

DISCLOSURE STATEMENT

ON

*Aulani, Disney Vacation Club® Villas,
Ko Olina, Hawai'i*

Name of Time Share Plan or Building

92-1185 Ali'i Nui Drive, Kapolei, Honolulu, Hawai'i 96707

Location

**READ THIS
DISCLOSURE STATEMENT
BEFORE SIGNING
ANYTHING**

The disclosure statement is prepared and issued by the developer of the time share plan. It is NOT prepared or issued by the State of Hawai'i. THE STATE OF HAWAII HAS NOT PASSED ON THE MERITS OF THE TIME SHARE PLAN DESCRIBED HEREIN.

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

INTRODUCTION

In this Disclosure Statement, DVD is sometimes referred to as "*we*" and Purchasers are sometimes referred to as "*you*." See Exhibit A for definitions of key words and phrases used in this Disclosure Statement. Some of these definitions are repeated or paraphrased here for convenience only but in case of conflicts, Exhibit A will control. You should read this entire Disclosure Statement, including the exhibits and the additional disclosures set forth in section 20, to be sure that you see all of the important information in it.

1. DEVELOPER

The developer is Disney Vacation Development, Inc., a Florida corporation ("*DVD*"). Its address is 1390 Celebration Boulevard, Celebration, Florida 34747, Telephone (407) 566-3000.

2. PLAN MANAGER

Disney Vacation Club Hawaii Management Company, LLC, a Florida limited liability company ("*DVCHMC*") is the plan manager. Its address is 1390 Celebration Boulevard, Celebration, Florida 34747, Telephone (407) 566-3000. Its responsible managing employee is Elliott Mills whose address is 92-1185 Ali'i Nui Drive, Unit 2004, Kapolei, Honolulu, Hawai'i 96707, Telephone (808) 674-6200 and Kenneth M. Potrock, whose address is 1390 Celebration Blvd., Celebration FL 34747, Telephone 407-566-3000. DVCHMC's responsibilities, duties and authority are described later in Section 15.

3. TIME SHARE PLAN

Welcome to Aulani, *Disney Vacation Club® Villas*, Ko Olina, Hawai'i! We have worked hard to create a vacation plan that will provide you with enjoyable vacation experiences for many years to come. Here's how it works:

3.1. INTRODUCTION.

DVD is developing a multi-use master planned resort project known as Aulani, A Disney Resort & Spa, Ko Olina, Hawai'i (the "*Resort*" or "*Aulani Resort*"). It consists of retail, restaurant and hotel components in addition to a vacation ownership plan.

The name of the vacation ownership plan is "Aulani, *Disney Vacation Club® Villas*, Ko Olina, Hawai'i." For convenience we will call it the "*Vacation Ownership Plan*" or just the "*Plan*" in this document.

The basic idea of the Plan is that the Owners will share the ownership and use of certain Condominium Units and will also share the cost of operating and maintaining the Plan, the Condominium Units, their furnishings, the Condominium and the Resort.

The property included in the Plan consists of certain Condominium Units located in the Aulani, *Disney Vacation Club® Villas*, Ko Olina, Hawai'i Condominium, a beachfront project located at 92-1185 Ali'i Nui Drive, Kapolei, Honolulu, Hawai'i 96707. The Condominium Units included in the Plan are called the "*Vacation Units*" or simply "*Units*," and they are listed in Exhibit B.

Each Purchaser will receive a deed of an interest in a Unit. Each Purchaser will also receive a title insurance policy insuring his or her real estate ownership. Because the Purchaser will own a real estate interest in a Condominium Unit, under Hawai'i law the Plan is an "ownership plan."

The nature of the Plan and the rights and duties of DVD, the Purchasers, and anyone else who participates in the Plan or who has an interest in it, are described in and governed by certain legal documents called the "*Plan Documents*." They are listed in Exhibit C.

Under the Plan Documents, you and every other Owner will have the opportunity to reserve the use of a Vacation Home included in the Plan. Unlike many vacation plans, however, you are not necessarily limited to a certain type of Vacation Home such as a one-bedroom Vacation Home. Also, you are not necessarily restricted to a certain time of year. And you do not always have to use a whole week at a time.

Instead, the Plan has been designed to give you the flexibility you want and need when planning your vacation. You may choose from several different kinds of Vacation Homes and may request reservations for the time of the year that best meets your vacation needs.

Of course, each Owner does not have unlimited use rights. Instead, the use of the Vacation Homes is divided among the Owners by using a "points" system.

"Home Resort Vacation Points" (sometimes just called "Vacation Points") symbolize each Owner's ownership rights in the Condominium and his or her reservation rights in the Plan. You and every other Owner will have the right to receive a certain number of Home Resort Vacation Points yearly. You may use your Home Resort Vacation Points to reserve a Vacation Home. Every day in every Vacation Home in the Plan is given a "Vacation Point Value" - the number of Home Resort Vacation Points required to reserve the use of that Vacation Home for that day. With some exceptions, you may reserve any type of Vacation Home for any time of the year so long as a Vacation Home of that type is available and you have enough Home Resort Vacation Points to reserve it.

We have arranged for the Plan to participate in the *Disney Vacation Club*®. The reservation system for the Plan is one component of the benefits and services offered through the Club. The reservation system for the Plan is called the "*Home Resort Reservation Component*." DVCHMC or a related company owns and operates it.

To widen your vacation opportunities, the Club also includes an Exchange Program owned and operated by Buena Vista Trading Company, a Florida corporation ("BVTC"). It links vacation resorts together through a central reservation system. The exchange component of the Club, called the "*DVC Reservation Component*," gives members of the linked resorts the opportunity to request a reservation in other resorts participating in the Club.

The Plan is only one of the resorts in the Club. The Club currently also includes:

- ❖ Disney Vacation Club at WALT DISNEY WORLD Resort, a leasehold Condominium.
- ❖ Disney Vacation Club at Vero Beach, a leasehold Condominium.
- ❖ Disney Vacation Club at Hilton Head Island Horizontal Property Regime.
- ❖ Disney Vacation Club at Disney's Boardwalk Villas, a leasehold Condominium.
- ❖ The Villas at Disney's Wilderness Lodge, a leasehold Condominium.
- ❖ Disney's Beach Club Villas, a leasehold Condominium.
- ❖ Disney's Saratoga Springs Resort, a leasehold Condominium.
- ❖ Disney's Vacation Club at Disney's Animal Kingdom Villas, a leasehold Condominium.
- ❖ Bay Lake Tower at Disney's Contemporary Resort, a leasehold Condominium.
- ❖ The Villas at Disney's Grand Californian Hotel, a leasehold Condominium.
- ❖ The Villas at Disney's Grand Floridian Resort, a Leasehold Condominium

From time to time, resorts may be added to or dropped from the Club but neither DVD nor anyone else can make any promises about that. Each resort entitled to access and use the DVC Resort Component is called a "*DVC Resort*." While we think you will like the Exchange Program component of the Disney Vacation Club, the decision to request a reservation at other DVC Resorts is entirely voluntary on your part.

Finally, the Disney Vacation Club currently provides access to certain External Exchange Programs, including some provided by RCI, LLC, a Delaware limited liability company ("RCI"). Participation in the RCI Exchange Programs will allow you to request a reservation for accommodations in hundreds of different vacation ownership resorts around the world.

This Disclosure Statement focuses on the Plan itself. You will receive separate disclosure documents describing the DVC Reservation Component and the RCI Exchange Programs, including information on how their programs work and the costs of participation.

So as an Owner in The Aulani, *Disney Vacation Club*® Villas, Ko Olina, Hawai'i Vacation Ownership Plan, you will have the opportunity to reserve:

- ❖ A Vacation Home in the Plan;
- ❖ Vacation lodgings in other DVC Resorts; or
- ❖ Vacation lodgings in hundreds of resorts available through RCI.

So far, we have only given you an overview of the Plan and some highlights of your exchange opportunities. Now let's get down to the details of what you are buying and how the Plan works.

3.2. WHAT AM I BUYING?

A. An Ownership Interest. You are buying an "*Ownership Interest*." It consists of an "undivided interest" in a Unit in the Plan. The term "undivided" in this context means that, although you are buying an interest in a particular Condominium Unit, you are not buying a particular piece or

portion of the Unit; rather, you are buying a percentage interest in the Unit as a whole. You will be a co-owner of that Unit along with DVD and the Purchasers of other Ownership Interests in that Unit.

Before we go any further, we want to explain something. In most condominium projects, a condominium "unit" consists of a single dwelling having perhaps a living room, kitchen, bathroom and maybe one or two bedrooms. This Condominium is a little different. A single Condominium Unit may have only one dwelling in it. But it may also have two, three or more dwellings. Each of these dwellings is a "Vacation Home" for our purposes. So although you may own a percentage interest in a single Condominium Unit, it may include several Vacation Homes. This won't be very important to you in the long run, but it may help you understand that a "Vacation Home" is different from a "Condominium Unit." By the way, the Hotel Condominium that you'll be reading about later is also different than you might expect.

1) **What Percentage Will I Own?** Your deed will state your undivided interest. It will be stated as a fraction or as a percentage. Your actual undivided interest will depend upon the number of Home Resort Vacation Points that you choose to have available for your use each year. The undivided interest for your Ownership Interest is then calculated by DVD in the manner provided in the Plan Declaration.

2) **Is it Fee Simple?** Although the Condominium is not a leasehold condominium like most of the other DVC Resorts, it is similar in this respect: Each deed of an Ownership Interest will include an interest in the land of the Condominium, called an "estate for years," rather than a fee simple interest in the land. The estate for years will expire on January 31, 2062 unless it is extended or terminates early. **Although you will receive a deed of your Ownership Interest, as a practical matter, your Ownership Interest will terminate when the estate for years ends.** DVD cannot extend your estate for years without your consent. Nobody else can make you pay for an extension of the estate for years without your consent.

B. Memberships. Your Ownership Interest comes with these six memberships:

- ❖ A membership in the Ali'i Nui Vacation Owners Association, Inc., a Florida not-for-profit corporation. It is the association of Owners of Ownership Interests in the Plan.
- ❖ A membership in the Ali'i Nui Villas Condominium Association, Inc., a not-for-profit Florida corporation. It is the association of all owners of Condominium Units in the Condominium.
- ❖ A membership in the Ali'i Nui Hotel Condominium Association, Inc., a not-for-profit Florida corporation. It is the association of all owners of Condominium Units in the Aulani, A Disney Resort & Spa, Ko Olina, Hawai'i (the "Hotel Condominium"). (The Condominium includes certain Condominium Units in the Hotel Condominium, and you will be a co-owner of those Condominium Units. See Exhibit N for details.)
- ❖ A membership in the Ko Olina Community Association, Inc., a Hawaii nonprofit corporation. It is an association of all property owners in the Ko Olina Resort.
- ❖ A membership in the Ko Olina Resort Operators Association, Inc., a Hawaii nonprofit corporation. It is an association of owners of certain resort properties in the Ko Olina Resort.
- ❖ A membership in the Disney Vacation Club (a "Club Membership"). The Disney Vacation Club is not a legal entity or association of any kind, but rather is a service name for the services and benefits appurtenant to and the restrictions imposed upon the use and enjoyment of Ownership Interests.

These memberships are "appurtenant to" each Ownership Interest. Among other things, this means that you cannot separate them from your Ownership Interest. Your memberships end automatically when you are no longer the "Owner" of an Ownership Interest, such as when you deed it to someone else or when the estate for years ends. Your membership in the Disney Vacation Club will end automatically if the Plan is no longer included in the Club for any reason.

C. Reservation and Use Rights. Your Ownership Interest also comes with:

- ❖ The right to receive an allotment of Home Resort Vacation Points each year;
- ❖ The right each year to reserve the use of a Vacation Home using the Home Resort Vacation Points allotted for that year. For some Ownership Interests, called "Fixed Ownership Interests," the Home Resort Vacation Points are automatically used to reserve the use of a specific kind of Vacation Home for certain Use Days. For all others, the Owner must request a reservation; and
- ❖ During the Use Days reserved, the right to use (i) a Vacation Home, (ii) its Limited Common Elements, if any, (iii) the General Common Elements of the Condominium intended and available for Occupant use, (iv) to the extent permitted by the Master Declaration, the right to use any Shared Areas intended and available from time to time for Occupant use, and (v) to the extent permitted by the Ko Olina Documents, the right to use any amenities of the Ko Olina Resort intended and available for Occupant use.

These reservation and use rights are also appurtenant to each Ownership Interest. They are defined, limited and governed by the Plan Documents.

D. **What Are My Basic Rights And Duties?** As the Owner of an Ownership Interest, you will have all of the rights, privileges and duties provided by the Plan Documents. The details about how to use your Home Resort Vacation Points, the Vacation Homes you may reserve and the times you may do so, are explained in the Plan Documents. The Plan Documents also describe your other rights and duties as an Owner including your duty to pay your Fair Share of the costs of owning and operating the Units, the Plan, the Condominium, the Aulani Resort and the Ko Olina Resort. For your convenience, we will discuss or summarize some of the highlights of these documents, but you should make time to read them yourself so that you fully understand your rights and duties.

E. **Exchange Program Participation.** Your Ownership Interest comes with a membership in the Disney Vacation Club through the Vacation Owners Association's corporate membership. As a member of the Disney Vacation Club (a "Club Member"), you may voluntarily choose to request a reservation for vacation lodgings included in other DVC Resorts through the Exchange Program offered by BVTC. You will also have the opportunity to take advantage of other benefits offered through the Club from time to time. This currently includes, for example, use of the RCI External Exchange Programs (although this may not always be so). The Exchange Programs are governed by their own rules and regulations, as described in their own separate Exchange Program disclosure documents. DVD will give you copies of them but those documents are prepared by the Exchange Companies, not DVD.

3.3. **WHAT ARE VACATION POINTS?**

A. **What Are Home Resort Vacation Points?** For administrative convenience in the operation of the Plan and in the determination of the respective rights of Owners to enjoy the services and benefits associated with their respective Ownership Interests, the Ownership Interest of each Owner is symbolized by a number of Home Resort Vacation Points rather than by the specific percentage of his or her Ownership Interest in a Unit.

You and every other Owner have the right to receive a certain number of Home Resort Vacation Points each year. You may use them to reserve the use of the Vacation Homes for one or more Use Days pursuant to priorities, restrictions and limitations established from time to time in accordance with the Plan Documents.

B. **Where Do Vacation Points Come From?** When a Condominium Unit is included in the Plan, DVD assigns a certain number of Home Resort Vacation Points to it. The number of Vacation Points is determined by DVD based on a formula described in the Plan Documents. This formula provides for the assignment of Home Resort Vacation Points based on anticipated seasonal and geographical demand factors, and various other elements (for example, locations and views).

Exhibit B to this Disclosure Statement lists the Condominium Units that are now included in the Plan and registered for sale, and the total number of Home Resort Vacation Points assigned to each of them. Once the number of Home Resort Vacation Points assigned to a Unit is set, it cannot be changed later except, of course, to correct a mistake or if the change is requested or required by a governmental agency or a court order, or in certain other limited circumstances.

C. **How Many Vacation Points Will I Have?** The number of Home Resort Vacation Points that symbolize an Ownership Interest is determined using a formula that relates the size of the Ownership Interest to the number of Vacation Points representing that Ownership Interest, as more particularly described in the Plan Documents. Your deed will state the number of Home Resort Vacation Points that will symbolize your particular Ownership Interest. Each year, you will receive that number of Home Resort Vacation Points to use when making reservations.

When you purchase your Ownership Interest, you can choose how many Home Resort Vacation Points you wish to have available each year. The larger the Ownership Interest you purchase, the more Home Resort Vacation Points you receive. However, DVD may set minimum purchase requirements and has established maximum purchase limits, both in the Plan and as among all DVC Resorts.

D. **What Is My Use Year?** Your annual allotment of Home Resort Vacation Points relate to a specific "Use Year," as described below. With some exceptions, Home Resort Vacation Points allotted for a given Use Year may only be used to reserve Use Days that fall within that Use Year. Your Use Year is identified in your deed. Your Use Year will not change for the life of your Ownership Interest.

3.4. **HOW DOES THE PLAN WORK?**

A. **Time Periods.** Before we can explain how the Plan works, you must first understand some special terms that we use. These terms are used to divide the days of the year among the Owners, to explain when Owners can check-in or check-out of the Units, and to describe when the Units will be closed for cleaning, maintenance, and so on.

- ❖ The "Use Year" for a Unit is a twelve-month period that begins on the first day of the month designated in the deeds of Ownership Interests in that Unit. All Ownership Interests in a given Unit have the same Use Year. The Use Year for a given Unit will continue for successive twelve-month periods for so long as the Plan continues.
- ❖ A "Use Day" is a 24-hour period (or a shorter period designated by the DVC Operator from time to time) in a Vacation Home subject to reservation by Owners.

- ❖ A "Use Period" is a period of one or more consecutive Use Days reserved by an Owner, or by the Vacation Owners Association or DVC Operator. A Use Period begins at Check-In Time on the first day of a time period reserved by a person and ends at Check-Out Time on the last day of the time period reserved. The Reservation Rules set the Check-In and Check-Out Times.
- ❖ A "Maintenance Period" is (i) the time between Check-Out Time on the Check-Out Day of a Use Period and Check-In Time later that same day, and (ii) one or more Use Days set aside for maintenance and repair of a Vacation Home or Unit.

B. **Fixed and Floating Use Periods.** An Ownership Interest may have a "Fixed Use Period" or a "Floating Use Period."

1) If your Ownership Interest has a "Floating Use Period", then in each Use Year you must reserve the use of a Vacation Home for specific Use Days using your Home Resort Vacation Points. To do so, you must follow the requirements of the current Reservation Rules. You cannot reserve any Use Days set aside as a Maintenance Period or any Use Days that are already reserved, or that automatically will be reserved for an Owner having a Fixed Use Period, or that any other person has the exclusive right to reserve. You will have a Floating Use Period unless your deed states that you have a Fixed Use Period.

2) If your Ownership Interest has a "Fixed Use Period," then your Ownership Interest is a "Fixed Ownership Interest," which means that in each Use Year, you will have the right to use a specific Vacation Home Type during a specific time period. Each year, beginning in the year identified in the First Deed for your Ownership Interest, you have a guaranteed reservation right to use a specific Vacation Home Type chosen by you in your purchase agreement (for example, a 2 bedroom Ocean View or a Grand Villa Ocean View, etc.) during a specific week chosen by you in your purchase agreement (for example, week 1 through week 52), and the DVC Operator will automatically reserve that kind of Vacation Home for your use during that time period. The time period that you have the right to use is called "your Use Period" and the Vacation Home Type you chose is called "your Vacation Home Type." The First Deed for your Ownership Interest will identify your Vacation Home Type and will fix your Use Period by reference to a specific week in the calendar year (week 1 through week 52). You do not have to do anything to make your guaranteed reservation. Even though a reservation is guaranteed for your Vacation Home Type during your Use Period, there is no guarantee that you will be able to stay in any specific Vacation Home or the same Vacation Home each year. **The only Fixed Use Periods available for sale are Weeks 1 through 52, which are not determined by reference to any specific holiday or annual event. Consequently, there is no guarantee that any specific event or holiday will always fall within your Use Period. For example, in 2012, Christmas falls in week 52 and in 2013, Christmas falls in week 51.**

If you are an Owner of a Fixed Ownership Interest, you will still receive a certain number of Vacation Points when you purchase your Ownership Interest, based upon the size of your Fixed Ownership Interest, as shown on your deed. In the years that you use your guaranteed reservation, all of your Vacation Points associated with your Fixed Ownership Interest for that year will be applied towards the guaranteed reservation.

Reservations for Ownership Interests having Fixed Use Periods are confirmed automatically on a priority basis. This reservation priority effectively preempts other Owners from reserving those time periods. This may adversely affect your ability to make reservations at Aulani, Disney Vacation Club® Villas, Ko Olina, Hawai'i during high demand seasons. However, DVD will not sell Ownership Interests with Fixed Use Periods that include more than thirty-five percent (35%) of any specific Use Day for any specific Vacation Home Type in the Plan. This means, for example, that Christmas day will be available for reservation on a first-come, first-served basis in at least sixty-five percent (65%) of the 2 Bedroom Ocean View Vacation Homes.

DVD has the right to create new kinds of Ownership Interests with respect to Condominium Units being added to the Plan or Condominium Units already included in the Plan that are owned entirely by DVD. These Ownership Interests may have new kinds of reservation and use rights including for example, the first chance or exclusive right to reserve certain Vacation Homes.

C. **Reservation Rules for Fixed Ownership Interests.** The following rules apply to use of Fixed Ownership Interests.

1) For all Fixed Ownership Interests, the current Reservation Rules provide that the Check-In Day is always on Sunday, and the Check-Out Day is always on the following Sunday. If you arrive late or leave early for your guaranteed reservation, any unused days are forfeited and you do not receive any credit for unused days. Other than party mix and guest names, you may not make any changes to your guaranteed reservation.

2) DVD has established, in its discretion, the number of Vacation Points you must purchase in order to be entitled to purchase a Fixed Ownership Interest. While the number of Vacation Points you must purchase in order to have a Fixed Ownership Interest varies depending upon the Fixed Use Period and Vacation Home Type you desire, that number of Vacation Points may be different in any given year than the number of Vacation Points that are normally required to reserve a Vacation Home of that Vacation Home Type during that Use Period, according to the Vacation Points Chart. In addition, as a result of any Vacation Point re-allocation, the number of Vacation Points necessary for a Club Member who does not have a Fixed Ownership Interest to reserve a Vacation Home of your Vacation Home Type during the Use Period you chose as your Fixed Use Period may increase or decrease from year to year. Regardless of any such changes from year to year and any difference between the Vacation Points Chart for your Fixed Use Period and your Vacation Home Type and the number of Vacation Points you own, you will be entitled to your guaranteed reservation, even if the number of Vacation Points required to make that specific reservation as reflected on the Vacation Points Chart is more than the number of Vacation Points set forth on your purchase agreement and deed.

3) In the years that you use your guaranteed reservation, all of your Vacation Points associated with your Fixed Ownership Interest for that year will be applied towards the guaranteed reservation, regardless of how many Vacation Points would otherwise be necessary to make that specific reservation if you did not have a Fixed Ownership Interest. **When you use your guaranteed reservation, you have no more Vacation Points available for use that year, even if the number of Vacation Points required to make that specific reservation as reflected on the Vacation Points Chart is less than the number of Vacation Points set forth on your purchase agreement and deed.**

4) Your obligation to pay your share of the Annual Dues is based on the number of Vacation Points you receive as set forth on your purchase agreement and Deed, and will not vary even if it takes more or less Vacation Points to reserve your guaranteed reservation in a given year.

