018, DVD annual dues paid to the Association were \$219,304.

As of December 31, 2018, the amount due from DVD of \$32,552 is primarily related to annual dues on unsold points.

DVCHMC, a Florida corporation, is the manager of the Association and is also a subsidiary of TWDC.

Management fees payable to DVCHMC are 12 percent of the total operating and reserve budget exclusive of non-assessment revenues, ad valorem taxes, and the management fee, itself. Management fees incurred during the year ended December 31, 2018, were \$91,880.

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

Amounts due to or from DVCHMC are payable in full and due on demand. As of December 31, 2018, the amount due to DVCHMC of \$24,062 related to allocable expenses, net of annual dues collected but not yet remitted to the Association.

4. Property Management Agreement – The Hotel Condominium Association currently has a five-year management agreement with DVCHMC. 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. DVCHMC provides on-site management and maintenance services, and off-site administrative and accounting services.

Pursuant to the Agreement, DVCHMC has been delegated the authority by the Hotel Condominium Association to provide all services, through employees and experts retained by it, incidental to the management and operation of the Hotel Condominium. However, certain operating expenses may be incurred through other TWDC entities.

AULANI, DISNEY VACATION CLUB® VILLAS, KO OLINA, HAWAI'I COMPONENT SITE PUBLIC OFFERING STATEMENT

The following revisions have been approved by the Division of Florida Condominiums, Timeshares, and Mobile Homes and are immediately incorporated into Aulani, *Disney Vacation Club*® Villas, Ko Olina, Hawai'i Component Site Public Offering Statement (Rev. 01/16/2014). All other terms of the Component Site Public Offering Statement shall remain in full force and effect.

I. Abbreviations and Definitions

- The Abbreviations and Definitions section was updated to reflect a revised definition of "Use Year." Use Year means the twelve (12) month period beginning on the first day of the month designated by DVD in each purchase agreement selling an Ownership Interest to a Purchaser and in each deed conveying an Ownership Interest to a Member. The Use Year shall continue for successive twelve (12) month periods for so long as the Vacation Ownership Plan continues. There may be different Use Years for Ownership Interests in the same Unit.

The following revisions have been approved by the Division of Florida Condominiums, Timeshares, and Mobile Homes and are immediately incorporated into the Aulani, *Disney Vacation Club*® Villas, Ko Olina, Hawai'i Component Site Public Offering Statement (Rev. 01/16/2014). 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 was updated to reflect Terri A. Schultz replacing Kenneth M. Potrock, as General Manager and Senior Vice President.

The following revisions have been approved by the Division of Florida Condominiums, Timeshares, and Mobile Homes and are immediately incorporated into the Aulani, *Disney Vacation Club*® Villas, Ko Olina, Hawai'i Component Site Public Offering Statement (Rev. 01/16/2014). All other terms of the Component Site Public Offering Statement shall remain in full force and effect.

I. Abbreviations and Definitions

- The Abbreviations and Definitions section was updated to reflect a revised definition of DVCMC for the conversion from a corporation to a limited liability company: DVCMC means Disney Vacation Club Management, LLC, a Florida limited liability company, its successors and assigns, formerly known as Disney Vacation Club Management Corp., a Florida corporation.

Exhibit 0 - Public Offering Statement Text

- Paragraph 4a was updated to reflect Copper Creek Villas & Cabins at Disney's Wilderness Lodge since July 2017.

The following revisions have been approved by the Division of Florida Condominiums, Timeshares, and Mobile Homes and are immediately incorporated into the Aulani, *Disney Vacation Club*® Villas, Ko Olina, Hawai'i Component Site Public Offering Statement (Rev. 01/16/2014). All other terms of the Component Site Public Offering Statement shall remain in full force and effect.

II. Required Disclosures

- The Required Disclosures section was updated to reflect a revised address for notice of cancellation to the following address: Disney Vacation Development, Inc., Attention: Document Preparation at 1936 Broadway, Franklin Square, 2nd Floor, 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

Exhibit 0 - Public Offering Statement Text

- Paragraph 4a was updated to reflect The Villas at Disney's Grand Floridian Resort since October 2013 and Disney's Polynesian Villas & Bungalows since April 2015.
- Paragraph 7a Purchasers' Right of Cancellations was updated to reflect a revised address for the notice of cancellation: The notice of cancellation shall be sent and shall be sent to DVD, Attention: Document Preparation at 1936 Broadway, Franklin Square, 2nd Floor, Lake Buena Vista, Florida 32830. Purchaser's notice of cancellation may also be sent via fax to 407-938-6586 or by e-mail at WDWDVCCancelRequests@Disney.com.