5) In any given year, you may elect, by a certain deadline, to opt out of your guaranteed reservation and use your Vacation Points by calling and advising the DVC Operator that you are opting out of your guaranteed reservation for that year. Consult the Home Resort Rules and Regulations for the applicable deadline and other rules for opting out of your Guaranteed Reservation. If you do opt out of your guaranteed reservation, you may use your Vacation Points to make a reservation just as if you had purchased a Floating Ownership Interest, in accordance with the Home Resort Rules and Regulations, subject to availability. Once you opt out of your guaranteed reservation in a given year, you cannot change your mind and re-instate the guaranteed reservation for that year. So be certain that you want to opt out of your guaranteed reservation before you do so. If you cancel your guaranteed reservation less than thirty (30) days before your check-in date, the normal cancellation rules will apply.

6) As an Owner of a Fixed Ownership Interest, you cannot Bank, Borrow or Transfer Vacation Points except in the following manner. If, in any year, you want to Bank Vacation Points into the following year, you must first opt out of your guaranteed reservation for the current year. If, in any year, you want to Borrow Vacation Points from the following year, you must first opt out of your guaranteed reservation for the following year. If, in any year, you want to Transfer Vacation Points, you must first opt out of your guaranteed reservation for the current year. Banked, Borrowed and Transferred Vacation Points may not be used to make guaranteed reservations. Once you opt out of a guaranteed reservation, and Bank, Borrow or Transfer Vacation Points, the normal Banking, Borrowing and Transfer Rules apply to those Vacation Points and you cannot change your mind and re-instate the guaranteed reservation for that year. So be certain that you want to opt out of your guaranteed reservation to Bank, Borrow or Transfer Vacation Points before you do so.

D. Reservation System. To use a Vacation Home, you must use your Home Resort Vacation Points to make a reservation in accordance with the reservation system established by the DVC Operator, and you must follow any Reservation Rules adopted by the DVC Operator. If you have a Fixed Use Period, the DVC Operator will automatically reserve your Use Period for you, but you still must comply with all other requirements of the reservation system and Reservation Rules.

The Plan Declaration authorizes the Vacation Owners Association, on behalf of the Owners, to contract for the operation of the reservation system and to delegate to such contractor all powers and duties of the Vacation Owners Association in this regard. In the exercise of that authority, the Vacation Owners Association entered into that certain Disney Vacation Club Membership Agreement, dated April 20, 2010, with DVCHMC and DVD (the "Membership Agreement"), and delegated to DVCHMC, to the exclusion of all persons, all the powers and duties of the Vacation Owners Association (except those that cannot be assigned as a matter of law) relating to the operation of the reservation system for the Plan.

Pursuant to the Membership Agreement, (i) DVCHMC is the initial DVC Operator, (ii) the Home Resort Reservation Component is the initial reservation system for the Plan, and (iii) the initial "Reservation Rules" for the Plan will consist of the Membership Agreement, the Home Resort Rules and Regulations that DVCHMC adopts from time to time pursuant to the Membership Agreement, and any policies and procedures adopted by DVCHMC from time to time.

This means that while the Plan is part of the Club, DVCHMC, in its capacity as the DVC Operator, will manage the reservation and schedule the occupancy of the Vacation Homes through the Home Resort Reservation Component of the Disney Vacation Club. During such time, you must make your reservations through the Home Resort Reservation Component.

DVCHMC will operate the reservation system in accordance with the terms and conditions, and subject to the priorities, limitations and restrictions, in the Plan Documents and the Reservation Rules. For your convenience, we will discuss or summarize some of the highlights of these documents, but you should make time to read them yourself so that you fully understand your rights and duties.

If the Membership Agreement terminates, then the Vacation Owners Association becomes the DVC Operator. It must create a reservation system and adopt its own reservation rules, policies and procedures.

At any time when the Membership Agreement is in effect, DVCHMC may delegate or assign some or all of its rights and duties as the DVC Operator to someone else. It may also subcontract with someone else to perform its duties as the DVC Operator.

E. How Many Vacation Points Do I Need To Reserve A Vacation Home? As each Condominium Unit is included in the Plan, DVCHMC, in its sole, absolute and unfettered discretion, assigns a Vacation Point Value to each Use Day in each Vacation Home (or Vacation Home Type) in that Condominium Unit, with variations that take into account, among other factors, anticipated seasonal and geographical demand factors and the related actual use demand that Club Members experience in the operation of the Club. Vacation Point Values are based on a calendar year having 365 Use Days and a minimum number of Fridays and Saturdays distributed through high demand periods. The list of Vacation Point Values for Use Days in the Vacation Homes in the Units included in the Plan and registered for sale is called a "Vacation Points Chart." The

Vacation Points Charts for 2015 and 2016 are attached as Exhibit D to this Disclosure Statement. Vacation Points Charts for later years will be available from DVD.

The DVC Operator may, in its sole, absolute and unfettered discretion, increase or decrease the Vacation Point Value for a given Use Day in a given Vacation Home by up to twenty percent (20%) from the Vacation Point Value in the prior calendar year. The DVC Operator's ability to do so is subject to certain limitations set in the Reservation Rules. In certain cases, the 20% limit does not apply. For example, the limit does not apply to changes relating to special periods of high demand based upon Club Member use patterns and changes in Club Member use demand (including, without limitation, use demand during special or holiday seasons), as determined by DVCHMC in its sole, absolute and unfettered discretion. In every case, such a reallocation simply changes the number of Home Resort Vacation Points required to reserve the use of a Vacation Home for a particular Use Day, but does not increase or decrease the total number of Home Resort Vacation Points assigned by DVD to a given Unit or Ownership Interest. As a result, any increase or decrease for one Use Day must be offset by a corresponding decrease or increase for another Use Day or Use Days.

Changes to the Vacation Point Values could result in a "leveling" of all seasons, such that Vacation Point Values would have no variation based upon seasonality or different times of the year. Likewise, changes in Vacation Point Values could also result in a "leveling" of differences in Vacation Point Values based upon particular Use Days in the week.

F. **When Will I Receive My Vacation Points?** Member Services keeps a record ("*Vacation Points Activity Account*") of the number of Home Resort Vacation Points you have and the number that you have used. When you buy your Ownership Interest, you will receive your initial allotment of Home Resort Vacation Points for your first Use Year. You will receive a yearly allotment of Home Resort Vacation Points on the first day of the first month of each succeeding Use Year for your Unit.

G. **How Do I Make A Reservation?** If you have a Fixed Use Period, the DVC Operator will reserve your Use Period for you. If you have a Floating Use Period, then the first thing to do is to check the Vacation Points Chart to find the Vacation Point Value of the type of Vacation Home and Use Days that you want to reserve. Next, check your Vacation Points Activity Account to see if you have enough Vacation Points. Then contact Member Services and submit your reservation request. "*Member Services*" handles and processes reservation requests and other Club Member services. You can reach Member Services by phone, fax, or email. See the Home Resort Rules and Regulations for contact information.

H. **When Can I Make A Reservation?** You can make a reservation at any time permitted by the Reservation Rules. Your reservation rights and opportunities will differ depending upon when you request your reservation. The Reservation Rules establish reservation periods or windows reflecting these differences. A "Reservation Window" is a period of time when an Owner or other person may request a reservation. A person can only reserve a Use Day during that Use Day's Reservation Window. A "Reservation Period" is a part of a Reservation Window. The Reservation Rules currently provide as follows:

1) **Home Resort Reservation Component.** The "*Home Resort Priority Period*" is a Reservation Period when only Owners of Ownership Interests in the Plan may request a reservation of a Vacation Home in the Plan, and they may only use Home Resort Vacation Points in the Plan to make such a reservation. The Home Resort Priority Period currently runs from eleven months through and including eight months in advance of the Check-In Day of the time period sought to be reserved, and the Owner may reserve up to seven consecutive days after the desired Check-In Day. The DVC Operator may increase or decrease the length of the Home Resort Priority Period, but it will not be shorter than one (1) month.

2) **DVC Reservation Component.** Owners who wish to reserve accommodations at other DVC Resorts may begin requesting reservations seven months in advance of their desired Check-In Day, and may reserve up to seven consecutive days after the desired Check-In Day. During this period, all Club Members will be able to request reservations at all DVC Resorts. This means that Club Members from other DVC Resorts may request reservations of a Vacation Home in the Condominium through the Exchange Program provided by BVTG by way of the DVC Reservation Component. Note that other DVC Resorts have Home Resort Priority Periods of their own, and they could differ from the Plan's Home Resort Priority Period. Such a difference could affect the time when Owners could begin requesting reservations for accommodations of other DVC Resorts.

3) **Special Season Preference Lists.** Because of high demand at DVC Resorts during some periods, the DVC Operator may decide to establish "*Special Season Preference Lists*." The purpose of the lists is to provide all Club Members with an opportunity to make reservations during specific high-demand periods. Club members are added to a Special Season Preference List on a first come, first served basis by calling Member Services. Special Season Preference Lists are subject to a one (1) month Home Resort Priority Period instead of the four (4) month Home Resort Priority Period previously mentioned. Therefore, during the thirteenth (13th) month in advance of their desired Check-In Day, Owners in the Plan have exclusive access to reservation requests for Special Season Preference Lists at the Condominium. During this special season Home Resort Priority Period, only Club Members who have Ownership Interests in the Condominium and who are using Home Resort Vacation Points in the Plan will be able to request reservations at the Condominium for a special season. Other Club Members who wish to reserve Vacation Homes at the Condominium may begin requesting reservations twelve (12) months in advance of their desired Check-In Day. During this period, all Club Members will be able to request reservations at all DVC Resorts for special season periods. All other Home Resort Priority Period rules apply to the special season priority periods. Where appropriate, the DVC Operator may institute a lottery system for selecting Club Members from a Special Season Preference List.

4) **Breakage Period Priorities.** The "Breakage Period" is the period sixty (60) days before a given Use Day. During this period, Owners may contact Member Services to reserve Vacation Homes, subject to availability. Some or all of this inventory may be made available for rental reservations if it is anticipated that the Vacation Homes will not be utilized by Club Members. If a reservation request is not received by Member Services by the beginning of the Breakage Period, Member Services' ability to confirm the reservation request will be limited by and subject to the following:

- ❖ Any reservations made by DVCHMC for Vacation Home maintenance;
- ❖ Any reservation requests contained in the wait list; and
- ❖ Any rental reservations made by third parties prior to Member Services' receipt of a Club Member's reservation request.

The DVC Operator may change the duration of the Breakage Period from time to time.

During the Breakage Period, the Vacation Owners Association and the DVC Operator have the same right to reserve unreserved Vacation Homes as Owners. Unless otherwise provided in the Reservation Rules, reservations requested during the Breakage Period will be confirmed on a first-come, first-served basis.

5) **Other Priority Periods.** The DVC Operator may establish other priority periods from time to time and as demand requires. Some of these may affect only the Plan. Others may pertain to other DVC Resorts or groups of DVC Resorts (for example, DVC Resorts located outside of North America).

I. **How Are Reservations Confirmed?** Reservations for Ownership Interests having Fixed Use Periods are confirmed automatically. All other reservation requests are generally taken on a first come, first served basis. All Vacation Homes are reserved on a space-available basis.

Your ability to receive a confirmed reservation request depends on the availability of the particular type of Vacation Home for the time requested; therefore, there can be no guarantee that a particular reservation request can be fulfilled. The longer you wait to make reservations, the less likely it is that you will be able to reserve your first choice of Vacation Homes or Use Days. If you do not make reservations in a timely manner, you may have to accept whatever remaining Use Days and Vacation Homes are available. If the remaining Use Days and Vacation Homes are not convenient to your plans or schedule, you may lose your use rights for that year. In addition, if a Special Season Preference List is established for certain Use Days, you can only make reservations for these special season Use Days by having your name added to a Special Season Preference List. Names are added to this list on a first come, first served basis (subject to a one (1) month Home Resort Priority Period) and you will be offered the opportunity to book a special season reservation in the order that your name appears.

The DVC Operator has the right to forecast anticipated reservation and use of the Vacation Homes and is authorized to reasonably reserve, deposit, or rent the Vacation Homes for the purpose of facilitating the use or future use of the Vacation Homes or other benefits made available through the Plan.

J. **Is There a Wait List?** Yes. If your reservation request cannot be confirmed, then you may ask Member Services to place your name on the wait list for the Use Days that you requested. When and if Vacation Homes become available, Member Services will contact Club Members in the order that their request was received. See the Home Resort Rules and Regulations for further details about the wait-list system.

K. **What Happens if I Don't Use My Vacation Points?** Vacation points are deposited into your Vacation Points Activity Account for use in a specific Use Year. If you do not use them by the end of that Use Year then they will expire except to the limited extent permitted by "Banking."

L. **Banking, Borrowing and Transferring Vacation Points.** To give you greater flexibility, the Home Resort Rules and Regulations currently allow you:

- ❖ To save your unused Home Resort Vacation Points from one Use Year for use in the very next Use Year. This is called "Banking."
- ❖ To borrow Vacation Points from the next Use Year for use in the current one. This is called "Borrowing."
- ❖ To allow another Club Member to use your Home Resort Vacation Points. This is called a "Transfer."

Banking, Borrowing and Transferring are allowed only as provided in the Reservation Rules. They are subject to the conditions and limitations contained in the Reservation Rules, so be sure to read them. Your ability to either Bank or Borrow at any given time is further limited by the level of general banking and borrowing that exists at that particular time, and the DVC Operator may even suspend Banking, Borrowing, or both.

M. **What Happens if I Cancel or Change My Reservation?** If you cancel a reservation more than thirty days before Check-In Day the Home Resort Vacation Points used to make that reservation will be fully restored to your Vacation Points Activity Account. If you change a reservation more than thirty days before the Check-In Day and the revised reservation uses fewer Home Resort Vacation Points than the original reservation, the remaining Home Resort Vacation Points will also be fully restored to your Vacation Points Activity Account. If you cancel a confirmed reservation thirty or fewer days before the Check-In Day, the Home Resort Vacation Points used to make that reservation are placed in a "Holding Account." If a reservation is changed thirty (30) or fewer days before the Check-In Day and the revised reservation uses fewer Home Resort

Vacation Points than the original reservation, the remaining Home Resort Vacation Points are placed in a "Holding Account." Holding Account Vacation Points can only be used to book reservations within sixty days of check-in and are subject to other restrictions. All Vacation Points applied to a reservation are considered used starting on the reservation Check-In Day, even if you try to cancel your reservation on that day. If you check in late, you will not receive an extension of your reservation or a refund of your Home Resort Vacation Points.

If you have a Fixed Use Period, the Reservation Rules may allow you to give up your Fixed Use Period for a particular Use Year and instead be treated as if you have a Floating Use Period for that Use Year. Unless the Reservation Rules provide otherwise, you must do this by cancelling your reservation for your Fixed Use Period, and you will be subject to the same cancellation guidelines that apply to an Owner having a Floating Use Period who cancels a reservation. In that case, you will have the same reservation and use rights as an Owner having a Floating Use Period for that particular Use Year.

N. **Which Vacation Home Will I Use?** The key feature of the reservation system is the first come, first served nature of your use rights, subject to the automatic reservation rights of Owners with Fixed Use Periods. Although you will own an Ownership Interest in a specific Unit, you may actually end up using a Vacation Home located within a Unit in which you have no Ownership Interest. The confirmation of your reservation will state the *kind* of Vacation Home you have reserved. Special room requests, such as ground level Vacation Homes, specific Vacation Homes or specific buildings will be noted as a preference in the reservation record but cannot be guaranteed. The front desk will assign a specific Vacation Home to you on or near the day of check in.

Member Services should be notified if any Club Members or Guests have medical conditions that require the use of specially equipped Vacation Homes. Subject to any law that applies: (i) the Reservation Rules or the Association Rules may require that persons requiring the assistance of specially trained animals provide written notice in advance of their arrival at such time as the Reservation Rules or the Association Rules specify, and (ii) in order to protect Occupants who may have allergies to animals or other medical conditions, DVCHMC may require that Occupants who require the assistance of specially trained animals stay in certain Vacation Homes set aside for such use and occupancy.

O. **Club Member Benefit Programs.** From time to time, DVD, BVTC, DVCHMC and/or their affiliates may establish special Club Member benefit programs to enhance membership for Club Members. For examples, see the "Member Benefits Guide" discussed in Section 20.16, below. Participation in any Club Member benefit program is completely voluntary. These special programs are not a component of any Ownership Interest. Some or all Club Member benefit programs may be changed, canceled or terminated at any time. Certain Club Member benefit programs are only available to Club Members who purchase their Ownership Interests directly from DVD.

P. **Other Reservation Rules.** The Reservation Rules may contain any other rules and regulations that the DVC Operator in its sole, absolute and unfettered discretion determines are necessary or desirable from time to time in order to implement or enforce the provisions of the Membership Agreement in a manner that, in the DVC Operator's reasonable business judgment, will be for the principal purpose of improving upon the quality and operation of the Vacation Ownership Plan and furthering the collective enjoyment of the use of the Vacation Homes by Club Members taken as a whole.

Q. **Lock-Out.** Pursuant to the Plan Documents and applicable law, the DVC Operator is authorized to deny membership privileges to any Owner who fails to pay his or her Annual Dues ("lock-out"). Reservations associated with a membership that is in lock-out status may be canceled and all cancellation fees/penalties will be the responsibility of the Owner. Lock-out status will prevent Owners from making any reservations through their membership, checking in at any DVC Resort in the event of a confirmed reservation, Banking or Borrowing Vacation Points, or using the Member Getaways program. It will also prohibit the use of any of the accommodations and facilities at any of the DVC Resorts unless and until the total amount of the delinquent Annual Dues is satisfied in full with guaranteed funds. In addition, the DVC Operator is authorized, in accordance with the Plan Documents and applicable law, to rent the Ownership Interests of delinquent Owners and apply the proceeds of such rental, less any rental commissions, cleaning charges, travel agent commissions, or any other commercially reasonable charges reasonably and usually incurred by the DVC Operator in securing rentals, to the delinquent Owner's account. Any excess money will not be paid to the Owner so as to ensure that the defaulting Owner does not profit by his or her wrongdoing and to avoid violating any securities laws.

R. **Changes In The Plan and/or the Reservation Rules.** The DVC Operator, in its sole, absolute and unfettered discretion, may change the reservation system and/or the Reservation Rules. These changes may affect an Owner's right to use, exchange and rent his or her Ownership Interest and impose obligations upon the use and enjoyment of the Ownership Interest and the appurtenant Club Membership. Such changes may be made by the DVC Operator without the consent of any Club Member and may adversely affect a Club Member's rights and benefits and increase or decrease the Club Member's costs of ownership. For example, the DVC Operator has the ability to impose an obligation on Owners of Fixed Use Rights to confirm their reservations. Currently, the Reservation Rules do not require this. However, if this requirement is implemented, then an Owner's failure to confirm their reservation would result in the loss of their reservation. Another example of a change to the reservation system that may be made in a manner that would affect an Owner's use rights is that the Home Resort Priority Period may be lengthened or shortened. This would lead to an increase or decrease of the period during which only Owners in this Vacation Ownership Plan have the right to make a reservation in this Condominium.

Further, although the DVC Operator generally is required to make such changes in a manner which, in its reasonable business judgment, improves upon the quality and operation of the Vacation Ownership Plan and furthers the collective enjoyment of its benefits by the Club Members taken as a whole, such changes under some circumstances may not be to the advantage of some Club Members and could adversely affect their ability to secure reservations when and where they want them.

3.5. THE DVC RESERVATION COMPONENT. The Exchange Program provided for Club Members is a key component of the Club. BVTC provides reservation services for the Club's Exchange Program in the form of the DVC Reservation Component. The Exchange Program and the DVC Reservation Component are described in more detail in the Buena Vista Trading Company Disclosure Document for Disney Vacation Club (the "Disclosure Guide"). For your convenience, we will discuss or summarize some of the highlights of these documents, but *you should make time to read them yourself so that you fully understand your rights and duties.*

A. **Reservation Rules.** The DVC Reservation Component serves as the means through which you reserve the use of Vacation Homes at DVC Resorts other than the Condominium. Each DVC Resort has entered into an agreement with BVTC affiliating that DVC Resort with the Club (the "DVC Resort Agreement"). Your ability to make a reservation is subject to the priorities, restrictions and limitations stated in the DVC Resort Agreement for each DVC Resort and the Disclosure Guide issued by BVTC from time to time. From time to time, and subject to any limitations imposed by applicable law, BVTC may, in its sole, absolute and unfettered discretion and without your consent, change its Exchange Program, including its reservation and exchange rules and regulations, and the priorities, restrictions and limitations of its reservation system. The DVC Resort Agreement for the Plan (the "Plan's DVC Resort Agreement") was made by and between BVTC, the Vacation Owners Association, DVCHMC and DVD as of April 20, 2010.

B. **Reservations By Club Members.** After the Home Resort Priority Period expires, Club Members (not just Owners of Ownership Interests in the Aulani, *Disney Vacation Club*® Villas, Ko Olina, Hawai'i Vacation Ownership Plan) will be able to reserve a Vacation Home in the Plan on a space available, first-come, first-served basis subject to the reservation and exchange rules and regulations stated in the Disclosure Guide. Likewise, you will be able to reserve the use of accommodations at other DVC Resorts subject to similar priorities, limitations and restrictions.

Each DVC Resort has a home resort priority period of its own, and they may differ from one DVC Resort to the next. Your ability to reserve a Vacation Home at DVC Resorts other than the Condominium will be subject to the home resort priority rights of the owners of Ownership Interests at those other DVC Resorts. You need to be aware that the home resort priority period for a given DVC Resort may be increased or decreased but will not be shorter than a month.

C. **DVC Vacation Points.** If you decide to reserve a Vacation Home at a DVC Resort other than the Condominium, you will convert your Home Resort Vacation Points into DVC Vacation Points (as provided in the Disclosure Guide) for the purpose of making the reservation. The number of DVC Vacation Points required to make reservations at a DVC Resort is determined by BVTC in its sole, absolute and unfettered discretion from year to year, and BVTC shall make such periodic adjustments as are necessary in order to respond to actual Club Member use patterns and changes in Club Member use demand. In addition, BVTC has the right, in its sole, absolute and unfettered discretion, to charge an in-bound exchange fee for exchanges into DVC Resorts that experience higher than anticipated use demand relative to other DVC Resorts.

D. **Other DVC Resorts.**

- ❖ New units or resorts may be included in the Club from time to time, and existing DVC Resorts may be expanded. Added resorts may be located within or outside of the United States of America, and they may or may not be developed or managed by DVD or other companies associated with DVD. BVTC has the right to decide whether to add accommodations or resorts to the Exchange Program, and may do so without the consent or approval of the Vacation Owners Association, the Club Members or DVCHMC.
- ❖ The addition of new DVC Resorts will result in the addition of new accommodations and new Club Members who will have the opportunity to make reservations for the use of Vacation Homes and related facilities through the DVC Reservation Component under the same terms and conditions as existing Club Members, including the Club Members at the Condominium, and may also result in an increase in the Annual Dues assessed against each Ownership Interest. If DVC Resorts are added, demand for use may vary among the various DVC Resorts and the level of Club Member demand for the use of a particular DVC Resort may increase over the level of use demand that existed when you bought your Ownership Interest, and this may impact your ability to reserve use at a high demand DVC Resort at a particular time. Of course, the Home Resort Priority Period will insulate your right to request a reservation for a Vacation Home in the Condominium from competition for reservations requested by new Club Members at other DVC Resorts.
- ❖ Specific units and even whole resorts may be deleted from the Club from time to time. A DVC Resort (including the Plan) may withdraw from the Club if its DVC Resort Agreement expires or otherwise ends. If the Plan is deleted or withdraws from the Club, you may continue to request reservations for Vacation Homes in the Plan but not the other DVC Resorts. If any other DVC Resort is deleted or withdraws from the Club, you will no longer be able to reserve accommodations there.
- ❖ BVTC is not required to add any additional resorts to the Club, and you should not buy an Ownership Interest in the expectation that it will do so or that any existing DVC Resorts will remain in the Club. Likewise, you should not buy an Ownership Interest in the expectation that you will be able to reserve time periods at other DVC Resorts after the term of the Aulani, *Disney Vacation Club*® Villas, Ko Olina, Hawai'i Vacation Ownership Plan.

While the Vacation Ownership Plan for Aulani, *Disney Vacation Club*® Villas, Ko Olina, Hawai'i continues until January 31, 2062, the vacation ownership plans for all other existing DVC Resorts expire earlier (significantly earlier in most cases). You should not purchase an interest in this Vacation Ownership Plan in reliance upon the continued existence of any other DVC Resorts beyond the express

termination dates for those resorts. Neither DVD nor any of The TWDC Companies have any obligation to build or add any additional DVC Resorts. You should not purchase an interest in a DVC Resort in reliance upon the addition of new DVC Resorts.

E. **DVC Resort Agreement.** Unless the Plan's DVC Resort Agreement is terminated earlier, it will stay in effect until the Plan terminates. The Plan's DVC Resort Agreement may terminate or be terminated earlier in certain circumstances, including but not limited to the failure to maintain the Plan or the Condominium in a manner consistent with the Disney Standard, or the termination of DVCHMC as the Plan Manager, DVC Operator or Property Management Company of the Condominium. Whenever BVTC is entitled to terminate the Plan's DVC Resort Agreement, it may choose instead to suspend the Plan's participation as a DVC Resort. If the Plan's DVC Resort Agreement is suspended or terminated, you will not be able to use the DVC Reservation Component to reserve accommodations in DVC Resorts other than the Condominium. The DVC Resort Agreement requires that the Vacation Owners Association pay certain fees to BVTC. These fees are reflected in the Vacation Owners Association Estimated Budget attached as **Exhibit J**. They include a \$1 per year fee for each Owner plus a share of Breakage Period rental proceeds equal to the costs incurred by BVTC to provide the services contemplated under the DVC Resort Agreement plus another five percent (5%).

F. **Disney Vacation Club.** The Vacation Owners Association's corporate Membership in the Club is an "appurtenance" to your Ownership Interest. You cannot separate your Club Membership from your Ownership Interest. For example, if you sell your Ownership Interest, the new Owner of your Ownership Interest will become the Club Member. So there is no way to become or remain a Club Member without owning an Ownership Interest in a DVC Resort.

G. **Relationship to The Walt Disney Companies.** The Club does not own any property or assets. You should know that neither your purchase of an Ownership Interest nor your membership in the Club will entitle you to any legal or beneficial interest in The Walt Disney Company, a Delaware corporation, or in any related company (together, "The TWDC Companies"), or the assets or any property interest or right in any of The TWDC Companies (i.e., no right or interest in the property, contract rights or business of any of The TWDC Companies). You will not be entitled to any share of income, gain or distribution by or of any of The TWDC Companies, and will not acquire any voting rights in respect of any of The TWDC Companies.

3.6. **WHAT ARE MY USE RIGHTS?**

A period of time for which you have properly reserved the use of a Vacation Home is called your "Use Period." During your Use Period, you have (i) the exclusive right to occupy the Vacation Home assigned for your use (your "Assigned Vacation Home"), (ii) the right to use any Limited Common Elements of your Assigned Vacation Home, (iii) the right to use the General Common Elements of the Condominium intended and available for use by the Occupants of your Assigned Vacation Home, (iv) to the extent permitted by the Master Declaration, the right to use the "Shared Areas" intended and available from time to time for use by the Occupants of your Assigned Vacation Home, and (v) to the extent permitted by the Ko Olina Documents, the right to use any amenities of the Ko Olina Resort intended and available for use by the Occupants of your Assigned Vacation Home. The Master Declaration and the Ko Olina Documents are described in **Exhibit C**.

You must take care of your Assigned Vacation Home and its furnishings. You must leave them in good condition except for ordinary wear and tear. You must pay for any damage and any items that are lost or missing after your Use Period. You must also remove all personal effects at the end of your Use Period or you risk losing them.

You may reserve a Vacation Home so that your children, parents, relatives, a friend, or just about anyone else can use it. You may also rent your Assigned Vacation Home during your Use Period. However, you cannot join a "rental pool" or similar arrangement where your reservation rights, Home Resort Vacation Points or Use Period are placed together in a pool with other Owners' reservation rights, Home Resort Vacation Points or Use Period and rented, or where rental income and/or expenses are shared in some other way. ***DVD makes no representation or warranty as to the potential rental value of an Ownership Interest or Use Period, or that an Owner may expect to make a profit by buying, selling, or renting an Ownership Interest or Use Period.***

Except for Units owned by DVD, which may be utilized as provided in the Plan Declaration, each of the Vacation Homes may be occupied only as vacation accommodations. Except for Units or Ownership Interests owned by DVD, rentals of Vacation Homes to the general public by DVD, the Plan Manager or the DVC Operator, and use of Vacation Points in connection with External Exchange Programs, use of the accommodations and recreational facilities of the Condominium is limited solely to the personal use of Owners and Exchangers, and their respective Guests and for recreational uses by corporations and other entities owning Ownership Interests in a Unit. Except as set forth above, use of Vacation Homes and recreational facilities for Commercial Purposes or any purposes other than the personal use described in the Plan Declaration is expressly prohibited. "Commercial Purpose" includes a pattern of rental activity or other occupancy by an Owner that the Board, in its reasonable discretion, could conclude constitutes a commercial enterprise or practice. From time to time, to the extent that the Board determines that use is occurring that is for a Commercial Purpose, the Board may in its sole and absolute discretion, adopt policies to provide what constitutes a commercial enterprise, practice or purpose.

You will be fully responsible for your Guests (including your renters). You must pay any charges they incur with respect to the Plan, the Condominium, the Hotel Condominium or under the Master Declaration, if they do not pay them. For example, if they do not pay their long distance telephone charges, you must pay them. You will also be responsible for their misconduct and for any loss or damage that they cause.

Except for your Assigned Vacation Home during your Use Period, you cannot use or occupy a Vacation Home or any other part of the Aulani Resort or the Ko Olina Resort that is not open to the public. The Plan Manager, however, can permit Day Use. If the Plan Manager permits Day Use, then

Owners and their Guests may use the Common Elements, Common Areas and Shared Areas upon the terms and conditions set by the Plan Manager and any additional terms and conditions set by the Condominium Association (as to the Common Elements of the Condominium), the Hotel Condominium Association (as to the Common Elements of the Hotel Condominium) and/or the Master Declarant (as to the Shared Areas). Day Use will be subject to any further limitations contained in the Governing Documents. The Plan Manager must limit Day Use to the extent reasonably necessary to assure that it does not unreasonably burden or interfere with the use of the Condominium, the Hotel Condominium or the Resort, generally. The Master Declarant may permit or not permit Day Use in its sole, absolute and unfettered discretion.

Persons with handicaps or disabilities may keep specially trained animals in their Assigned Vacation Home or elsewhere on the Condominium as permitted by the Plan Documents, the Condominium Documents, the Hotel Condominium Documents or by law. No other pets and animals of any kind may be allowed or kept in any Vacation Home or elsewhere in the Resort except as explicitly provided in the Reservation Rules, the Association Rules, the Condominium Documents, the Hotel Condominium Documents or the Master Declaration.

Anyone who fails to check out on time or who damages a Vacation Home or its furnishings so that it cannot be used will be subject to sanctions, including eviction and payment of all damages resulting from the misconduct. Such a person must also pay (i) an amount equal to twice the daily fair rental value of the Vacation Home (as determined by the Vacation Owners Association) for each day or part of a day that it is unavailable, plus (ii) a \$50 fee to be paid to the Vacation Owners Association for administrative costs.

Purchase of an Ownership Interest or use of the Vacation Homes and facilities of the Condominium and/or Hotel Condominium for commercial purposes (excluding use by the TWDC Companies) or for any purpose other than the personal use described in this Disclosure Statement is expressly prohibited. To encourage purchase for personal use, Owners may not currently aggregate Ownership Interests so as to compile more than 4000 Home Resort Vacation Points per DVC Resort or an aggregate of 8000 Home Resort Vacation Points at all DVC Resorts, and use by corporations or other business entities is strictly limited to recreational use by their directors, officers, principals, or employees. For the purpose of determining the total number of Vacation Points compiled, no separation shall be made of Ownership Interests owned by the same person(s) with other person(s) or entity(ies) in which any such person has a partnership, membership, beneficial or ownership interest.

3.7. EXCHANGE.

In order to increase the range of vacation options available to Owners, DVD, DVCHMC (while the Membership Agreement is in effect) and BVTC (while the DVC Resort Agreement is in effect) shall each have the right:

- ❖ To arrange for Owners to have access to one or more External Exchange Programs from time to time. These arrangements may include Exchange Contracts between DVD, DVCHMC and/or BVTC (as corporate participants or members) and External Exchange Companies for the purpose of affording Owners the opportunity to avail themselves of alternative vacation opportunities available through the External Exchange Program.
- ❖ To enter into or otherwise arrange for one or more special exchange relationships with any entity other than an Exchange Company pursuant to which Owners and other Club Members will have access to selected non-DVC Resorts and persons who are not Club Members will have access to accommodations in DVC Resorts.

Use by Owners of any External Exchange Program or any special exchange arrangement is entirely voluntary and may entail payment of additional fees and other charges not included in the Annual Dues. There can be no assurance that DVD, DVCHMC and/or BVTC will be successful in arranging for ongoing access to any External Exchange Program or establishing or maintaining any special exchange relationships. Under such circumstances, Owners may contact an External Exchange Company directly to establish individual exchange privileges. There can be no assurance, however, that an individual Owner will be able to satisfy the terms and conditions then required by an External Exchange Company to participate individually in its External Exchange Program. If DVD, DVCHMC, BVTC and the individual Owner are not successful in establishing an agreement with an External Exchange Company, the ability of an individual Owner to request future exchanges other than to a DVC Resort will cease.

The Club presently has an Exchange Contract with RCI pursuant to which Owners will have access to one or more of the RCI Exchange Programs. RCI is not in any way affiliated with TWDC, DVD, DVCHMC, BVTC or any of their respective subsidiaries or affiliates. DVD, DVCHMC, BVTC and their respective officers, directors, agents and employees cannot act for RCI or any other External Exchange Company and they cannot make representations or promises about any External Exchange Company's current or future plans. All representations and promises about any External Exchange Program are limited to the materials that the External Exchange Company supplies. DVD, DVCHMC, BVTC and their respective officers, directors, agents and employees are not responsible or liable for any External Exchange Company or its Exchange Program or any materials or other representations or promises made about its Exchange Program. Similarly, an External Exchange Company cannot act for, and is not responsible for DVD, DVCHMC, BVTC or the Club.

Likewise, DVD, DVCHMC, BVTC and their respective officers, directors, agents and employees are not responsible or liable for any acts or omissions of the providers of any special exchange relationships, or for any breach by them of the special exchange arrangements.

From time to time, DVD, DVCHMC and/or BVTC may change or terminate any Exchange Contracts or any special exchange relationships as they deem appropriate in their respective sole, absolute and unfettered discretion, and without the consent or approval of the Owners or anyone else.

The DVC Operator may estimate the anticipated demand for use of any Exchange Program by the Owners. In order to further the best interests of the Owners as a whole, the DVC Operator may deposit time periods with the Exchange Program in advance of the Owners' requests in order to obtain exchange rights for use by the Owners. If the DVC Operator underestimates the anticipated demand for exchange use, then Owners who seek to exchange may find their selection opportunities in the Exchange Program more limited than would otherwise be the case. Conversely, if the DVC Operator overestimates the anticipated demand for exchange use, then the selection of reservation opportunities in the Plan for Owners may be limited. Therefore, in order to ensure that you obtain your desired reservation, you should make your reservation as soon as possible. Neither the Vacation Owners Association nor the DVC Operator will be liable for any mistaken estimates so long as the estimate is made in good faith.

3.8. **DVD'S SPECIAL RIGHTS.** DVD has special use and other rights, called "DVD's Reserved Rights," that other Owners do not. Exhibit E describes some of DVD's reserved rights that we thought you might like to know about, but you should read the Plan Documents, the Condominium Documents, the Hotel Condominium Documents and the Master Declaration to see them all. You need to understand, and by signing your Purchase Agreement and deed, you accept and agree that DVD has and may exercise and assign DVD's reserved rights.

4. DESCRIPTION OF TIME SHARE UNITS, BUILDING, LOCATION, ETC.

4.1. **LOCATION OF THE CONDOMINIUM.** The Units now in the Plan, as well as those that may be added to the Plan later, are part of the Aulani, Disney Vacation Club® Villas, Ko Olina, Hawai'i Condominium. The Condominium is located on a sandy beach fronting on a lagoon that leads to the Pacific Ocean. The address of the Condominium is 92-1185 Ali'i Nui Drive, Kapolei, Honolulu, Hawai'i 96707.

4.2. **THE AULANI RESORT.** The Aulani Resort looks like a single hotel or condominium project and in many respects it operates that way. But there are actually two condominium projects, the Condominium (which contains the Vacation Homes) and the Hotel Condominium.

A. **THE CONDOMINIUM.** The Condominium includes four high-rise buildings and part of another. At present, there are a total of 467 Vacation Homes although this may change. The Condominium also has two parking garages, two surface parking areas, the driveways and porte cochere leading to the lobby of the Resort, a lazy river, a caldera waterslide and adjacent pool, a "quiet" pool, another pool, three hot tubs, various pool decks and landscaped areas, a beach rental kiosk, and a fire pit and sun deck overlooking the adjacent beach and lagoon. The lagoon is privately owned and is not part of the Condominium, but both the beach and the lagoon are open to the public. The Condominium includes the beach to the extent it is located within the boundaries of the Condominium, subject to any applicable law that sets the seaward boundaries of Hawaii land.

The Condominium also has various other facilities. These include, for example, the 'Ama 'Ama beachside restaurant, the Off the Hook restaurant, the Kid's Club, the Kid's Club play area, a lawn area, a quiet pool bar, the Papalua shave ice kiosk, Mama's Snack Stop (next to Papalua Shave Ice), the Lava Shack snack bar (located inside of the Caldera), a lanai for the Hotel's spa, a gazebo, a snorkel lagoon, a lagoon check-in building and various decks. All of these are owned entirely by DVD alone, and DVD generally has the right to change them as it sees fit. DVD also operates a food and beverage concession next to the Ulu Café and Little 'Opihi's beachside food and beverage concession and generally can change them as it sees fit.

B. **THE HOTEL CONDOMINIUM.** The Hotel Condominium currently has two towers (containing over 350 hotel rooms, commercial areas and other improvements), a lobby building and adjacent lanai, a convention center building, a gazebo and a building containing a spa and adjacent lanai area. DVD owns almost all of these buildings and generally has the right to change them as it sees fit. However, a portion of one tower containing eight (8) of the hotel rooms is part of the Condominium and the Plan.

4.3. **CONSTRUCTION AND PHASED DEVELOPMENT.** DVD is developing both Condominium and the Hotel Condominium in various stages, called "Phases." They are described in Exhibit F.

STATUS OF CONSTRUCTION. The Construction, equipping and finishing of phases of Aulani, Disney Vacation Club Villas, Ko Olina Hawai'i that are currently being offered for sale in the Condominium are now substantially complete with the possible exception of any ongoing warranty work on the Improvements.

Phase 1 of the Hotel Condominium (which includes the two hotel towers, lobby building and lanai, convention center building and the spa) is now complete and in use by DVD. DVD has not decided whether to construct any other Phase of the Hotel Condominium and/or whether to incorporate additional portions of the Hotel Condominium, if any, into this Condominium.

PRE-COMPLETION CLOSINGS. The Closing of the sale of an Ownership Interest located in any Phase of the Condominium may take place prior to the completion of construction of the Units, Vacation Homes, recreational facilities and other commonly used facilities contained in such Phases. In such event, Owners will not be entitled to use such Units, Vacation Homes and other facilities until a certificate of occupancy is obtained. For safety reasons, Owners will be prohibited from accessing many portions of the Condominium during construction.

4.4. **VACATION HOMES.** For purposes of the Vacation Ownership Plan, the Vacation Homes currently included in the Plan fall into one of these "Vacation Home Types":

- ❖ **"Hotel Room Standard View Vacation Homes"** have a bedroom and a bathroom. These Vacation Homes have a net interior living area of about 387 to 395 square feet, plus a lanai having an area of about 65 to 87 square feet.

- ❖ *"Deluxe Studio Island Gardens View Vacation Homes"* have a bedroom and a bathroom. These Vacation Homes have a net interior living area of about 366 square feet, plus a lanai having an area of about 25 square feet.
- ❖ *"Two-Bedroom Standard View Vacation Homes"* have two bedrooms, at least two bathrooms, a living/dining room, a kitchen and at least two lanais, and a view of the convention center, a restaurant, parking lot or parking garage. These Vacation Homes have a net interior living area of about 1067 to 1092 square feet, plus lanais having a total area of about 120 to 240 square feet.
- ❖ *"Two-Bedroom Island Gardens View Vacation Homes"* have two bedrooms, at least two bathrooms, a living/dining room, a kitchen and at least two lanais, and at least a partial view of the mountains, Spa or landscaping from the Vacation Home or from the lanai. These Vacation Homes have a net interior living area of about 1067 to 1092 square feet, plus lanais having a total area of about 120 to 240 square feet.
- ❖ *"Two-Bedroom Poolside Gardens View Vacation Homes"* have two bedrooms, at least two bathrooms, a living/dining room, a kitchen and at least two lanais, and at least a partial view of the pool, courtyards, water features, or landscaping from the Vacation Home or from the lanai. These Vacation Homes have a net interior living area of about 1067 to 1092 square feet, plus lanais having a total area of about 120 to 240 square feet.
- ❖ *"Two-Bedroom Ocean View Vacation Homes"* have two bedrooms, at least two bathrooms, a living/dining room, a kitchen and at least two lanais, and at least a partial view of the ocean from the Vacation Home or from the lanai. These Vacation Homes have a net interior living area of about 1067 to 1092 square feet, plus lanais having a total area of about 120 to 240 square feet.
- ❖ *"Grand Villa Standard View Vacation Homes"* have three bedrooms, three bathrooms, a living/dining room, a kitchen, a foyer and a lanai, and a view of the convention center, a restaurant, parking lot or parking garage from the Vacation Home or lanai. These Vacation Homes have a net interior living area of about 2258 square feet, plus a lanai having an area of about 384 square feet.
- ❖ *"Grand Villa Ocean View Vacation Homes"* have three bedrooms, three bathrooms, a living/dining room, a kitchen, a foyer and a lanai, and at least a partial view of the ocean from the Vacation Home or from the lanai. These Vacation Homes have a net interior living area of about 2258 square feet, plus a lanai having an area of about 384 square feet.
- ❖ In each case, the lanais are Limited Common Elements of the Condominium Unit within which the Vacation Homes are located.

Some of the Two-Bedroom Vacation Homes have been designed so that they can be used either as a whole unit or on a "lock-off" basis. For example, a 2-bedroom lock-off Vacation Home may be used as a two-bedroom Vacation Home. But it may also be used as two separate Vacation Homes: a 1-bedroom Vacation Home and a studio Vacation Home, each having its own separate front door that can be locked. For each 2-bedroom "lock-off" Vacation Home, the component 1-bedroom and studio Lock-off Vacation Homes have the same Vacation Home Type (e.g., Standard View, Island Gardens View, Poolside Gardens View and Ocean View.) as the 2-bedroom lock-off Vacation Home. Some of the Standard Hotel Rooms have connecting doors so that two Vacation Homes may be used as one, just as you may have seen in many hotels. Each Standard Hotel Room has its own separate front door that can be locked.

There may be differences among Vacation Homes assigned to the same Vacation Home Type, and you may find the differences significant. For example, some Vacation Homes are larger than others in the same Vacation Home Type. Even so, DVD and the DVC Operator can decide whether these and other differences should be considered or ignored for purposes of assigning Home Resort Vacation Points to the Units, assigning Vacation Homes among the Vacation Home Types, setting Vacation Point Values and/or operating the Home Resort Reservation Component.

4.5. UNITS IN THE PLAN. DVD may add more Condominium Units to the Plan at any time and without the consent of any Owner or anyone else. DVD is not promising to add more Condominium Units to the Plan. DVD may also remove Condominium Units from the Plan so long as DVD owns all of the Ownership Interests in them.

When DVD adds Condominium Units to the Plan, it may create new Vacation Home Types or new kinds of Ownership Interests. If DVD creates a new Vacation Home Type or new kinds of Ownership Interests, or if DVD owns all of the Units of a particular Vacation Home Type, then DVD may change the Plan Documents with respect to that Vacation Home Type. For example, DVD could create new kinds of Ownership Interests that give the Owners of them the first chance or the exclusive right to reserve certain Units.

These rights of DVD are subject to certain limits. For example, DVD cannot change the rights of existing Owners to reserve and use the Vacation Homes already included in the Plan (except for Vacation Homes located in Units owned entirely by DVD).

4.6. SHARED AREAS.

The Aulani Resort, although consisting of two separate condominiums, was designed and is intended to be operated as a single complex containing both the Vacation Ownership Plan and a hotel known as The Aulani, A Disney Resort & Spa, Ko Olina, Hawai'i (the "Hotel").

- ❖ The Vacation Ownership Plan currently consists of the Vacation Units described in Exhibit B. They are located in the four towers of the Condominium. However, the Standard Hotel Rooms are located in another tower. Most of that tower is part of the Hotel, but the eight Standard Hotel Rooms are not.

❖ The Hotel currently consists of:

- All 7 Commercial Units of the Hotel Condominium. Located within them are a tower containing hotel rooms, most of another tower containing hotel rooms, the lobby building and lanai, the convention center building (which includes a lanai, various retail, administrative and back-of-house facilities), a gazebo, and the spa building and lanai area; and
- All 14 Commercial Units of the Condominium. Among other things, they contain the 'Ama 'Ama beachside restaurant, the Kid's Club, the Kid's Club play area, various lawn areas, the quiet pool bar, the Papalua shave ice kiosk, Mama's Snack Stop (located next to Paplua Shave Ice), a snack bar located inside of the Caldera, the Ulu Café, a gazebo, the rest of the spa lanai, a snorkel lagoon and check-in building, various decks, and various retail, administrative and back-of-house areas.
- Little 'Opihi's beachside food and beverage kiosk and the concession stand adjacent to the Ulu Café.
- Most of Ka Maka Grotto and a kid's splash zone named Keiki Cove.

Operation of the two condominium projects on an integrated basis is governed by the "Master Declaration." It is described in legal terms in Exhibit C.

A. **Disney Standard.** The Master Declaration requires the Resort to be designed, constructed, operated, managed and maintained in compliance with the Disney Standard, as determined by the Master Declarant (which is currently DVD) or by an "Architectural Review Officer" appointed by it (the "ARO"), in its sole, absolute and unfettered discretion. The Master Declarant and the ARO each have the right to require the Vacation Owners Association, all Owners, the Condominium Association and the Hotel Condominium Association to comply with the Disney Standard.

B. **Shared Areas.** The Master Declaration provides that certain parts of the Aulani Resort, called "Shared Areas," are shared by the Hotel and the Vacation Ownership Plan regardless of whether they are located in the Condominium or the Hotel Condominium. For example:

- ❖ The Condominium has no front desk or lobby but the Hotel does. The Vacation Owners Association shares the use (and costs) of the lobby and front desk with the Hotel owner (DVD) even though the lobby and front desk are owned solely by DVD. This includes not just the cost to maintain, repair and clean the physical facilities but also the cost of staffing (wages and benefits), uniforms for staff, and so on.
- ❖ The Aulani Resort has several pools. Most are located solely in the Condominium but one is located partly in the Hotel and partly in the Condominium. Both the Plan and the Hotel share the use (and costs) of the lazy river, Caldera waterslides and pool, hot tubs, quiet pool, Ka Maka Grotto pool, and the various pool decks.
- ❖ The Kid's Club and Kid's Club play area owned by DVD. At present, DVD plans to provide access to them as Shared Areas either for free or for a nominal fee, although this may change.
- ❖ Various elevators, fire escapes, electrical systems, roofs, walls and other parts of the Resort may be shared by the Condominium and the Hotel Condominium, or by the Hotel and the Vacation Ownership Plan, or in some other fashion. For example, a single air conditioning system serves the entire Resort, and its costs are shared.

Certain services provided to the Resort are intended to be shared as well. For example, security systems and security personnel serve the Resort as a whole and the costs are shared. Likewise, electrical service is provided to the Resort as a whole and the costs are shared. Note also that most of the Ka Maka Grotto pool and pool deck are located within the Hotel and DVD may someday decide to change the use of that area of the Resort.

Note that certain lawn areas are currently owned by DVD. Although they are currently considered to be "Shared Areas," access to them may be closed (temporarily or permanently) when they are being used for commercial or other purposes by the Unit Owner.

C. **Shared Area Expenses.** Costs and expenses of the Shared Areas are currently shared between the Condominium Association, the Hotel Condominium Association, the Vacation Owners Association (on behalf of the Owners of the Ownership Interests) and the Hotel owner (DVD). These costs and expenses, called "Shared Area Expenses," are described in more detail in Exhibit M. Shared Area Expenses are apportioned and allocated in a fair and equitable manner determined by the Master Declarant (which is DVD) in its sole, absolute and unfettered discretion. In making such allocation, the Master Declarant may employ any one or more of the following allocation methodologies in its sole, absolute and unfettered discretion: (i) number of arrivals; (ii) occupancy rates; (iii) room nights; (iv) guest population; (v) square footage of accommodations; (vi) number of accommodations declared in any vacation ownership property; (vii) labor hours incurred in serving the parcels; (viii) number of employees engaged to manage/operate the parcels; and (ix) number of housekeeping hours incurred in maintaining the parcels. In addition, the Master Declarant may use, in its sole, absolute and unfettered discretion, different allocation methodologies to allocate different components of the Shared Area Expenses. Any other allocation methodology may be used by the Master Declarant if, in the Master Declarant's reasonable judgment, such allocation methodology allocates the Shared Area Expenses in a fair and equitable manner.

D. **Restrictions; Easements; Amendments.** The Master Declaration imposes a wide range of restrictions and controls on the Master Property, and it reserves to the Master Declarant numerous easements in the Master Property and broad rights to amend the Master Declaration. The provisions of the Condominium Documents, the Hotel Condominium Documents and the Plan Documents are subject to and governed by the Master Declaration. In cases of a conflict, the Master Declaration will control. As a practical matter, this vests in the Master Declarant substantial

control over the entire Resort. For your convenience, we will discuss or summarize some of the highlights of the Master Declaration in Exhibit G, but *you should make time to read it yourself so that you fully understand your rights and duties*.

4.7. OTHER AMENITIES. Other amenities that will be made available to Owners for a fee include a snorkel lagoon (owned by DVD), the Keiki Cove kid's splash zone (owned by DVD), and various pool cabanas (owned by the Condominium Association).

The snorkel lagoon is located in a Commercial Unit owned by DVD and is not part of the Shared Areas. The Keiki Cove is located in a Commercial Unit owned by DVD but is a Shared Area currently. Although DVD is not presently planning to do so, DVD has the right, in its sole, absolute and unfettered discretion, to change their use, to close them temporarily or permanently and/or to construct buildings or other improvements on them.

4.8. KO OLINA RESORT. The Condominium is part of a larger community known as Ko Olina Resort. The former owner of the land of the Condominium recorded the "Amended and Restated Declaration of Covenants, for Ko Olina Community Association" (the "*Ko Olina Declaration*") against all of the lands in the Ko Olina Resort to ensure that such lands would be used and developed in accordance with the standards and restrictions described in the Ko Olina Declaration. The Ko Olina Declaration applies to the Condominium and to all Owners of Ownership Interests in it.

The Ko Olina Declaration provides for the use, administration, repair and maintenance of the "Common Area" of the Ko Olina Resort. This includes all real property owned or held by Ko Olina Community Association, Inc., a Hawai'i non-profit corporation, for the common use and enjoyment of its members.

The Ko Olina Declaration currently provides that the Ko Olina Community Association is responsible for maintaining the water surface, the lands beneath the water surface, the offshore islands and the exposed reefs of the lagoons, including the lagoon in front of the Condominium. The costs of maintenance, repair, replacement and insurance of the lagoons and any lagoon improvements are charged to the subdistricts located on the lagoons. The Unit Owners in the Condominium will have to pay a significant percentage of those charges for the lagoon in front of the Condominium.

The Ko Olina Declaration reserves to the public certain easements ("*Shoreline Access Easements*") over the parking areas serving, and the walkways providing direct access to, the lagoons, for the purpose of parking and access. The rights of the public to use the Shoreline Access Easements include the right to use and enjoy the improvements located on it which are designed to serve the lagoon area, including, without limitation, the parking areas, restroom facilities, showers, water fountains, walkways, landscaping and lighting. One of the public restroom facilities is located on the grounds of the Condominium on the other side of a fence next to the Ka Maka Grotto pool. Costs for the maintenance, repair and replacement of the improvements within the Shoreline Access Easements are assessed through the Ko Olina Community Association as a general expense. This is true even for the public restroom located on the grounds of the Condominium.

The declarant under the Ko Olina Declaration has agreed to grant to the public an easement (the "*Shoreline Parkway Easement*") along the shoreline of the lagoon for the purpose of public use and access along the lagoon and shoreline. The rights of the public to use the Shoreline Parkway Easement include the right to use and enjoy all improvements located thereon (which may include drinking fountains, shower facilities, sidewalks, lighting, telephone facilities, landscaping and sitting areas) and to engage in recreational activities (including sunbathing, picnicking, swimming and walking). Ocean-related activities, such as limu-picking and fishing, outside of the lagoon area shall not be curtailed, except with the prior consent of the Director of Parks and Recreation for the City and County of Honolulu, or where restricted by law. Costs for the maintenance, repair and replacement of the Shoreline Parkway Easement and all improvements on it are assessed through the Ko Olina Community Association.

The Shoreline Access Easements and the Shoreline Parkway Easements may result in increased traffic, noise, gathering of crowds, vibrations, odors, and other nuisances and related inconveniences. By accepting a deed, each Owner gives up (in legal terms, "waives, releases and discharges") any rights, claims or actions arising from or with respect to the proper use of these easements.

Each Owner of an Ownership Interest in the Condominium will be a member of the Ko Olina Community Association. Members may use the Common Areas of Ko Olina subject to the conditions and restrictions imposed by the Ko Olina Declaration, rules and regulations adopted by the Ko Olina Community Association, and other documents and laws. It is important to note, however, that some of the Common Areas may be set aside as "Exclusive Use Common Areas" and that certain amenities within the Ko Olina Resort (for example, the golf course) are "Private Amenities." Owners may not have access to the Exclusive Use Common Areas and Private Amenities, or may only have access upon payment of fees or other charges. For example, the golf course located across the street from the Resort is a private amenity. To use it, you would have to arrange a tee time and would also have to pay green fees, cart rental fees, and any other sums charged by the owner or operator of the golf course. DVD makes no representation as to the continued existence, configuration, or use of the golf course, or that you will be able to obtain a tee time, or that the golf course will be available for use by you.

The Ko Olina Community Association has the authority to charge general assessments, special assessments (to cover unbudgeted expenses or amounts), subdistrict assessments (for expenses allocable only to units within a given "subdistrict" such as the Condominium), and benefited assessments (to cover the costs of providing certain benefits provided to the owners, including landscape maintenance and pest control). Owners and the Condominium Association are jointly and severally liable to pay these amounts.

The Ko Olina Documents also provide for the establishment of the Ko Olina Resort Operators Association, Inc., a Hawai'i nonprofit corporation established for the purpose of promoting and marketing the Ko Olina Resort. Each Owner of an Ownership Interest in the Condominium will be a

member of the Ko Olina Resort Owners Association. Membership in the Ko Olina Resort Operators Association, Inc., carries with it all rights and obligations set forth in the articles of incorporation and bylaws of the Ko Olina Resort Operators Association. The Ko Olina Resort Operators Association has the authority to charge assessments for the common expenses of the Ko Olina Resort Operators Association, and the obligation to pay these assessments is secured by a lien against the owners of each Condominium Unit.

DVD has entered into a Resort Benefits Agreement with Ko Olina Club, LLC, a Hawaii limited liability company, ("Ko Olina Club") pursuant to which the Ko Olina Club has agreed to provide certain rights of access to and benefits associated with certain Ko Olina entertainment facilities and services upon the terms and conditions provided in the Resort Benefits Agreement. These facilities and services presently include, among other things (i) preferential rates at Ko Olina Golf Course and Golf Club, with a discount off the standard published rates of not less than ten percent (10%); (ii) preferential access for outdoor activities at Ko Olina Marina (excluding the Ko Olina Community Association residents' Beach Resort, if and when constructed), with a discount off the standard rate of not less than ten percent (10%); (iii) preferential access to wedding dates for the wedding chapel located on land adjacent to the Condominium, including the right to reserve, on a priority basis, all dates for weddings booked at least a year in advance, and a discount off the standard rate of not less than ten percent (10%); and (iv) a discount of not less than ten percent (10%) of the standard published rates for weddings performed in Ko Olina Marina. These benefits are subject to various rules and regulations, and may be changed or discontinued from time to time and/or new benefits may be added from time to time. The Resort Benefits Agreement provides for payment of an annual Resort Access Fee of about \$5,492 per year for a 2-bedroom Vacation Home and \$10,984 per year for a 3-bedroom Vacation Home, and these fees will be included in the assessments charged to the Owners together with an amount sufficient to pay any general excise tax (including any surcharge by the City & County of Honolulu) on these fees as necessary to ensure that the sums received by Ko Olina Club will not be diminished by any such tax, whether charged to Ko Olina Club, DVD, the Condominium Association, the Vacation Owners Association or someone else. The amount of the Resort Access Fees are subject to annual increases (but not decreases) in keeping with the rate of inflation in Honolulu, Hawaii, based on an index and formula provided in the Resort Benefits Agreement. The Resort Benefits Agreement does not guarantee that Owners will have access to tee times at the Ko Olina Golf Course and Golf Club. The Resort Benefits Agreement has a term of fifty years starting from the date of the sale of the first Ownership Interest.

4.9. **NO WARRANTIES.** DVD is also the Condominium Developer but DVD is not the contractor or related to the contractor that constructed the Condominium or the Hotel Condominium. The Condominium and the Hotel Condominium consist of fully built and existing buildings. The warranty period under the general construction contract has now expired.

Except for the warranty of title in your deed, DVD makes no warranties, express or implied, about the Condominium Units, the Condominium, or the Resort (whether or not located within the Condominium), or about consumer products or anything else installed or contained in the Condominium Units, the Condominium, or the Resort. This includes, but is not limited to, warranties of merchantability, habitability, workmanlike construction, fitness for a particular purpose, or sufficiency of design. All rights and interests in an Ownership Interest, the Vacation Property, the Condominium and/or the Resort are being sold by DVD "as is" and "where is," with all defects, whether visible or hidden, and whether known or not known. This means, among other things, that neither DVD nor any of its affiliates (including but not limited to DVCHMC and BVTC) have to correct or fix, or pay to have someone else correct or fix, any defect no matter what causes it or when it is discovered. **Each Owner and every other person having any interest in an Ownership Interest, Condominium Unit, or the Plan, or staying in any Vacation Home, and all of their respective Guests, gives up (in legal terms, "waives and releases") any and all rights and claims such person (or such person's successors and assigns) may have, now or in the future, against DVD, its affiliates (including but not limited to DVCHMC, BVTC and any other of The TWDC Companies), each of their respective officers, directors, agents and employees, and all of their successors and assigns, for (i) any defects in the Condominium Units, the Condominium, or the Resort, or any consumer products or anything else installed or contained in the Condominium Units, the Condominium, or the Resort, and (ii) for injury to persons or property arising from any such defects.** This means that neither DVD nor any affiliate of DVD (including but not limited to DVCHMC, BVTC and The TWDC Companies) will have to pay for any injury or damage to people or things as a result of any defect.

Finally, without limiting the other parts of this Section, **nothing in the Condominium Map is intended to be or is a representation or warranty by DVD.**

4.10. **INSURANCE COVERAGE.** You should read Section 18 of the Plan Declaration, Section 14 of the Condominium Declaration, Section 14 of the Hotel Condominium Declaration and Part IV of the Master Declaration for a discussion of insurance coverage for the Vacation Owners Association, the Condominium Association and the Hotel Condominium Association (together, the "Associations"). Except for insurance required by law and subject to any requirements of the Master Declaration, the Associations need not buy any insurance if their boards of directors are advised that it cannot reasonably be obtained or if their boards of directors decides that it is too expensive. The following is a brief summary of the coverage required by the Master Declaration, the Condominium Documents, the Hotel Condominium Documents and/or the Plan Documents:

A. **Property Insurance.** The Associations must buy and maintain property insurance that covers fire, lightning, windstorm and hail, smoke, explosion, riot, civil commotion, aircraft and vehicle damage, and so on. If it is available at a reasonable cost, the insurance must cover 100% of the cost of replacing the property (except for things like the foundation) without deductions for depreciation.

In recognition of the fact that the Master Property, although consisting of multiple parcels, is intended to be built and operated as a unified project, the Master Declarant is entitled to keep all improvements located on the Master Property insured against loss or damage by fire, water, lightning,

windstorm, hail, explosion, riot, damage from aircraft, collapse, and smoke damage, and such other risks, casualties and hazards as may from time to time be carried for similar buildings located at The Walt Disney World® Resort or the Disneyland® Resort, with "Special Perils", extended coverage, vandalism and malicious mischief endorsements in an amount equal to the full replacement value thereof less any applicable deductibles, the cost of which shall be a Shared Area Expense.

In the case of a fire or other casualty, the Master Declaration requires that the damage or destruction be repaired and restored as promptly as reasonably possible, and any insurance proceeds will be used for pay the costs and expenses of such repair and restoration. With the Master Declarant's consent, however, the Condominium Association may elect not to repair or restore the Condominium provided that all Building Shared Components and any parts of the Condominium necessary for safe access, ingress and egress to and use of the Hotel Condominium for its intended purpose are repaired or restored. A similar provision applies to the Hotel Condominium.

B. Liability Insurance. The Associations must buy and maintain a commercial general liability insurance policy and, if necessary, commercial umbrella insurance. The policy must cover claims for personal injury, bodily injury, death, and property damage made against (i) the Associations, their boards of directors, the Fee Owner, the Master Declarant, DVD, the Plan Manager, the Property Management Company of the Condominium and the Hotel Condominium, and (at any time when the Membership Agreement or DVC Resort Agreement are in effect) DVCHMC and BVTC, and (ii) each of their respective directors, officers, employees, and agents, and (iii) all Owners as a group. The policy limits must not be less than \$15,000,000 for personal injury, bodily injury and death, and \$5,000,000 for property damage. The Master Declarant under the Master Declaration may require higher insurance limits from time to time in its discretion. The Master Declaration requires that the insurance also cover the Master Declarant's parent, related, affiliated and subsidiary companies and certain additional parties if requested, and provides that the cost of the insurance shall be a Shared Area Expense. The Master Declarant may elect to obtain liability insurance for the portions of the Resort that it does not own, in which case the Associations will not have to obtain such insurance to the extent that the Master Declarant does so for them.

C. Flood Insurance. The Resort is located in a special flood hazard area as delineated on flood maps issued by the Federal Emergency Management Agency. Therefore, the Condominium Association and the Hotel Condominium Association must buy flood insurance that complies with the requirements of the National Flood Insurance Program and the Federal Insurance Administration if the Master Declarant does not buy flood insurance covering the entire Resort. The Vacation Owners Association may also buy flood insurance. You should be aware that the government recently increased federal flood insurance rates significantly and seems likely to continue to do so in the future.

D. Other Insurance. The Associations must also buy a commercial automobile liability policy of insurance if they own or lease any motor vehicles. The policy limits may not be less than \$5,000,000 for bodily injury or death or property damage arising out of a single accident or occurrence. The Master Declaration also requires the purchase of workers compensation insurance to the extent required by law and employers liability insurance with minimum limits of \$500,000 for each accident.

You should note that the insurance policies are subject to various deductibles and that the Associations may decide not to create reserves to pay the amount of the deductibles. If there is a loss, the Associations may have to pay the amount of the deductibles from other funds and/or a Special Assessment to owners. If the Master Declarant advances the amount of the deductible, the amount advanced will be a Shared Area Expense.

You should review (or have a qualified insurance agent review) the insurance requirements stated in the Plan Documents, the Condominium Documents, the Hotel Condominium Documents and the Master Declaration, as well as the insurance coverage obtained by the associations, to decide whether or not to buy more insurance for yourself. You are free to do so. You and the associations are also free to buy insurance from any company licensed to write insurance policies in the State of Hawai'i or on Hawai'i property. DVD makes no guarantee that insurance will be available, or available at a reasonable cost, or adequate.

4.11. ADDITIONAL INFORMATION.

A. Lagoon. The Resort fronts on a privately-owned lagoon and is subject to certain public access requirements providing access to the beach and lagoon in front of the Resort and requiring the presence within the boundaries of the Resort of facilities for exercise of such access rights, including public parking. The lagoon is a legally separate parcel of real property. Although Owners have the same access rights as the public, the lagoon is not part of the Resort and is not owned by DVD or any affiliate of DVD. The lagoon leads to the Pacific Ocean. The Ihilani Resort also fronts on the lagoon on one side of the Resort, and a wedding chapel fronts on the lagoon on the other side of the Resort. In time, the parcel containing the wedding chapel is likely to be redeveloped as a major real estate development. It is possible that it could be added to the Condominium, the Hotel Condominium or the Master Property.

The proximity of the Resort to the lagoon and the Pacific Ocean creates inherent and potentially dangerous conditions and risks of personal injury and/or property damage to Owners and anyone else present on the Resort or using the beaches or lagoons. Hawai'i is known for its high surf and while the lagoon is protected from the surf to some degree, the risks remain. The City and County of Honolulu may or may not choose to post lifeguards in or around the lagoons, or may choose to do so only at certain times (for example, weekends and holidays). Nothing requires that lifeguards be provided by the Associations, the Ko Olina Community Association, the Ko Olina Resort Operators Association, DVD, DVCHMC or anyone else, and you should not assume or expect that they will provide them with respect to the lagoons, beaches, ocean or, for that matter, with respect to any pools or other water features of the Resort. In addition to the risks normally associated with swimming and other water activities, the Resort is located in a Tsunami inundation area. Owners and other Occupants of the Resort assume all risks of personal injury, death, or loss or damage to property resulting from or incidental to the proximity of the Resort to the lagoon, and the use of the lagoon, beaches, ocean, pools and other water features of the Resort, and give up (in legal terms, "waive, release and discharge") all rights, claims and actions

that they may have, now or in the future, for personal injury, death, or loss or damage to property arising from or related to the proximity of the Resort to the lagoon, and the use of the lagoon, beaches, ocean, pools and other water features of the Resort.

B. **Golf Course.** The proximity of the Resort to the Ko Olina Golf Course and Golf Club creates inherent and potentially dangerous conditions and risks of personal injury and/or property damage to Owners and anyone else present on the Resort. For example, there is a risk of being struck by an errant golf ball (in addition to the risk of hearing profane speech in multiple languages and/or seeing overt demonstrations of anger, frustration, and dismay). There are various other risks as well, such as the risk that stray golf balls may dent or break the windows of vehicles going to and from the Resort, startle persons on the Resort, and so on.

Normal use and operation of the golf course may result in increased traffic, noise, gathering of crowds (especially if there is a tournament), trespassers, and related inconveniences or nuisances. Operation, maintenance, repairs, and renovation of the golf course may include, for example, mowing and trimming, irrigating, fertilizing, grading, plowing, hauling, storing, herbicide and pesticide spraying, water diversion, the existence of water hazards, and all other activities incidental to the ownership, operation, maintenance, repair, and periodic renovation of a golf course. These activities may from time to time cause surface water runoff, noise, soot, smoke, dust, light, heat, vapors, odors, chemicals, particulates, insect infestations, vibrations and other substances and phenomena of every description (collectively, the "Golf Course By-Products") to be discharged, emitted, or transmitted over and upon the Resort. The Golf Course By-Products may result in nuisances or hazards to persons or property including, for example, personal injury and property damage to Owners and anyone else occupying or using the Resort.

Owners and other Occupants of the Resort assume all risks of personal injury, death, or loss or damage to property resulting from or incidental to any of the activities and effects described above (the "Golf Activities") and of the risks of personal injury and/or property damage resulting from or incidental to the Golf Course Activities (the "Golf Course Risks"), and give up (in legal terms, "waive, release and discharge") all rights, claims and actions that they may have, now or in the future, for personal injury, death, or loss or damage to property arising from or related to the Golf Course Activities or the Golf Course Risks.

DVD makes no representation as to the continued existence, configuration, or use of the Golf Course. This includes, but is not limited to, the continued existence of any view planes across the Golf Course, the presence or absence of any plants or water features, and so on. It is possible that some or all of the land currently occupied by the Golf Course may be used for other purposes in the future, including for example, the development of low-rise or high-rise hotels or condominiums.

C. **Adjacent Properties.** There are vacant parcels of land located on the lots adjacent to the Resort. These vacant parcels are not owned by DVD or any affiliate of DVD. It is inevitable that these parcels, as well as the parcel containing the wedding chapel mentioned above, will be developed at a later date. In the event that any of these parcels are developed, the construction of the improvements may create and cause noise, dust, soot, smoke, odors, surface water runoff, vibrations, and other nuisances or hazards. These may annoy the Owners and Occupants of the Units, and cause damage to them and/or their personal property. In addition, the Associations may incur additional expenses for repairs and maintenance resulting from such activities. DVD is not responsible or liable in any way for such development or for any loss, damage or destruction resulting from it, and will have no obligation to pay any costs to the Associations, any Owners or any Occupants of the Units or the Resort. It is possible that these parcels could be added to the Condominium, the Hotel Condominium or the Master Property, or otherwise developed by DVD or an affiliate of DVD. In such event, DVD and its affiliates still will have no responsibility or liability for any resulting loss, damage or destruction.

D. **SMA Permit and Setback Variance.** The Resort is located within a Special Management Area ("SMA") designated in accordance with Hawai'i's Coastal Zone Management law and the laws of the City and County of Honolulu. Special Management Area Use Permit 85/SMA-89 (the "SMA Permit") and Shoreline Setback Variance 85/SV-14 (the "Setback Variance") were issued with respect to the land on which the Resort is located and various other parcels of land pursuant to Resolution No. 86-61 of the City Council of the City and County of Honolulu. Copies of the SMA Permit and the Setback Variance may be obtained upon request. The Resort is subject to the SMA Permit and Setback Variance. The SMA Permit and Setback Variance require, among other things, that (i) structures shall generally be set back a distance of 300 feet from mean sea level (except for recreational structures of not more than 15 feet in height), (ii) for structures located between 200 feet and 300 feet of mean sea level, there shall be a maximum building-to-land ratio of ten percent, (iii) the only structures permitted within the area 100 feet landward of the mean sea level shall be restroom facilities and showers, which shall be located next to a public walkway, and (iv) the establishment and maintenance of certain shoreline easement areas for public use. These requirements may change in the event that the SMA Permit and/or Setback Variance are amended, and DVD reserves the right to seek such changes without the consent or approval of anyone else.

E. **Historic Sites.** Neither the State of Hawai'i nor the City and County of Honolulu has made any determination as to whether any portions of the Resort may contain historical sites. As is common in Hawai'i, construction of the Resort may have revealed ancient Hawaiian burial sites which, if encountered, would have been removed from the Resort and reinterred elsewhere in Hawai'i and/or may be fenced off or otherwise appropriately set aside with due respect for Hawai'i's heritage and people, and this may affect the areas available for use by Owners and Occupants of the Resort.

5. (MULTIPLE LOCATION TIME SHARE PLAN)

Not applicable. The Plan includes only Condominium Units in the Condominium.

6. TIME SHARE PLAN IN A CONDOMINIUM

6.1. **CONDOMINIUM LEGAL STRUCTURE.** As previously noted, the Aulani Resort currently consists of two condominium projects. Each condominium project was created when the condominium documents for that project were recorded (officially filed) in the real estate records of the State of Hawai'i. They are listed in Exhibit C. Purchasers of Ownership Interests will own an interest in both condominium projects.

The Condominium Property Act (Chapter 514B, HRS) and the condominium documents for a project control the rights and obligations of the condominium unit owners with respect to the condominium and the common elements, to each other, and to their respective units. Each condominium unit owner (including each Owner of an Ownership Interest) must obey the condominium documents.

The condominium documents for a project divide the condominium into condominium units and common elements. Each owner of a condominium unit has two kinds of ownership: (1) ownership in an individual condominium unit; and (2) an undivided interest in the common elements.

"Common elements" means all parts of a condominium except for the units. They are owned jointly by all condominium unit owners.

Some common elements are set aside for the use of particular units. These are called "*limited common elements*." Although the common elements are owned jointly by all condominium unit owners, those portions of the common elements that are designated as limited common elements may be used only by the units to which they are assigned.

Each condominium unit comes with an ownership share, called a "common interest," in the common elements. This means that the owners can own their own condominium units separately but that all of the condominium unit owners own the common elements together. The Common Interests for the Vacation Units are shown in Exhibit B, and the Common Interests for the Condominium Units of the Hotel Condominium are shown in Exhibit K. The common interest is used not just to determine each condominium unit owner's interest in the common elements. It is also used to determine each unit's share of the common expenses of the condominium, and voting rights on matters requiring action by the condominium unit owners.

6.2. **OPERATION OF THE CONDOMINIUM.** The association of unit owners is the entity through which owners of condominium units may take action with regard to the administration, management, and operation of their condominium project. Each Unit Owner in the Resort (including each Owner of an Ownership Interest in the Plan) is automatically a member of the association of unit owners for both condominium projects. The association of unit owners is responsible for the management of the common elements and the overall operation of the condominium. The name of the association of unit owners for the Condominium is Ali'i Nui Villas Condominium Association, Inc., and it is a Florida not-for-profit corporation. The name of the association of unit owners for the Hotel Condominium is Ali'i Nui Hotel Condominium Association, Inc., and it too is a Florida not-for-profit corporation. The two associations of unit owners can vote to change their own condominium documents as provided in them.

The board of directors is the governing body of an association of unit owners. Unless you serve as a board member or an officer, or are on a committee appointed by the board, your participation in the administration and operation of the condominium projects will in most cases be limited to your right to vote as an owner of a condominium unit (see Section 15.5 for more on voting). The board of directors and officers can take certain actions without the vote of the condominium unit owners. For example, the board may hire and fire employees, increase or decrease maintenance fees, borrow money for repair and improvements and set a budget. Some of these actions may significantly impact the condominium unit owners.

The board of directors of each association of unit owners hires a managing agent (the "Property Management Company") to provide essentially all management services needed by the association of unit owners. Each of the Resort's association of unit owners has hired DVCHMC as the initial Property Management Company. Each Property Management Agreement has an initial term of five (5) years. After the first term and each later term ends, the Property Management Agreement will be renewed automatically unless owners holding a majority of all votes in that association of unit owners vote not to do so. The association of unit owners may terminate their condominium's Property Management Agreement at any time for cause if Unit Owners holding a majority of all votes in that association of unit owners vote to do so. Because DVD is the Voting Representative of each Condominium Unit and can only be removed as such by the vote of sixty percent (60%) of the Unit Owners in each Condominium Unit, as a practical matter, Owners will have difficulty in accumulating sufficient votes to terminate DVCHMC as the Property Management Company.

The Property Management Agreement for each of the condominium projects provides that DVCHMC will receive an annual management fee of twelve percent of the total annual operating and capital reserves budgets for the association of unit owners plus costs and expenses provided in the Property Management Agreement plus the right to any income received from certain concessions. In addition, the Property Management Agreement for the Condominium provides that DVCHMC will manage the cabana rental and beach equipment rental operations, the parking garage and surface parking operations and the valet parking services. In return, DVCHMC will receive (i) ten percent of the gross receipts, (ii) the use of up to ten parking stalls without charge, and (iii) the right, in return for payment of an annual parking fee, to use the parking facilities for cast members and employees while working at the Resort and to validate parking for patrons of the commercial facilities of the Resort, if and to the extent that DVCHMC forecasts that parking spaces will be available beyond the number required for (A) owners and occupants of the Condominium, and (B) guests of the Resort paying for parking. The Resort currently contains about 1,054 parking stalls although the exact number may change from time to time. The Resort currently has 351 hotel rooms in the Hotel and about 467 Vacation Homes, although these numbers can change. Some of the Vacation Homes may be used on a "lock-off" basis and if that happens, then the Vacation Homes may account for about up to 712 separately

occupied Accommodations. If the parking facilities get too full, Owners and other occupants of the Resort may be required to use valet parking. This will allow the parking attendants to essentially "double park" vehicles, thereby increasing the available parking, but may result in inconveniences for Owners and other occupants of the Resort.

6.3. COMMON EXPENSES. Common expenses of a condominium project are divided among the condominium units according to their common interests as are voting rights. The term "common expenses" means the expenses of operating a condominium project and all other amounts designated as common expenses under the condominium documents for the project or under the Hawai'i Condominium Property Act. The current budgets of common expenses are attached as **Exhibit J** (the "Condominium Estimated Budget" and the "Hotel Estimated Budget"). Note that under the Hawai'i Condominium Property Act, charges for common expenses as to a condominium unit do not begin until the City & County of Honolulu issues a certificate of occupancy for that condominium unit.

Each condominium unit owner (including each Owner of an Ownership Interest) is responsible to pay the common expenses for his or her condominium unit. The association of unit owners has a lien on each condominium unit to secure payment of that condominium unit's share of the common expenses. If the common expenses are not paid, a condominium unit can be taken from its owners and sold by foreclosure. The association of unit owners can also sue the condominium unit owners for the amounts due.

6.4. USE OF UNITS. The Condominium Documents divide the Condominium Units of the Condominium into Resort Units and Commercial Units.

- ❖ Resort Units may be used for hotel or transient vacation rental purposes, as Units in the Plan or in a fractional plan established or authorized by DVD, or as vacation lodgings (for example, use as a weekend retreat by owners and their guests). All of the Vacation Units are Resort Units.
- ❖ Commercial Units are likely to be used for a wide variety of commercial purposes, including but not limited to luau activities, barbeques, weddings, children's activities, and various other commercial activities and enterprises. The use of the Commercial Units may result in noise, dust, soot, smoke, odors, surface water runoff, vibrations and other nuisances and hazards. Music, laughter, loud voices, delicious, not-so-delicious and noxious odors, and other things may emanate from the Commercial Units or other Commercial Units, and may be heard or experienced from within the Units in the Plan. Currently, the Commercial Units contain the 'Ama 'Ama beachside restaurant, the Kid's Club, the Kid's Club play area, various lawn areas, the quiet pool bar, the Papalua shave ice kiosk, Mama's Snack Stop (located next to Paplua Shave Ice), a snack bar located inside of the Caldera, the Ulu Café, a gazebo, part of the spa lanai, a snorkel lagoon and check-in building, various decks, and various retail, administrative and back-of-house areas. DVD may change these uses from time to time in its sole, absolute and unfettered discretion.

The Commercial Units have rights, called "easements" that permit them to use the loading docks and other facilities supporting the Commercial Units. They also have the right and easements to permit their customers to come onto the Condominium, to park in any parking structures or parking areas (subject to the obligation to pay parking fees in some cases), to go to and from their Commercial Unit, to allow casual use (such as an after-dinner stroll) of the Common Element or Common Areas lawns, yards, grounds, pathways and walkways of the Condominium, to use the Common Elements and/or Common Areas for entertainment purposes, and otherwise as may be reasonably necessary in connection with the ordinary conduct of business operations in the Commercial Unit and/or its Limited Common Elements. This may result in noise, gathering of crowds (for example, people taking photos with Disney characters), and various inconveniences.

6.5. DEVELOPER'S RESERVED RIGHTS. The Condominium Developer has various special rights, called "DVD's Reserved Rights", under the Condominium Documents. The Hotel Condominium Developer also has such rights with respect to the Hotel Condominium Documents. Some of these are described in **Exhibit E**. For your convenience, we will discuss or summarize some of the highlights of these documents, but *you should make time to read the Condominium Documents and the Hotel Condominium Documents yourself so that you fully understand your rights and duties and those of DVD.*

7. RESTRAINTS ON TRANSFER OF BUYER'S INTEREST

7.1. PERSONAL USE; RENTAL.

The purchase of an Ownership Interest should be based upon its value as a vacation experience or for spending leisure time, and not considered for purposes of acquiring an appreciating investment or with an expectation that the Ownership Interest may be rented or resold.

Ownership Interests are offered for personal use and enjoyment only and you should not purchase an Ownership Interest for the purpose of resale or as an investment opportunity or with any expectation of achieving rental income, capital appreciation, or any other financial return or valuable benefit, including any tax benefit. If you attempt to resell or rent your Ownership Interest, you would have to compete, at a substantial disadvantage, with DVD in the sale or rental of its Ownership Interests. The many restrictions upon the use of your Ownership Interest may adversely affect its marketability or rentability.

Each Owner, and each Owner's successor(s) in title, has an obligation and responsibility to pay Assessments for as long as he or she owns an Ownership Interest in the Resort.

You should also not purchase an Ownership Interest with any expectation that any Vacation Home located within the Plan can be rented, or if it is rented, that any particular rental rate can be obtained for such rental. You should be aware that several resort hotels are in operation within and around the Condominium, including, but not limited to, a hotel owned and/or operated by The TWDC Companies, and that DVD will also rent its Ownership Interests to the general public. Accordingly, if you attempted to rent reserved Vacation Homes for your own account you would compete with these resort hotels and DVD for renters without any assistance from The TWDC Companies, and you would be at a substantial competitive disadvantage. You should not purchase an Ownership Interest based upon any expectation of deriving any rental or other revenue or profit.

The sale, lease or transfer of Ownership Interests is restricted and controlled.

No Owner may directly rent, exchange or otherwise use his or her Ownership Interest without making a prior reservation of an available Vacation Home at the Condominium on a first come, first served basis. DVD's approval of a rental by an Owner is not required after a reservation has been made in the renter's own name. However, Ownership Interests should not be purchased with any expectation that Vacation Homes may be reserved and rented to third parties. Any lease or rental agreement shall be deemed to contain a provision requiring that any sums due to the Vacation Owners Association as Assessments must be deducted from the gross rentals and paid directly to the Vacation Owners Association.

7.2. UNDER THE PLAN DOCUMENTS. One of the many benefits of owning an Ownership Interest is that you can transfer it to your children, a friend, or just about anyone else. Because it is a real estate interest, you can also mortgage your Ownership Interest. If you own more than one Ownership Interest, you may transfer or mortgage each of them separately. However you cannot transfer or mortgage less than an entire Ownership Interest. There are two exceptions:

A. You can pledge or transfer your voting rights to a Mortgage Lender having a mortgage on your Ownership Interest (or for whom someone else holds a mortgage on your Ownership Interest) provided that DVD consents to such pledge or transfer in writing; and

B. The seller under an Agreement of Sale may retain legal title and the right to vote on certain matters. The Purchaser may transfer his or her entire interest under the Agreement of Sale, but nothing less.

ANY SALE BETWEEN AN OWNER AND A BONA FIDE THIRD PARTY IS DEEMED TO CONTAIN A PROVISION REQUIRING THAT ANY SUMS DUE TO THE ASSOCIATION AS ASSESSMENTS MUST BE PAID IN FULL AS A CONDITION OF CLOSING OF THE SALE.

The Vacation Owners Association has a lien on each Ownership Interest for all amounts charged to it or to its Owner. This is discussed in Section 12.

7.3. WHEN DVD'S CONSENT IS REQUIRED.

Except for the Plan, no timeshare plans, fractional plans, Exchange Programs or clubs, or travel or vacation clubs comprised of a trust, corporation, cooperative, limited liability company, partnership, equity plan, non-equity plan, membership program, or any such other similar programs, structures, schemes, devices or plans of any kind (a) shall be created, established, operated or maintained with respect to the Condominium Property or Ownership Interests; (b) shall acquire or accommodate Condominium Property or Ownership Interests; and (c) shall be permitted to incorporate an Ownership Interest into such entity, program structure, scheme, device or plan, except by DVD or except with the prior written authorization from DVD, which authorization may be given or withheld in DVD's sole, absolute and unfettered discretion, and which authorization must be evidenced by a written instrument executed by DVD, recorded in the Public Records of Orange County, Florida, and containing a reference to the Plan Declaration.

If you want to sell, transfer, assign or hypothecate your Ownership Interest, DVD has a right of first refusal to buy it under the same terms and conditions as are offered to or by a bona fide third party, including financing. Accordingly, you must notify DVD in writing no less than thirty (30) days in advance of the proposed closing date and must include a copy of the proposed transaction reduced to writing in all respects. If DVD elects to exercise its right, it must notify you in writing and the purchase by DVD must be closed on or before the proposed closing date. If DVD fails to notify you of its election to exercise its right of first refusal prior to the proposed closing date, then you may proceed to close your sale to the bona fide third party. If the purchase terms are changed in any way or if the sale does not close within ninety days, then the transaction will be considered a new one and you must once again submit it to DVD. DVD is entitled to charge a fee of up to \$250 to review all rights of first refusal offers.

IMPORTANT NOTICE: Your Ownership Interest is subject to a Right of First Refusal in favor of DVD. The Right of First Refusal is described in this Section 7.3.B. To summarize, DVD's right of first refusal requires that you provide DVD with information in writing about any offer for sale of your Ownership Interest before your completing the sale, after which DVD may either decide to purchase your Ownership Interest at the same price or allow your sale to proceed. Please be aware that the value and marketability of your Ownership Interest may or may not be substantially and adversely affected by DVD's right of first refusal. Accordingly, if you attempt to sell your Ownership Interest later, the price that you may be offered for your Ownership Interest may be considerably less than the price you would otherwise be offered, and the amount of time it may take to sell your Ownership Interest may be much longer than the amount of time it would otherwise take to sell your Ownership Interest, if DVD did not have this right of first refusal. DVD's right of first refusal may possibly make difficult or delay the sale of your Ownership Interest.

YOU MUST CAREFULLY CONSIDER THE ADVERSE IMPACT OF DVD'S RIGHT OF FIRST REFUSAL WHEN DECIDING ON YOUR PURCHASE OF AN OWNERSHIP INTEREST.

DVD's consent is required if you want to transfer an Ownership Interest that is mortgaged to DVD. If DVD assigns the mortgage to someone else, that person's consent will also be necessary.

8. MUTUAL RESCISSION PROVISION

You and DVD both have the right to cancel your Purchase Agreement without penalty by giving the other party written notice within seven calendar days after: (1) signing the contract; or (2) you receive this Disclosure Statement, whichever is later. The seven-day period is called the "Seven-Day Cancellation Period". You will receive a form of Notice of Cancellation [Form TS-10 of the Department of Commerce and Consumer Affairs of the State of Hawai'i ("DCCA")] with all pertinent information filled in at the time that you sign your Purchase Agreement. If you cancel, then, within 15 business days: (a) all of your payments must be returned to you; and (b) you must return all sales materials received in good condition, except for reasonable wear and tear, or their reasonable value (up to \$25.00) may be deducted from your payments.

9. TITLE DEFECTS OR ENCUMBRANCES

"Encumbrances" are interests in or claims on property held by someone other than the owner of that property. They also include duties imposed by certain documents that affect the property and its owner. For example, a document giving the telephone company a right to install telephone lines across the land of a resort is an encumbrance.

Your Ownership Interests will be deeded to you subject to the encumbrances listed in Exhibit C and to (i) any mortgage signed by you, and (ii) any other encumbrances that do not make your title unmarketable. These are called the "Permitted Encumbrances."

The Ko Olinā Documents, the Condominium Documents, the Master Declaration, the Hotel Condominium Documents, the Master Cotenancy Agreement and the Plan Documents are Permitted Encumbrances. DVD has certain special and reserved rights under most of these documents. Some of those rights are described in Exhibits E and G. When you sign your deed, you consent to, accept, approve, and make the agreements about DVD's reserved rights as discussed in those exhibits. You also give to DVD the right of first refusal described in Section 7.3.B., above. These consents, acceptances, approvals, agreements, and the right of first refusal will also be encumbrances on your Ownership Interest. You should read your deed and your Purchase Agreement with care.

10. PENDING OR ANTICIPATED SUITS

Not applicable. There are now no suits pending or anticipated that are material to the Ownership Interests or the Plan of which DVD has or should have knowledge.

11. FINANCIAL OBLIGATION OF PURCHASERS

11.1. PURCHASE OBLIGATION. You must pay the purchase price stated in your Purchase Agreement. You must also pay Closing Costs in the amount listed on your Purchase Agreement. If you are financing your purchase you will receive a Good Faith Estimate of Closing Costs and your Closing Costs will be detailed in that document and may include, among other things, a document preparation fee charged by DVD, the premium for your owner's title insurance policy and the escrow and closing fees charged by the Escrow Agent. You are free to choose any title insurance company authorized to write title insurance policies in the state in which the property is located. If you buy the policy from someone else, you will be required to pay any additional costs. You must pay the purchase price and Closing Costs all at once in cash unless you apply for and obtain credit approval from DVD in which case you can pay the purchase price and Closing Costs over time on credit from DVD. If you buy on credit then you must make monthly loan payments. If you are buying on credit, refer to your Truth-In-Lending Disclosure Statement for the annual percentage rate and other information. DVD is not arranging, and has no duty to arrange, outside financing for any Purchaser. If you buy on credit, you must pay all costs of the collection agent to whom your payments are made. Current sales prices, installment purchase terms and Closing Costs are stated in Exhibit I attached to this Disclosure Statement. All amounts are in United States Dollars. Be sure to ask about special purchase incentives that may be offered from time to time. DVD has the right to change the price, purchase incentives, financing terms and anything else in Exhibit I from time to time in its sole, absolute and unfettered discretion. DVD may elect in its discretion to pay (i) the premium for your title insurance policy and any lender's title insurance policy, and (ii) all or any portion of your Closing Costs. DVD is entitled to charge a fee of up to \$250 to review all rights of first refusal offers, and you cannot sell your Ownership Interest, whether to DVD or anyone else, without paying this review fee.

11.2. ASSOCIATION CHARGES. As an Owner, you must pay all amounts charged to you by the Vacation Owners Association, the Condominium Association and/or the Hotel Condominium Association. See section 6 and section 12.

11.3. EXCHANGE PROGRAM CHARGES. If you choose to participate in an Exchange Program, you must pay all amounts charged by the Exchange Company. Any amounts charged to the Owner by the Exchange Company do not reduce, suspend, or otherwise change the Owner's personal duty to pay all Assessments charged to the Owner or to his or her Ownership Interest. See the Exchange Program disclosure documents for a description of the amounts charged by the various Exchange Companies.

11.4. **ENFORCEMENT.** You should be aware that if you do not pay or keep the promises you make in your Purchase Agreement (or in any promissory note and mortgage that you sign), DVD may take any action permitted by the Purchase Agreement (or note or mortgage) and allowed by law. Among other things, the Purchase Agreement allows DVD to cancel the contract and keep all payments made by a Purchaser who defaults, and the mortgage permits DVD to foreclose. *You should read these documents carefully.*

12. ESTIMATE OF DUES, MAINTENANCE FEES, REAL PROPERTY TAXES, ETC.

12.1. **ASSESSMENTS.** After Closing, you must pay your Assessments (including Plan Expenses, Common Expenses of the Condominium and Common Expenses of the Hotel Condominium).

The Condominium and Plan are being developed in phases and the full 467 Vacation Homes are not contemplated to be available for use in the Plan until 2015 or later. As of December 31, 2014, only 203 Vacation Homes will be available for occupancy pursuant to the Plan.

FOR CALENDAR YEAR 2015, THE TOTAL ESTIMATED ANNUAL ASSESSMENT IS \$6.5124 PER VACATION POINT, WHICH IS COMPRISED OF THE ESTIMATED ANNUAL OPERATING BUDGET (\$3.4878 PER VACATION POINT) AND CAPITAL RESERVES BUDGET (\$0.6077 PER VACATION POINT) FOR THE PLAN; PLUS THE ESTIMATED ANNUAL OPERATING BUDGET (\$1.7745) PER VACATION POINT) AND CAPITAL RESERVES BUDGET (\$0.1973 PER VACATION POINT) FOR THE CONDOMINIUM AND THE ESTIMATED REAL PROPERTY TAXES (\$0.4451 PER VACATION POINT). See Section 12.2 below regarding real property taxes.

Because the Resort is constructed as and is intended to be operated as an integrated property, and although certain portions of the Resort are owned by Owners and certain portions owned by DVD, many services and other operational and maintenance functions are provided to the Resort as a whole without regard to ownership to maximize efficiencies and economies of scale. For example:

- The front desk is located in the lobby building of the Hotel, but is used to provide check-in and check-out services for both the Hotel and the Vacation Plan.
- The lazy river and other pools are Common Elements of the Condominium, but can be used by occupants of both Hotel rooms and Vacation Homes.
- The Ka Maka Grotto pool is located partly within a Condominium Unit owned by DVD and partly on the Common Elements of the Condominium.
- The air chiller for the Resort is located in the Condominium. It provides air conditioning to the entire Resort through ducts located partly in the Condominium and partly in the Hotel Condominium.
- The loading docks are located in the Hotel Condominium but they serve both the Condominium and the Hotel Condominium.

Because of this, it is impracticable and not economically feasible to conduct cost accounting among the Associations and individual Unit Owners with respect to the operation, maintenance and repair of all of the various components of the Resort. For example, since the air conditioning system and electrical system serve the entire Resort, it is extremely difficult to isolate the share of the air conditioning system or utility services used, e.g., to provide air conditioning or lighting in the hallways or elevator lobbies of the buildings.

In order to avoid unnecessary administrative burdens and costs, the Master Declaration and the Property Management Agreements for the Condominium and Vacation Ownership Plan allow the costs and expenses for those services and other operational and maintenance functions to be allocated and paid either as Shared Area Expenses or in the same or similar manner as the Shared Area Expenses.

For the foregoing reasons, the amount of the Estimated Budgets, and the Regular Assessment for each Ownership Interest are determined as follows: First, the costs and expenses of the Resort are equitably divided among the Condominium Unit Owners and the Associations pursuant to the Master Declaration and Property Management Agreements. The costs and expenses of the various Associations are then divided among the members of such Associations in the manner described in this Section 12.1 below.

A. Condominium Common Expenses.

1) **Condominium Common Expenses.** The Condominium Association pays the expenses for operation of the Condominium and all other amounts designated as Common Expenses by or pursuant to the Condominium Documents or the Hawai'i Condominium Property Act. This includes, but is not limited to, all Shared Area Expenses and other amounts charged to the Condominium pursuant to the Master Declaration.

2) **When Condominium Assessments Begin.** Under the Hawai'i Condominium Property Act, charges for Common Expenses as to a Condominium Unit do not begin until the City & County of Honolulu issues a certificate of occupancy for that Condominium Unit. From then on, the Unit Owner, whether it is DVD or someone else, must pay the share of the Common Expenses allocable to that Condominium Unit.

3) **Payment of Condominium Common Expenses.** Common Expenses of the Condominium are generally divided among the Condominium Units according to their Common Interests so that, with some exceptions, the share for each Condominium Unit will be equal to the total amount of the Common Expenses multiplied by this fraction:

The Common Interest of that Unit
The sum of the Common Interests of all Units

Each Condominium Unit Owner (including each Owner of an Ownership Interest) is responsible to pay the Common Expenses for his or her Condominium Unit. The Condominium Association has a lien on each Condominium Unit to secure payment of that Condominium Unit's share of the Common Expenses. The Condominium Documents permit but do not require that the Condominium Association divide the Common Expenses of a Unit among the Owners of Ownership Interests in that Unit, and send separate bills to each. In such a case, each Owner will be charged a percentage of the Common Expenses of the Unit equal to the undivided percentage interest of the Owner's Ownership Interest in that Unit.

4) **Regular Assessments.** Every year, the Condominium Association adopts the Condominium Estimated Budget for the coming year. A copy of the current Condominium Estimated Budget is attached as **Exhibit J** to this Disclosure Statement. The owners of each Condominium Unit must pay the share of the Common Expenses charged to that Condominium Unit. This is called the Owner's "Regular Assessment."

5) **Special Assessments.** If there is a shortfall in the Regular Assessments or if the Condominium is damaged or destroyed and is not fully covered by insurance, the Board of the Condominium Association may adopt a supplementary budget showing the amount of the shortfall. The Board will charge to each Ownership Interest a Fair Share of the total shortfall shown on the supplemental budget. This is called a "Special Assessment". Instead of charging a Special Assessment, the Board may add the shortfall to the next year's Estimated Budget and/or borrow the funds needed to pay the shortfall. Each Condominium Unit Owner (including each Owner of an Ownership Interest) is responsible to pay any Special Assessment for Common Expenses charged to his or her Condominium Unit. The Condominium Documents permit but do not require that the Condominium Association divide a Special Assessment charged to a Unit among the Owners of Ownership Interests in that Unit, and send separate bills to each. In such a case, each Owner will be charged a percentage of the amount of the Special Assessment charged to the Condominium Unit equal to the undivided percentage interest of the Owner's Ownership Interest in that Unit.

B. **Hotel Condominium Common Expenses.** The Hotel Condominium Documents contain provisions similar or identical to those of the Condominium Documents. The Hotel Condominium Association charges both Regular Assessments and Special Assessments to each Unit in the Hotel Condominium. In the case of the seven Air Space Units of the Hotel Condominium that have been included in the Condominium, those charges will become Common Expenses of the Condominium, and will be paid by the Condominium Association (on behalf of the Owners of Condominium Units in the Condominium) to the Hotel Condominium Association. Although the Hotel Condominium Documents also permit the Hotel Condominium Association to bill Owners directly, the Hotel Condominium Association has no plans to do so at the present, although this could change. A copy of the current Hotel Condominium Estimated Budget is attached as **Exhibit J** to this Disclosure Statement.

C. **Vacation Ownership Plan Expenses.**

1) **Plan Expenses.** The Vacation Owners Association pays all costs of operating the Plan and all costs of owning and maintaining the Vacation Property. These expenses are called "Plan Expenses." Among other things, these are Plan Expenses:

- ❖ The cost of utility services such as water, electricity, garbage disposal, telephone and cable television (to the extent that these are not provided by the Condominium Association or pursuant to the Master Declaration).
- ❖ The cost of repairing, rebuilding, replacing, remodeling, or making improvements to the Vacation Property.
- ❖ The cost of buying insurance required or permitted by the Plan Documents, the Membership Agreement or the Plan's DVC Resort Agreement.
- ❖ Wages, accounting and legal fees, management fees, start-up fees, housekeeping and cleaning fees, security costs, and other expenses necessary to maintain, repair, manage and operate the Vacation Property, or to manage and operate the Plan.
- ❖ All costs and expenses of providing, operating, and managing the reservation system, including any amounts charged to the Plan pursuant to the Membership Agreement.
- ❖ All amounts charged to the Units by the Condominium Association (which may include any amounts charged to the Condominium Association by the Hotel Condominium Association), or pursuant to the Ko Olina Documents or the Master Declaration (except in any such case amounts separately charged to individual Owners). This includes, for example, the expenses of operating and maintaining the Condominium, the Hotel Condominium, the Shared Areas and the Ko Olina Resort.
- ❖ The Resort Access Fees charged by Ko Olina Club, LLC.
- ❖ The costs and expenses to comply with the Disney Brand Standards or License Standards (as discussed in Section 15.7 of this Disclosure Statement).
- ❖ Any amount charged by the Condominium Association (which may include any amounts charged to the Condominium Association by the Hotel Condominium Association), or pursuant to the Ko Olina Documents or the Master Declaration due to an intentional or negligent act by an Occupant of a Vacation Home.

- ❖ Any taxes or other governmental charges upon or charged to the Vacation Property or the use of it or on any other interest of the Owners (except taxes separately charged to individual Owners).
- ❖ Any amounts due from the Vacation Owners Association pursuant to the Membership Agreement or the Plan's DVC Resort Agreement.
- ❖ Any liability for loss or damage relating to the Vacation Property or the use of it.
- ❖ Any money owed by any Owner to the Vacation Owners Association to the extent the Board decides that it is uncollectible or too expensive to collect, as a practical matter.
- ❖ Amounts needed to make up any shortfall in funds needed to pay the Plan Expenses for any prior year.
- ❖ Amounts needed for the Reserve Accounts. These are savings accounts of the Vacation Owners Association. The money is used to pay for Capital Improvements. "Capital Improvements" are things like replacing the carpeting or appliances, other major repairs and remodeling, or replacing the Vacation Homes or Association Property.

2) **Payment of Plan Expenses.** Each Owner must pay a Fair Share of the Plan Expenses. "Fair Share" means, for a given Ownership Interest, a share determined by multiplying the amount in question by the following fraction:

$$\frac{\text{The number of Home Resort Vacation Points assigned to that Ownership Interest}}{\text{The sum of all Home Resort Vacation Points for all Units for which Assessments have begun}}$$

3) **When Plan Assessments Begin.** Assessments for Plan Expenses for each Unit begin on the date (the "Commencement Date") which is the later of (i) the first day of the month after the first time that a First Deed conveying an Ownership Interest in that Unit is recorded, or (ii) the date when the City and County of Honolulu first issues a temporary or permanent certificate of occupancy for that Unit. From then on, each Owner of an Ownership Interest in that Unit, whether it is DVD or someone else, must pay a Fair Share of the Plan Expenses and Common Expenses.

4) **Regular Assessments for the Plan.** Every year, the Vacation Owners Association adopts a budget showing the estimated Plan Expenses for the coming year (the "Vacation Owners Association Estimated Budget"). The estimate will cover all Units paying Assessments or expected to be paying Assessments by the start of the coming year. Of course, the actual expenses may vary, especially as additional property is included in the Plan. A copy of the current Vacation Owners Association Estimated Budget is attached as **Exhibit J** to this Disclosure Statement. Each Owner must pay a share of the Plan Expenses. In each case, this is called his or her "Regular Assessment." The Regular Assessment for each Ownership Interest is set as follows:

a) For Ownership Interests in Units covered by the Estimated Budget, the Regular Assessment will be a Fair Share of the Estimated Budgets.

b) For Ownership Interests in Units not covered by the Estimated Budget (such as Ownership Interests in a Condominium Unit added to the Plan at mid-year), the Regular Assessment will be the same as the Fair Share for an Ownership Interest having the same number of Home Resort Vacation Points multiplied by this fraction:

$$\frac{\text{The number of full calendar months remaining in the fiscal year as of the Commencement Date for that Unit}}{12}$$

This way, each Ownership Interest in a Unit where Assessments begin after the fiscal year starts will pay Assessments only for the months remaining in the fiscal year. This does not mean, however, that DVD may not require a Purchaser to pay any amount, up to the full year's Regular Assessment, as part of any Purchase Agreement.

5) **Special Assessments.** If there is a shortfall in the Regular Assessments or if the Vacation Property is damaged or destroyed and is not fully covered by insurance, the Board of the Vacation Owners Association may adopt a supplementary budget showing the amount of the shortfall. The Board will charge to each Ownership Interest a Fair Share of the total shortfall shown on the supplemental budget. This is called a "Special Assessment." Instead of charging a Special Assessment, the Board may add the shortfall to the next year's Estimated Budget and/or borrow the funds needed to pay the shortfall, whether from the Reserve Accounts or from other sources.

6) **Developer Subsidy.** DVD must pay the Assessments for each Ownership Interest while DVD is the Owner of it (for example, any unsold Ownership Interests). Instead of doing so, however, DVD may enter into a "subsidy contract" with the Vacation Owners Association. A subsidy contract requires that DVD pay the following amounts:

a) The difference between (i) the actual amount budgeted for reserve assessments for the year, and (ii) the actual sum of the amount of reserve assessments collected from all Owners and other income from other sources to be applied against such reserve assessments, and

b) The difference between (i) the actual costs (excluding ad valorem real estate taxes) incurred in operating the Plan during the applicable time period, and (ii) the sum of all amounts assessed to Owners other than DVD with respect to such operating costs (exclusive of ad valorem real estate taxes) and other income from other sources to be applied against such operating costs.

The subsidy contract does not require that DVD pay for expenses incurred as a result of (i) any new category of imposition that comes into effect after the date of the subsidy contract which is levied by any local, county, state or federal government, or (ii) any increase in transient accommodation taxes and any Special Assessments for capital expenditures, insurance policy deductibles, underinsured losses or uninsured losses. Those expenses would be paid by all Owners, including DVD, as a Special Assessment. DVD and the Vacation Owners Association have entered into a subsidy contract. Purchasers should be aware that they must pay the budgeted amounts of Assessments even if the actual expenses are lower than the budgeted amounts. If the actual expenses are lower than the budgeted amounts, DVD will pay lower subsidy amounts.

D. **Personal Assessments.** A "Personal Assessment" is an expense that results from the act, failure to act, or other conduct of an Owner or other Primary Occupant, or the Guest of an Owner or other Primary Occupant. It includes, among other things, charges for extra services requested or used by the Owners or Occupants or by their Guests. Personal Assessments should not be confused with Regular and Special Assessments.

Personal Assessments include, for example:

- ❖ The cost of food, beverages, telephone charges, optional housekeeping service and other special services or supplies resulting from or related to the occupancy of the Vacation Home during a person's Use Period.
- ❖ Charges arising from or related to the use of the Vacation Owners Association Property or the Condominium, the Shared Areas or any other part of the Aulani Resort (for example, rentals of sports supplies or other recreational equipment, use of a spa, and so on).
- ❖ The cost to repair any Vacation Home or to repair or replace any Association Property in it because of loss or damage occurring during a person's Use Period (unless caused by ordinary wear and tear or by an unavoidable accident or other casualty) or to replace any missing items.
- ❖ The cost to repair any Common Element of the Condominium, any common element of the Hotel Condominium, or any other portion of the Condominium or Hotel Condominium because of loss or damage caused by an Owner, Primary Occupant or Guest of the Owner or Primary Occupancy (unless caused by ordinary wear and tear or by an unavoidable accident or other casualty).
- ❖ Expenses to any other Owner or the Vacation Owners Association due to a person's intentional or negligent act or failure to act.
- ❖ Expenses resulting from any intentional or negligent violation of the Condominium Documents, the Hotel Condominium Documents, the Master Declaration or the Plan Documents.
- ❖ Collection Costs.
- ❖ Any late charges and interest on overdue payments.
- ❖ So long as the Plan is part of the Disney Vacation Club, any sums charged to an Owner by the DVC Operator.

An Owner is fully responsible for the Personal Assessments of his or her Guests. An Owner is not responsible, however, for the Personal Assessments of anyone who uses his or her use rights through an Exchange Program.

E. **International Owners Surcharge.** For Ownership Interests owned by Owners residing outside of the United States, the Plan Manager reserves the right to charge a surcharge in an amount set by the Plan Manager from time to time to cover the added costs for postage, personal delivery, increased frequency of and costs associated with long distance and/or international communications, deliveries and so on, and also to cover any tax on the surcharge.

F. **Enforcement Of Financial Duties.** To collect all money you owe, the Vacation Owners Association and the Condominium Association may charge late fees and interest. The Vacation Owners Association has a "lien" on your Ownership Interest. The Condominium Association has a lien on each Condominium Unit to secure payment of that Condominium Unit's share of the Common Expenses. Likewise, the Hotel Condominium Association has a lien on each of the Air Space Units of the Hotel Condominium that have been annexed into the Condominium (including your interest in those Air Space Units) to secure payment of the share of the Hotel Condominium's Common Expenses allocable to those Air Space Units.

This means that the Vacation Owners Association, the Condominium Association and/or the Hotel Condominium Association may foreclose on and sell your Ownership Interest to someone else. If the money from the foreclosure sale is not enough to pay all amounts due plus legal fees and costs, you must pay the shortfall. You may not avoid paying by not using your Ownership Interest, by abandoning it or by giving it to someone else.

If you are in default, the Vacation Owners Association may also refuse to allow you to make a reservation or to check in. It may also suspend services to your Vacation Home or even file a lawsuit. It may even use your Home Resort Vacation Points to reserve a Use Period and then rent it. Owners must pay the legal fees and costs to the Vacation Owners Association and/or DVCHMC for enforcing the Plan Documents. Owners must also pay the legal fees and costs to the Condominium Association, the Hotel Condominium Association and/or DVCHMC for enforcing the Condominium Documents and/or the Hotel Condominium Documents.

DVD has the right, but not the obligation to pay the amounts due from a defaulting Owner to DVCHMC prior to the end of the then-current fiscal year of the Vacation Owners Association, the Condominium Association and/or the Hotel Condominium Association if collection attempts by DVCHMC are unsuccessful. In such event, (i) DVD shall hold the Vacation Owners Association's lien, the Condominium Association's lien and/or the Hotel Condominium Association's lien on the Owner's Ownership Interest, (ii) DVD shall have the right to exercise all rights and remedies of the Vacation Owners Association, the Condominium Association and/or the Hotel Condominium Association, including the right to foreclose on it. DVD has a similar right under the Master Cotenancy Agreement.

12.2. Real Property Taxes. The City & County of Honolulu taxes real property located in Honolulu. Each January, the City & County of Honolulu establishes the assessed value (as of the prior October 1) of real property located within its boundaries. The assessed value is used to determine the real property taxes for the property for the following fiscal year. The fiscal year runs from July 1, to the following June 30, and real property taxes are due and payable in two installments during each fiscal year (August and February).

The real property taxes reflected in the Estimated Budgets (\$0.4451 per Vacation Point) are based in part on the actual property taxes assessed against the Resort for the first half of 2015 (January 1st to June 30th) by the City & County of Honolulu. In January, 2015, the City & County of Honolulu may change the assessed value of the Resort for purposes of the fiscal year starting on July 1, 2015. This may result in an increase in the real property taxes for the Resort for the second half of 2015 (July 1st to December 31st).

The City & County of Honolulu may increase or decrease real property tax rates from time to time. Other counties in Hawaii have either increased their real property taxes on time share interests or are considering doing so, and the City and County of Honolulu may follow suit. DVD makes no representations as to the real property or similar taxes that may be charged by the City & County of Honolulu in the future.

12.3. TRANSIENT ACCOMMODATIONS TAXES. The State of Hawai'i taxes the occupancy of time share units. The amount of the tax is currently 7.25% of the fair market rental value, although the rate is subject to change by the State. The "fair market rental value" is set to one-half of the gross daily maintenance fees paid by the Owner and attributable to the time share 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 Owner or Primary Occupant at or before check-out. Based upon the 2015 Annual Dues, for stays occurring in 2015, the tax per night for a **two bedroom** will range from \$11.57/night to \$20.07/night; for a **one bedroom**, the tax per night will range from \$8.50/night to \$14.64/night; for a **studio**, the tax per night will range from \$4.25/night to \$7.32/night; for a **Standard Hotel Room**, the tax per night will range from \$4.01/night to \$5.19/night; and for a **Grand Villa**, the tax per night will range from \$22.19/night to \$44.38/night. For stays occurring after 2015, 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 2015. The Board may choose in the future to charge the tax at any other time allowed by law. The amount of the tax per night will also increase if Hawai'i increases the tax rate. The State of Hawai'i and the City & County of Honolulu 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 Hawaii and/or the City & County of Honolulu may increase or decrease the occupancy tax and /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 charged by the City & County of Honolulu or the State of Hawai'i in the future.

13. ESCROW ACCOUNT

The Hawai'i "*Time Share Law*" is contained in Chapter 514E, Hawai'i Revised Statutes, and Chapter 16-106, Hawai'i Administrative Rules. It requires that: (a) Purchaser's Funds, Notes, and Loan Documents be put in escrow before Closing and that the Purchaser's Funds be refunded if the Purchaser cancels as explained in Section 8 above; (b) Purchaser's Funds must be refunded in the other circumstances explained in Section 14; and (c) Closing cannot occur until the Purchaser is protected from blanket liens.

"*Funds*" means money. "*Notes*" means any "negotiable instrument" as defined in the Time Share Law. A check is an example of a negotiable instrument. A "*negotiable instrument*" generally is a document that DVD could give to someone else who could then force the Purchaser to keep his or her promise to pay free from any claim or defense that the Purchaser might have against DVD. "*Loan Documents*" means any "purchase money contract" as defined in the Time Share Law. In general, "*purchase money contract*" refers to things like a promissory note, mortgage, an agreement of sale, or other contract in which the Purchaser agrees to repay a loan made to finance the Purchaser's purchase of an Ownership Interest and made to the Purchaser by DVD or by a Mortgage Lender that is (i) affiliated with DVD or (ii) to whom DVD referred the Purchaser.

"*Closing*" refers to completing the sale of an Ownership Interest. This normally includes recording your deed and any mortgage that you sign, and payment to DVD of all sums due under your Purchase Agreement.

"*Blanket liens*" are certain kinds of encumbrances (for example, a mortgage) as defined in the Time Share Law that affect two or more Ownership Interests.

An escrow account for DVD and its sales agents has been established with First American Title Company, Inc. (the "Escrow Agent"). Its address, telephone and fax numbers are 1132 Bishop Street, Suite 1830, Honolulu, Hawai'i 96813. Telephone: (808) 539-7504; Fax No. (877) 315-1075.

DVD or the sales agent must give each Purchaser's Funds, Notes and Loan Documents to the Escrow Agent to hold in this account. But, as permitted by Hawai'i's Time Share Law, DVD or any sales agent may initially hold all Notes (such as Purchaser's check) and Loan Documents (a) that are payable to the Escrow Agent, or (b) that are not negotiable instruments, until: (1) the Seven-Day Cancellation Period expires; and (2) the end of any longer cancellation period expressly provided to the Purchaser in his or her Purchase Agreement.

14. ESCROW AGREEMENT

The Escrow Agreement is dated April 22, 2010. When you sign your Purchase Agreement, you also adopt the Escrow Agreement, just as if you had signed it yourself. Be sure to read it. The Escrow Agreement contains DVD's and your instructions for the handling of your Funds, Notes and Loan Documents, and for Closing your purchase.

Some of the key provisions of the Escrow Agreement may be summarized as follows:

14.1. RELEASE OF PURCHASER'S FUNDS. No matter what else the Contract Documents say, the Escrow Agent may not release your Funds, Notes or Loan Documents to DVD or a sales agent, or to someone else for the benefit of DVD or a sales agent, until the last of these events occurs:

- A. The Escrow Agent has received a copy of a receipt for the Hawai'i Disclosure Statement signed by you.
- B. Your cancellation period has expired.

C. The Escrow Agent receives a sworn statement from DVD stating, among other things, that DVD has not received a notice of cancellation from you during the Seven-Day Cancellation Period.

14.2. CLOSING DATE. The "Closing Date" is the date for the Closing chosen by DVD in accordance with the Purchaser's Purchase Agreement. The Closing actually may occur later, but the Closing Date is the day when the Closing is scheduled to occur. DVD must pick the day for the Closing. It must occur within ninety (90) days after satisfaction of the Closing Conditions. DVD, however, can postpone the Closing if it wishes to do so. Neither DVD nor the Escrow Agent have to give you notice of the Closing Date.

14.3. CLOSING CONDITIONS. The Escrow Agent will close the sale on the Closing Date if all of the "Closing Conditions" listed in the Escrow Agreement (including the following, among others) have happened:

- A. The Escrow Agent has not received notice from DVD notifying it that you or DVD have cancelled the purchase during your Seven-Day Cancellation Period or any longer cancellation period expressly provided to you in your Purchase Agreement;
- B. The Escrow Agent has received enough money to pay the Closing Costs;
- C. The Escrow Agent has received enough money to pay the purchase price stated on your Purchase Agreement less (i) any credits allowed by DVD and (ii) the amount of any loan made by DVD to you;
- D. The Escrow Agent has received all necessary closing documents;
- E. All loan requirements set by DVD for the purchase have been met;
- F. A title insurance company authorized to do business in Hawai'i is committed to issue, after your deed is recorded, a policy of title insurance on your Ownership Interest insuring that it is subject only to your deed, any mortgage signed by you, the Permitted Encumbrances, and anything else that doesn't make your title unmarketable;
- G. As to each existing blanket lien, (i) the Escrow Agent is prepared to record or can confirm that someone else has already recorded a release of your Ownership Interest from the blanket lien, or (ii) in the case of a mechanics' or materialmen's lien, the commitment for a title policy required above includes an endorsement providing coverage against such lien; and
- H. The requirements described in Section 14.1, above, have been met.

14.4. FUNDS IN ESCROW. The Escrow Agreement provides that any interest and other earnings on Funds in escrow will belong to DVD.

14.5. REFUNDS. The Escrow Agent will refund your Funds (without interest and without any other earnings on such Funds) if and only if:

- A. You or DVD gives a valid notice of cancellation during the cancellation period. In that event, all of your Funds held by the Escrow Agent will be returned to you within fifteen (15) days after the notice of cancellation is received.

B. You or DVD gives a valid notice of cancellation during the cancellation period provided by Section 514B-87 of the Hawai'i Condominium Property Act, a copy of which is attached as Exhibit L. In that event, the Escrow Agent must promptly return all of your Funds to you.

C. DVD gives notice to the Escrow Agent that you have used any right to cancel that you have under the Purchase Agreement (except the right to cancel under paragraphs A or B, above). In that event, the Escrow Agent must promptly refund to you all of your Funds remaining in escrow after the deduction of any escrow cancellation fee and other costs associated with the purchase (but no more than a total of \$250 may be deducted).

D. You give notice to the Escrow Agent that you have exercised any right to cancel that you have under the Purchase Agreement (except the right to cancel under paragraphs A or B, above). In that case, the Escrow Agent will notify DVD of your decision to cancel. If DVD gives its approval, then the Escrow Agent must promptly refund to you all of your Funds remaining in escrow. If the Escrow Agent receives no notice or receives a notice of disapproval from DVD, then the Escrow Agent may deposit your Funds in court.

E. If DVD instructs the Escrow Agent to do so, the Escrow Agent will refund your Funds. In that event, the Escrow Agent will return to you all of your Funds within fifteen (15) days after the Escrow Agent receives that instruction.

14.6. CANCELLATION BECAUSE THE PURCHASER DEFAULTS. If you default and DVD cancels your Purchase Agreement then your Funds will be delivered as provided in your Purchase Agreement. If the Purchase Agreement provides that your Funds are to be paid to DVD as liquidated damages, then before doing so (A) DVD must give you notice, by registered or certified mail, stating that DVD has declared that you are in default (a "Default Notice"), and (B) DVD must give the Escrow Agent (i) a copy of the Default Notice, (ii) a statement that at least thirty (30) days have passed since the Default Notice was sent and that you have not cured the default, and (iii) a statement as to whether or not you have objected in writing to the Default Notice. If you object to the Default Notice, you must send written notice of your objection to DVD or to the Escrow Agent within thirty (30) days from the date the Default Notice was sent by DVD. If you do not, then the Escrow Agent may treat your Funds as belonging to DVD and may release those Funds to DVD. Otherwise, the Escrow Agent may deposit your Funds in court.

14.7. PROTECTION OF THE ESCROW AGENT. The Escrow Agreement contains various protections for the Escrow Agent such as the following:

A. If there is any dispute or conflicting claims, the Escrow Agent may deposit your Funds with a court, which would then resolve the dispute or conflict.

B. Both DVD and you agree to protect and pay (or, in legal terms, "indemnify") the Escrow Agent for all costs, damages, judgments, legal fees and expenses reasonably incurred by the Escrow Agent for acting as instructed in the Escrow Agreement. This does not, however, apply to anything caused by the negligence or misconduct of the Escrow Agent.

14.8. CHANGES TO THE ESCROW AGREEMENT. The Escrow Agent has agreed to change the Escrow Agreement as DVD asks in order to comply with (i) the legal requirements of the State of Hawai'i or any Hawai'i governmental agency, (ii) the legal requirements of any other state or the requirements of any governmental agency in a place where DVD is registering the Plan for sale, or (iii) the requests of DVD's lenders. Your consent is not required unless the change (i) increases the amount that you must pay under the your Purchase Agreement or the Escrow Agreement and DVD does not agree to pay the additional amount, or (ii) materially and adversely changes the Closing Conditions to the extent that they are intended to benefit you.

14.9. HAWAII LAW; NO JURY TRIAL. The Escrow Agreement and all other parts of the Contract Documents pertaining to the Escrow Agent's duties are governed by and will be interpreted according to the internal laws of the State of Hawai'i. Any lawsuit or legal proceeding relating to any Purchase Agreement or the Escrow Agreement must be filed and conducted only in a federal or state court located in Honolulu, Hawai'i or Orange County, Florida. The parties agree that they shall do nothing to deprive the courts in Honolulu, Hawai'i or Orange County, Florida, of "jurisdiction" or "venue." This means that the lawsuit or proceedings will take place in either Hawai'i or Florida. **THE PARTIES GIVE UP ANY RIGHT TO A JURY TRIAL AND AGREE THAT A JUDGE WILL DECIDE ANY DISPUTE.** In any lawsuit or other legal proceedings over the Escrow Agreement, the prevailing party will be entitled to recover its costs and expenses, including reasonable legal fees.

15. ESTABLISHMENT OF A NON-PROFIT CORPORATION, ASSOCIATION MEMBERSHIP

15.1. FORMATION OF THE VACATION OWNERS ASSOCIATION. Ali'i Nui Vacation Owners Association, Inc., a Florida not-for-profit corporation, was formed on April 19, 2010. Anyone who buys or owns an Ownership Interest is a member of the Vacation Owners Association. This includes DVD as to all unsold Ownership Interests.

15.2. THE ASSOCIATION'S POWERS AND DUTIES IN GENERAL. The Vacation Owners Association is the association of persons who own Ownership Interests in the Plan as required by the Hawai'i Time Share Law. It has all of the powers and must perform all of the duties listed in the Plan Documents. For example:

- ❖ The Vacation Owners Association pays the Plan Expenses and manages the financial affairs of the Plan. This includes preparing annual Estimated Budgets, collecting Assessments, and so on.

- ❖ The Vacation Owners Association manages and maintains the Vacation Property.
- ❖ The Vacation Owners Association is authorized to contract for the maintenance and management of the Vacation Property and the Vacation Owners Association, and to delegate to the contractor all powers and duties of the Vacation Owners Association in such regard except those specifically required by Hawai'i law or the Plan Documents to have approval of the Board or the Owners.
- ❖ The Vacation Owners Association, on behalf of all Owners, is authorized to contract for the operation of the reservation system for the Plan and to delegate to the contractor all powers and duties of the Vacation Owners Association in this regard.
- ❖ The Vacation Owners Association is authorized to arrange for the assignment of the possession and use of Vacation Homes by owners from other resorts, including other DVC Resorts, and the possession and use of accommodations at other resorts by Owners.
- ❖ The Vacation Owners Association enforces the Vacation Plan Documents.

The Vacation Owners Association is not responsible for the acts and omissions of Owners and Occupants (and neither are DVD, DVCHMC or BVTC). However it does have the right to remove Occupants who fail to leave their Assigned Vacation Home on time.

15.3. THE BOARD OF DIRECTORS. The business and affairs of the Vacation Owners Association are controlled by the Board of Directors. Except as limited by law or the Plan Documents, the Board may exercise all powers and must perform all duties of the Vacation Owners Association. The Board may not, however, take any action that, by law or under the Plan Documents, must be taken, authorized or approved by the Owners, or by some part or percentage of them.

The Plan Documents limit the Board's authority in certain circumstances including, for example, the following:

- ❖ The Board does not have the authority to grant, modify, terminate or move any easement or right granted to or reserved by DVD, with respect to the Plan Declaration or the Vacation Property, without the prior approval of DVD.
- ❖ The Board does not have the power to independently terminate the Property Management Agreement except as explicitly authorized in it. The Property Management Agreement may only be terminated in accordance with its own terms.
- ❖ The Board does not have the power to independently terminate the Membership Agreement or the Plan's DVC Resort Agreement except as explicitly authorized in those agreements, respectively.

A transaction in which a director has a conflict of interest may be approved in the manner provided in the Florida Not-For-Profit Corporations Act.

15.4. OPERATION OF THE VACATION OWNERS ASSOCIATION.

The Vacation Owners Association meets at least once every year and may meet more often by having special meetings. To have a meeting, Voting Representatives representing at least a Majority of the Total Voting Interests eligible to vote must be present, in person or by proxy. Generally, the vote at any meeting of a Majority of the Voting Interests will control, unless a higher percentage is required by the Plan Documents or by law. DVD's votes are included unless the Plan Documents expressly state that DVD is not included.

The Bylaws of the Vacation Owners Association contain, among other things, the rules for running the Vacation Owners Association. For example, they include rules governing: (1) how to call and conduct meetings; (2) how members and directors will vote and how decisions will be made; (3) how directors and officers will be elected or appointed; (4) the actions of directors, officers and committees; and (5) how to handle books and records. The Articles of Incorporation for the Vacation Owners Association provide directors and officers protections on claims made against them by reason of being or having been a director or officer of the Vacation Owners Association.

15.5. VOTING.

Each Unit has a percentage vote in the Vacation Owners Association equal to the Common Interest appurtenant to that Unit, as set forth in the Condominium Declaration, and a percentage vote in the Condominium Association equal to the Common Interest appurtenant to that Condominium Unit, as set forth in the Condominium Declaration. Each Unit in the Hotel Condominium has a percentage vote in the Hotel Condominium Association equal to the common interest appurtenant to that Unit, as set forth in the Hotel Condominium Declaration.

The vote of each Vacation Unit must be cast by its Voting Representative. The Owners of a Vacation Unit must file a voting certificate with the Vacation Owners Association, in accordance with the Articles and Bylaws, designating one of their number to be the Voting Representative for that Vacation Unit with respect to voting in the Vacation Owners Association, the Condominium Association, the Ko Olina Community Association and the Ko Olina Resort Operators Association. The Voting Representative shall cast the vote of the Condominium Unit in meetings of the Vacation Owners Association, the Condominium Association, the Ko Olina Community Association and the Ko Olina Resort Operators Association, and shall represent the Condominium Unit at all meetings of those associations. The Voting Representative shall cast the entire vote of the Condominium Unit regardless of the objection of any co-Owner of that Condominium Unit.

Likewise, the owners of a Unit in the Hotel Condominium must file a voting certificate with the Hotel Condominium Association, in accordance with the Hotel Condominium Articles and the Hotel Condominium Bylaws, designating one of their number to be the Voting Representative for that Unit

with respect to voting in the Hotel Condominium Association. The Voting Representative shall cast the vote of the Unit in meetings of the Hotel Condominium Association, the Ko Olina Community Association and the Ko Olina Resort Operators Association, and shall represent the Unit at all meetings of those associations. The Voting Representative shall cast the entire vote of the Unit regardless of the objection of any co-owner of that Unit.

Each Owner will be considered to have authorized the Voting Representative to act for him or her at any meeting or vote of the Vacation Owners Association, the Condominium Association, the Hotel Condominium Association, the Ko Olina Community Association and the Ko Olina Resort Operators Association. Each Owner also will be considered to have given the Voting Representative a special power of attorney to: (i) sign and deliver any documents (including but not limited to any proxy forms prepared by the Vacation Owners Association, the Condominium Association, the Hotel Condominium Association, the Ko Olina Community Association and the Ko Olina Resort Operators Association); and (ii) do everything else the Voting Representative deems necessary or appropriate to cast the vote of the Condominium Units or Units in the Hotel Condominium at any meeting or in any vote of the Vacation Owners Association, the Condominium Association, the Hotel Condominium Association, the Ko Olina Community Association and the Ko Olina Resort Operators Association.

15.6. CONTROL OF THE ASSOCIATIONS.

Pursuant to the Master Cotenancy Agreement, DVD is designated as the initial Voting Representative of the owners of Condominium Units in the Condominium and owners of Units in the Hotel Condominium, including the Owners of Ownership Interests, at any meeting or vote of the Vacation Owners Association, the Condominium Association, the Hotel Condominium Association, the Ko Olina Community Association and the Ko Olina Resort Operators Association, and will cast all votes for such Owners at such meetings. In exercising this authority, DVD has agreed to act at all times on behalf of the Owners as a whole pursuant to its fiduciary duties. DVD has agreed that it will not cast a Condominium Unit's vote in any of the following respects without the prior concurrence of the Owners of sixty percent (60%) of the Ownership Interests in the Condominium Unit:

- ❖ waiver of any material rights of the Condominium Association or Hotel Condominium Association or of the Unit Owners against DVD or any of its affiliates;
- ❖ waiver of any material rights of the Vacation Owners Association or of the Owners against DVD or any of its affiliates;
- ❖ waiver or reduction of required replacement reserves of the Condominium, the Hotel Condominium or the Plan;
- ❖ any increase in the annual operating budget of the Condominium, Hotel Condominium or Plan that increases the Regular Assessment of an Ownership Interest by more than twenty percent (20%) over the prior year or any Special Assessment exceeding five percent (5%) of the Regular Assessment for the current year;
- ❖ any increase in the calculation of compensation paid to DVCHMC (i) as the Plan Manager pursuant to the Property Management Agreement, or (ii) as the Property Management Company pursuant to the Condominium's management agreement or Hotel Condominium's management agreement;
- ❖ reallocation of the undivided interests in the Common Elements of the Condominium or Hotel Condominium appurtenant to each Vacation Ownership Unit other than the reallocation that results from the addition of phases to the Condominium or Hotel Condominium, or other exercise of DVD's Reserved Rights, pursuant to the Condominium Declaration or Hotel Condominium Declaration;
- ❖ amendment of the Plan Declaration, the Articles or Bylaws of the Vacation Owners Association, the Condominium Declaration, the Condominium Articles, the Condominium Bylaws, the Hotel Condominium Declaration, the Hotel Condominium Articles or the Hotel Condominium Bylaws in any manner that is materially adverse to the Owners as a whole;
- ❖ amendment of the Ko Olina Declaration, or of the articles of incorporation or the bylaws of either Ko Olina Community Association or Ko Olina Resort Operators Association in any manner that is materially adverse to the Owners as a whole; or
- ❖ voluntary termination of the Condominium or Hotel Condominium, or any proposition not to reconstruct, repair or replace any portion of any Condominium Unit or Common Elements of either Condominium after casualty.

DVD shall continue to serve as the Voting Representative of a Unit until such time as the Owners who own sixty percent (60%) of the undivided interest in the Unit concur in writing that DVD should be removed from this position as more particularly described in the Master Cotenancy Agreement. However, during any period of time in which DVD owns in excess of forty percent (40%) of the Ownership Interests in a given Unit, the Owners who own sixty percent (60%) of the Ownership Interests in that Unit (other than the Ownership Interests owned by DVD in that Unit) may remove DVD as the Voting Representative for that Unit and elect a replacement. *You should make time to read the Master Cotenancy Agreement yourself so that you fully understand your rights and duties and those of DVD.*

DVD currently owns a majority interest in the Hotel Condominium. This means that, as a practical matter, DVD will control the Hotel Condominium Association for so long as it continues to own a majority interest in it. DVD currently has no plans to sell or otherwise dispose of any of its Units in the Hotel Condominium, although this could change.

15.7. DELEGATION OF RESPONSIBILITIES, DUTIES AND AUTHORITIES TO THE PLAN MANAGER.

The Vacation Owners Association has entered into a Property Management Agreement with DVCHMC pursuant to which the Vacation Owners Association has assigned its responsibilities and duties relating to the management and operation of the Vacation Property and the Vacation Owners Association to DVCHMC.

DVD appointed the initial Plan Manager, and it is DVCHMC, an affiliate of DVD. The Property Management Agreement has an initial term of five (5) years from the first date on which a First Deed of an Ownership Interest was recorded. The Vacation Owners Association may terminate the Property Management Agreement at any time for cause if DVCHMC violates a material part of it and fails to cure its violation within the time permitted by the Property Management Agreement or any longer time permitted by the Board or by vote of the Vacation Owners Association. After the first term and each later term ends, the Property Management Agreement automatically will be renewed for additional three year terms unless the Vacation Owners Association sends a notice that it is not renewing the Property Management Agreement (a "Notice of Non-Renewal") at least ninety (90) days before the next renewal date. The Property Management Agreement provides that the Vacation Owners Association cannot give a Notice of Non-Renewal without (i) the vote, at an annual or special meeting of the Vacation Owners Association held within one year before the renewal date, of a Majority of the Total Voting Interests, or (ii) the written assent of a Majority of the Total Voting Interests, which written assent must be obtained within one year before the renewal date. Because DVD is the designated Voting Representative of each Unit and can only be removed as such by the vote of sixty percent (60%) of Owners in each Unit, as a practical matter, Owners will have difficulty in accumulating sufficient votes to terminate DVCHMC as the Plan Manager by vote of the Owners. The Plan Manager may resign at any time upon ninety (90) days notice to the Board.

The Plan Manager and also the Property Management Company for the Condominium each have a licensing arrangement with DVCHMC to use the Disney name (the "Disney Brands" or "Disney Brand Names") and certain service marks and trademarks associated with the Disney Brand ("Disney Marks"). As a result, (i) the Plan will be designated as a Disney Vacation Club resort while the licensing arrangement is in effect, and (ii) the Condominium, the Resort and the Vacation Ownership Plan must be operated, managed, and maintained according to any standards of construction, maintenance, and operation of vacation ownership resort properties developed, owned or operated by DVD, its successors or assigns, or any of its affiliates or licensees and designated as "Disney" resorts, or by any other name associated with the Disney Brand (the "License Standards"). The availability and use of the Disney Brand and Disney Marks, and any associated brands or marks are subject to the terms, conditions, and requirements set forth in the Property Management Agreement and the agreement between DVCHMC and the Developer (as owner or licensee of the Disney Brands and Disney Marks) ("Licensing Arrangement") and the costs and expenses to comply with the Licensing Arrangement will be Common Expenses of the Condominium, Common Expenses of the Hotel Condominium, Shared Area Expenses of the Resort, and/or the Plan Expenses of the Plan. If the licensing arrangement ends for any reason, the Condominium and the Plan, and perhaps the Hotel Condominium, will not be able to use the Disney Brands or the Disney Marks. This may happen if, for example (i) the management agreements with the Property Management Company or the Plan Manager end for any reason; or (ii) the Condominium, the Hotel Condominium, the Resort, or the Plan is not managed, operated, and maintained in a manner consistent with the License Standards, or (iii) the licensing arrangement expires and is not renewed, or (iv) if other normal business defaults occur.

The Plan Manager and the Property Management Company of the Condominium each have certain rights to use the name "Ko Olina" with respect to the Condominium, the Resort and/or the Plan under an agreement with the owner of those names (the "Ko Olina License Agreement"). As a result, (i) the Plan will be designated using the Ko Olina name to identify the Vacation Property and the Vacation Ownership Plan as being located in the Ko Olina Resort, and (ii) the availability and use of these names is subject to the terms, conditions, and requirements of the Property Management Agreement and the Ko Olina License Agreement. The fees, costs and expenses to comply with those agreements will be Common Expenses of the Condominium, Common Expenses of the Hotel Condominium, Shared Area Expenses under the Master Declaration, and/or the Plan Expenses of the Plan. If the Property Management Agreement, the Condominium's management agreement, the Hotel Condominium Association's management agreement, or the Ko Olina License Agreement end for any reason, the Condominium and the Plan, and perhaps the Hotel Condominium, will not be able to use these names.

As set forth in the Property Management Agreement, DVCHMC will be compensated for its site management services by receiving an annual management fee equal to (a) twelve percent of the total annual operating and capital reserves budgets for the Vacation Owners Association (excluding amounts collected for ad valorem taxes and also excluding all sources of Vacation Owners Association revenue identified in the budget other than the Assessments); (b) the costs, expenses and fees charged to the Vacation Owners Association pursuant to the terms of the Property Management Agreement; and (c) all fees, profits, revenue and/or monies generated from the concessions (for example, hair wrapping services, "penny press" machines, pay telephones, ATM machines, vending machines or operations, or newspaper machines) or other ventures profitable to DVD or The TWDC Companies, throughout the Condominium, the Hotel Condominium and Vacation Property. DVCHMC will also receive additional fees in certain circumstances (for example, when dealing with problems arising from a fire, hurricane, strike, legal proceedings, and so on).

In addition, pursuant to the Membership Agreement, the Vacation Owners Association has assigned its rights and obligations to operate the reservation system for the Vacation Ownership Plan to DVCHMC as the DVC Operator. Unless sooner terminated in accordance with its provisions, the Membership Agreement has a term equal to the term of the Vacation Ownership Plan. As consideration, the Vacation Owners Association has assigned to DVCHMC any and all rights of the Vacation Owners Association to rent unreserved Vacation Homes (in accordance with the reservation priorities of the Home Resort Reservation Component) and to receive the proceeds therefrom in excess of the following: (i) the rental proceeds equaling an amount up to (a) two and one-half percent (2 1/2%) of the Vacation Ownership Plan Estimated Budgets (excluding all sources of Vacation Owners Association revenue identified in the budget other than the Vacation Owners Association Assessments), plus (b) two and one-half percent (2 1/2%) of a share of the Condominium's Estimated Budgets (excluding all sources of Condominium Association revenue identified in the budget other than the Condominium Association Assessments) in the proportion that the sum of the Common Interest of the Units in the Vacation

Ownership Plan bears to the sum of the Common Interest of all Condominium Units in the Condominium; and (ii) the rental proceeds, if any, in an amount equal to BVTC's costs for providing those services as set forth in the Plan's DVC Resort Agreement plus five percent (5%) of such costs. The portion of rental proceeds, if any, set forth in (ii) of the preceding sentence shall be remitted by DVCHMC to BVTC in consideration for BVTC's performance of such services under the Plan's DVC Resort Agreement. In addition, any of The TWDC Companies may be compensated and/or reimbursed from time to time for costs related to the DVC Resorts.

15.8. CHANGING THE PLAN DOCUMENTS.

A. **Plan Declaration.** The Vacation Owners Association may change the Plan Declaration if (1) the amendment is approved by the vote of a Majority of the Voting Interests at a meeting at which a quorum is present (unless a higher percentage is required by the specific provisions of the Plan Declaration), and (2) if DVD holds a mortgage on or owns any Ownership Interest, DVD gives its written consent by signing the amendment.

B. **Bylaws.** Until the election of directors at the first annual Owner's meeting, the Bylaws may be amended by two-thirds (2/3rds) of the entire Board. After that, an amendment to the Bylaws may be proposed by either the Board or by the membership of the Vacation Owners Association, and after being proposed and approved by one of such bodies, it must be approved by the other. A proposed amendment to the Bylaws must be approved by two-thirds (2/3rds) of the entire Board and at least a Majority of the Voting Interests of the Vacation Owners Association.

C. **Articles.** Until the election of Directors at the first annual Owners meeting, the Articles may be amended if the amendment is approved by three-fourths (3/4ths) of the entire Board. After that, an amendment to the Articles may be proposed by either the Board or by the Owners, and after being proposed and approved by one of such bodies, requires the approval of the other body. Except as otherwise provided in the Articles, such approvals must be by not less than three-fourths (3/4) of the entire Board and by not less than a three-fourths (3/4) vote of the Voting Interests of the Vacation Owners Association at a duly called meeting of the Vacation Owners Association.

D. **Other Changes.** The Board and DVD each have the right to restate any or all of the Plan Documents and all amendments to it or them. The Board also has the right to change the Association Rules. Only the DVC Operator may amend the Reservation Rules, and it may do in its sole, absolute and unfettered discretion. DVD's Reserved Rights include the right to unilaterally change the Plan and the Plan Documents as discussed in Exhibit E or elsewhere in this Disclosure Statement.

16. DEVELOPER IS ALSO ACQUISITION AGENT OR SALES AGENT OR PLAN MANAGER

16.1. **OWNERSHIP INTERESTS ARE OFFERED AS REAL PROPERTY.** Ownership Interests are offered and sold as real estate. Purchases should be made for personal use and enjoyment and for value as a vacation experience and for spending leisure time, not as an investment or for rental income purposes or for appreciation or for value at resale. No promises about rentals or resale services, or any other arrangement for economic benefit, are made or authorized.

16.2. **METHOD OF SALE OF OWNERSHIP INTERESTS.** Ownership Interests in Aulani, *Disney Vacation Club*® Villas, Ko Olina, Hawai'i will be offered for sale at sales centers located in Florida, Illinois, California, New York, Hawaii, Japan and through the U.S. Mail by sending information about this Plan to prospective purchasers located in states where the Plan is registered (or where registration is not required) and able to be sold. All sales agents are under the control and supervision of DVD.

16.3. CONFLICTS OF INTEREST.

DVD is also a real estate broker and is acting as the sales agent. Purchasers should understand that DVD and its real estate agents represent only DVD and not any individual Purchaser.

DVCHMC is related to DVD and to BVTC. DVD is the Owner of any unsold Ownership Interests and related Home Resort Vacation Points. During the Breakage Period, DVCHMC has the right to reserve any unreserved Use Days without using any Vacation Points. Both DVCHMC and BVTC are entitled to a share of the rental proceeds. In short, DVD, DVCHMC and BVTC all have interests that compete with the interests of the other Owners. Because of this and because DVCHMC and BVTC are related to DVD, DVD, DVCHMC and BVTC all have potential conflicts of interest.

While it is not possible to predict all of the potential conflicts of interest, some of them are apparent. For example, DVCHMC must administer and enforce the Plan Documents. It may also have to deal with issues with the Master Declarant under the Master Declaration (which currently is DVD) and/or the Condominium Developer (also DVD) and/or the Hotel Condominium Developer (also DVD). This may give rise to conflicts in determining (i) whether and how to interpret or enforce the Plan Documents, the Condominium Documents, the Hotel Condominium Documents and/or Master Declaration when the interests of DVD or its affiliates may be affected; (ii) the amounts to be charged to or collected from DVD under the Plan Documents; (iii) the amounts to be charged to the Vacation Owners Association pursuant to the Master Declaration, the Condominium Documents or the Hotel Condominium Documents; and (iv) the costs to be included in the various Estimated Budgets for the Plan, the Condominium and the Hotel Condominium, including reserves for future expenses.

As another example, DVCHMC is responsible to prepare a recommended budget of the Plan Expenses, the Common Expenses of the Condominium and the Common Expenses of the Hotel Condominium. DVD may wish to keep Assessments lower while in sales. Conversely, DVCHMC may wish to keep them higher to maximize its fees to the extent that they are set to a percentage of the budget. Conflicts may also arise in determining whether certain expenses should be charged to all Units, to Active Units or to Inactive Units.

DVCHMC has the ability to select suppliers of goods and services to the Plan. DVCHMC may have a conflict of interest when choosing whether to purchase goods and services from affiliates of DVCHMC. For example, instead of buying less expensive generic goods, DVCHMC may choose to purchase supplies bearing the "Disney" name or "Disney" caricatures, fanciful characters, logos or other trademarked symbols registered by any of The TWDC Companies.

The DVC Operator is responsible for operation of the Home Resort Reservation Component and BVTC is responsible for operation of the DVC Reservation Component. A conflict of interest may arise to the extent that DVC Operator or BVTC have the authority to confirm reservations for themselves, DVD, for the individual Owners who are not affiliated with DVD, or for Club Members from other DVC Resorts. For instance, Owners may find themselves competing with DVCHMC during the Breakage Period for reservations of otherwise unreserved Use Days.

A conflict may also arise to the extent that DVD, DVCHMC or BVTC have the right to determine the number of Home Resort Vacation Points assigned to Vacation Homes in the Condominium or in other DVC Resorts. For example, DVD could assign too many Vacation Points to a particular Unit. This makes more Vacation Points for DVD to sell but dilutes the use rights of the existing Owners. A similar conflict may arise to the extent that the DVCHMC or BVTC have the right to determine the Vacation Point Value of the Use Days in the Plan or other DVC Resorts. Vacation Points assigned to other DVC Resorts, however, will not affect your ability to reserve a Vacation Home in the Condominium during the Home Resort Priority Period.

DVD may own Condominium Units not included in the Plan (for example, Commercial Condominium Units), Units not yet designated as "Active Units" and used for hotel purposes and/or Units in the Hotel Condominium. The interests of DVD with respect to such Condominium Units and Units in the Hotel Condominium may differ from the interests of other Unit Owners. Since DVCHMC is not just the manager of the Plan but of the entire Condominium, the entire Hotel Condominium, and the entire Resort, since it is related to DVD, conflicting demands may be made upon DVCHMC in such capacity.

To the extent that DVD controls the Board of Directors of the Vacation Owners Association, the Condominium Association and/or the Hotel Condominium Association, DVD will have conflicts of interest when the interests of DVD differ from those of other Owners. Likewise, to the extent that DVD serves as the Voting Representative of a Condominium Unit or Unit in the Hotel Condominium, DVD will have conflicts of interest when the interests of DVD differ from those of other Unit Owners. A transaction in which a director has a conflict of interest may be approved in the manner provided in the Florida Not For Profit Corporation Act, Chapter 617, Florida Statutes.

Potential conflicts of interest may be mitigated by the right of the Vacation Owners Association to terminate the Property Management Agreement or the Membership Agreement for cause should DVCHMC put the interests of DVD or its affiliates above the proper management and administration of the Plan for the benefit of all Owners in violation of its fiduciary duties. Also, proper management of the Plan is in DVD's interest so long as DVD is still selling Ownership Interests in the Plan and receiving payments of the purchase price from the Purchasers. Potential conflicts of interest arising out of DVD's service as the Voting Representative of the Condominium Units or Units in the Hotel Condominium may be tempered by the right of the Unit Owners to remove DVD as the Voting Representative and to elect a replacement.

Although not a conflict of interest, you should realize that DVD, DVCHMC and BVTC have the right to choose other Exchange Programs and/or benefits to be offered through the Disney Vacation Club, and/or to determine the terms and conditions under which such programs or benefits may be offered, and/or to stop offering any such programs or benefits. Normal business considerations, including financial or other benefits to be derived by DVD, DVCHMC, BVTC, or their affiliates, may influence their decisions on these matters.

17. COMPLIANCE WITH COUNTY REQUIREMENTS

The City & County of Honolulu has confirmed that the Condominium is located in a zone designated for resort use.

18. SALES IN VIOLATION OF HAWAII TIME SHARE LAW

Section 514E-11.3 of Hawaii law provides that every sale or transfer made in violation of the Hawaii Time Share Law is voidable at the election of the Purchaser.

19. SERVICE OF PROCESS

This refers to the official delivery of papers involved in a lawsuit. DVD may be served by serving process on CSC Services of Hawaii, Inc., 1003 Bishop Street, Suite 1600, Pauahi Tower, Honolulu, Hawaii 96813.

20. ADDITIONAL DISCLOSURES

20.1. CANCELLATION RIGHTS. If your offer and sale takes place partly in Hawaii and partly outside of Hawaii, you may have additional rights to cancel under the laws of the other state or country. DVD reserves the right to terminate your Purchase Agreement by refunding all of your Funds within one hundred eighty (180) days after the date the first purchaser signed a contract to purchase an Ownership Interest in the phase of the Condominium that contains your unit if DVD does not pre-sell fifty percent (50%) of the total number of Ownership Interests contained in that phase.

20.2. TRANSIENT ACCOMMODATIONS TAX. You will be required to pay at or before check-out a nightly transient occupancy tax for each night of your Use Period.

20.3. AIR SPACE UNITS/VIEWS. The Condominium and the Hotel Condominium include various Air Space Units that are owned and controlled by DVD. DVD has the right to alter, modify or replace the improvements located within the Air Space Units. This right includes the right to build new improvements within the Air Space Units with varying heights – from 20 ft high to forty feet high. New improvements in the Air Space Units in the Hotel Condominium may range in height up to 168 feet. In addition, DVD has the right to locate trees and other landscaping in these Air Space Units that may be as high as sixty feet. These improvements (if and when built) and landscaping (if and when planted or upon maturity) could partially or totally obstruct the views from one or more of the Vacation Homes. You should not purchase an Ownership Interest in reliance upon the availability of any specific view from any specific Vacation Homes.

20.4. RESERVATION PRIORITY OF FIXED OWNERSHIP INTERESTS. DVD has reserved the right to sell Fixed Ownership Interests – Ownership Interests with Fixed Use Periods, meaning that Owners with those Ownership Interests have a guaranteed right to use a specific type of Vacation Home during a specific time period. Reservations for Fixed Ownership Interests are confirmed automatically on a priority basis. This is an exception to the first-come, first-served basis for reservations in the Plan and this reservation priority effectively preempts other Owners from reserving those time periods. This may adversely affect your ability to make reservations at Aulani, Disney Vacation Club® Villas, Ko Olina, Hawai'i during high demand seasons. However, DVD will not sell Ownership Interests with Fixed Use Periods that include more than thirty-five percent (35%) of any specific Use Day for any specific Vacation Home Type in the Plan. This means, for example, that Christmas day will be available for reservation on a first-come, first-served basis in at least sixty-five percent (65%) of the 2 Bedroom Ocean View Vacation Homes.

20.5. THE TWDC COMPANIES. DVD, DVCHMC and BVTC are affiliates of TWDC; however, DVD, DVCHMC and BVTC are separate and distinct entities from TWDC. Neither TWDC nor any other subsidiary or affiliate of TWDC, has agreed or will agree to assume, guarantee or otherwise be responsible for any of the obligations, acts or omissions of DVD, DVCHMC or BVTC in connection with this offering or any other DVC Resort or the Club.

20.6. DISNEYLAND AND WALT DISNEY WORLD. Owners, their Guests, invitees, Exchangers and lessees do not receive any special access or entry rights to any attraction or recreational facility located within the WALT DISNEY WORLD® RESORT in Lake Buena Vista, Florida, DISNEYLAND® RESORT in Anaheim, California, or in any other DISNEY theme park or other facility.

20.7. FEDERAL INCOME TAX DEDUCTION. Since the Ownership Interest you are acquiring is an interest in real estate under Hawaii law, you may be entitled to deduct, for federal income tax purposes: (i) interest paid under a promissory note which is secured by a mortgage on your Ownership Interest, and (ii) your allocable share of real property taxes (paid via Annual Dues). You should understand that DVD intends to report mortgage interest to you and to the United States Internal Revenue Service as mortgage interest paid on form 1098.

You should understand, however, that since there can be no assurance as to this federal income tax treatment, as well as the fact that actual tax results will depend upon your particular circumstances (including among other factors, whether or not you itemize deductions on your federal income tax return or whether you already own an existing vacation home), The TWDC Companies do not make any representations as to the income tax treatment of the purchase, use or exchange of an Ownership Interest and related rights and appurtenances or as to the deductibility of related expenses such as interest, taxes and depreciation. You should consult your own tax advisor as to these issues. An Ownership Interest should not be purchased in reliance upon any anticipated tax benefits or any particular kind of tax treatment.

20.8. BUDGET. The budgets attached to this Disclosure Statement have been prepared in accordance with applicable law and are a good faith estimate only and represents an approximation of future expenses based on facts and circumstances existing at the time of their preparation. Actual costs of such items may exceed the estimated costs. Such changes in cost do not constitute material adverse changes.

20.9. ASSOCIATION CONTROL. As a practical matter, the developer has the right to retain control of the Vacation Owners Association, the Condominium Association and the Hotel Condominium Association after a majority of the Condominium Units, Units in the Hotel Condominium and Ownership Interests have been sold.

20.10. COST SHARING. The use of certain facilities, including hotel check-in facility, back office facilities, telephone equipment rooms, etc., are being provided to the Plan 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 shared among its users including Owners. If the Plan was required to provide such facilities within the Condominium and solely for the use and benefit of the Owners, the cost of operating the Plan would increase.

20.11. AULANI, A DISNEY RESORT & SPA. There is no guaranty that any Commercial Units of the Condominium or any portion of Aulani, A Disney Resort & Spa (including restaurants, bars and other hotel amenities) will continue in operation and The TWDC Companies shall be entitled to cease or modify operations of any Commercial Units of the Condominium and/or any portion(s) of Aulani, A Disney Resort & Spa at any time. You should not purchase an interest in the Vacation Ownership Plan in reliance upon the continued operation of any Commercial Units of the Condominium and/or Aulani, A Disney Resort & Spa.

20.12. **WAIMĀNALO GULCH SANITARY LANDFILL.** Aulani, *Disney Vacation Club*® Villas, Ko Olina, Hawai'i is located approximately 1 mile southeast from the Waimānalo Gulch Sanitary Landfill. In October, 2008 the City and County of Honolulu published a Final Environmental Impact Statement that extensively evaluated the potential affect of the continued operation of this landfill on surrounding properties and specified measures to mitigate negative impacts. Based on this evaluation and the specified mitigation measures, DVD does not believe the landfill will affect your enjoyment of the Resort, but wanted to bring this to your attention nonetheless.

20.13. **PERSONAL USE ONLY.** Ownership Interests are offered for personal use and enjoyment only and should not be purchased by any prospective Purchaser for resale or as an investment opportunity or with any expectation of achieving rental income, capital appreciation, or any other financial return or valuable benefit, including any tax benefit. Owners attempting to resell or rent their Ownership Interests would have to compete, at a substantial disadvantage, with DVD in the sale or rental of its Ownership Interests. The many restrictions upon the use of an Ownership Interest may adversely affect its marketability or rentability. Ownership Interests should also not be purchased with any expectation that any Vacation Home located within the Plan can be rented, or if it is rented, that any particular rental rate can be obtained for such rental. You should be aware that several resort hotels are in operation within and around the Condominium, including, but not limited to, the Hotel owned and/or operated by The TWDC Companies, and that DVD will also rent its Ownership Interests to the general public. Accordingly, if you attempted to rent reserved Vacation Homes for your own account you would compete with these resort hotels and DVD for renters without any assistance from the TWDC Companies, and you would be at a substantial competitive disadvantage. You should not purchase an Ownership Interest based upon any expectation of deriving any rental or other revenue or profit therefrom.

20.14. **OTHER DVC RESORTS.** While the Plan continues until January 31, 2062, the vacation ownership plans for all other Disney Vacation Club resorts expire earlier (significantly earlier in most cases). You should not purchase an Ownership Interest in the Plan in reliance upon the continued existence of any other Disney Vacation Club Resorts beyond the express termination dates for those resorts. Neither DVD nor any of The TWDC Companies have any obligation to build any additional Disney Vacation Club resorts. You should not purchase an Ownership Interest in a Disney Vacation Club resort in reliance upon the addition of new resorts.

20.15. **DISCLOSURES AS TO DISNEY BRAND.** DVD has entered into certain agreements with TWDC and/or The TWDC Companies that provide DVD, among other things, with the rights to utilize the name "Disney," certain "Disney" caricatures, fanciful characters, logos or other trademarked symbols registered by one or more of The TWDC Companies (individually and collectively, the "*Disney Brand*") in sales and marketing materials. Each Owner agrees that neither use by DVD of the Disney Brand nor licensing of the Disney Brand to the Plan, the Vacation Owners Association, the Condominium Association or the Hotel Condominium Association, shall make TWDC or any of The TWDC Companies (other than DVD as to the Plan and Resort, and DVCHMC and BVTC as to the Disney Vacation Club): (1) a developer of, or seller of any interest in, or marketing or sales agent for, the Master Property, the Condominium, the Hotel Condominium or the Plan, or (2) the entity offering or promoting the Plan or the Disney Vacation Club or any other product offered by DVD, DVCHMC or BVTC. Each Owner waives (gives up) any claims, whether specific or not, that TWDC or The TWDC Companies (other than DVD as to the Plan and Resort, and DVCHMC and BVTC as to the Disney Vacation Club) is liable or responsible as such developer, seller, and marketing and sales agent with respect to the Master Property, the Condominium, the Hotel Condominium or the Plan. The terms "developer", "seller", "entity offering" and "marketing" and "sales agent" as used in this paragraph shall have expansive definitions and shall include as many activities, direct or tangential, as may be undertaken in each of these capacities. Neither the Vacation Owners Association, the Condominium Association, the Hotel Condominium Association nor any of the Owners are intended third party beneficiaries of any contractual obligations between (i) TWDC and/or The TWDC Companies, and (ii) DVD, DVCHMC and/or BVTC. Among other things, this means that the Vacation Owners Association, the Condominium Association, the Hotel Condominium Association and the Owners have no right to enforce any such contractual obligations.

20.16. **ADDITIONAL BENEFITS.** From time to time, DVD, BVTC, DVCHMC and/or their affiliated companies (each a "*Benefit Provider*") may make certain ancillary products, benefits and/or services available to some or all Club Members ("*Additional Benefits*"). For examples of Additional Benefits, see the "Member Benefits Guide" provided by DVD to Club Members.

The Member Benefits Guide is not a part of this Disclosure Statement and the Additional Benefits are not a component of any Ownership Interest nor incident to any Unit in the Plan. DVD may change the Member Benefits Guide at any time and in any manner, in its sole, absolute and unfettered discretion. Likewise, each Benefit Provider may change, cancel or terminate the Additional Benefits at any time and in any manner, in its sole, absolute and unfettered discretion. Purchasers cannot rely on any representations about the Additional Benefits except those stated in the Member Benefits Guide (as it may be revised from time to time) or in other documents signed by the Benefit Provider. Neither the sales team nor anyone else except DVD may make any representations about the nature, extent or other characteristics of the Additional Benefits that will be binding on DVD or the other Benefit Providers.

Use by Owners of any Additional Benefits is entirely voluntary and is subject to the rules and procedures set forth in the Members Benefit Guide as well as any additional formal or informal rules, policies and procedures established from time to time by the Benefit Provider. Access to Additional Benefits may entail payment of fees and other charges not included in the Annual Dues.

Some Additional Benefits are provided by independent entities not affiliated with DVD, BVTC, DVCHMC or any of their affiliated companies. In such cases, the independent entities shall be solely responsible for all aspects of the applicable Additional Benefit. DVD, BVTC, DVCHMC and their affiliated companies shall NOT be liable or responsible for any loss, injury or damage arising from any Additional Benefits provided by any third-party providers.

Additional Benefits are subject to the priorities, restrictions and limitations established from time to time by the Benefit Providers in their sole, absolute and unfettered discretion. From time to time the availability of some or all Additional Benefits may be limited to certain numbers, groups and/or classes of Club Members as determined by the Benefit Providers in their sole, absolute and unfettered discretion, and not all Club Members may qualify.

Certain Additional Benefits ("Personal Benefits") are available only to Club Members who acquire their Ownership Interest directly from DVD. Currently these include the Disney Collection Program, the Adventurer Collection Program and the Concierge Collection Program, but DVD has the right to designate other present or future Additional Benefits as Personal Benefits from time to time. Personal Benefits are available only to the Club Member who purchased the Ownership Interest from DVD (i.e., they are "personal" to that person), and only for so long he or she personally owns the Ownership Interest. Personal Benefits cannot be bought, sold, exchanged, rented, mortgaged, pledged, assigned or otherwise transferred to anyone else. In addition, if an Ownership Interest is owned by a entity (for example, a corporation) instead of an individual, the Personal Benefits of an entity will terminate upon any change in ownership or control of the entity or any change in the Principal Contact designated for such entity. DVD reserves the right, in its sole, absolute and unfettered discretion, to elect to permit transfer of any one or more Personal Benefits, and, if it does so, may require payment of fees and/or other charges as a condition to transfer.

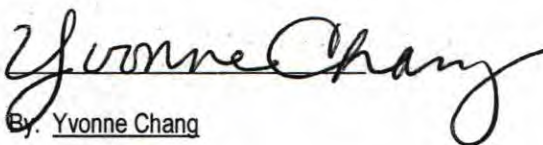
Because of the ephemeral nature of Personal Benefits and other Additional Benefits, you should not purchase your Ownership Interest in reliance on your ability to transfer your rights to use Personal Benefits or other Additional Benefits if you sell your Ownership Interest, or based upon continued availability of any or all Personal Benefits or other Additional Benefits.

THIS DISCLOSURE IS A SUMMARY ONLY. FOR MORE INFORMATION, READ ALL OF THE DOCUMENTS CAREFULLY.

This document contains disclosures required by Section 514E-9, HRS and Section 16-106-3, HAR, of the Time Share Law. It also contains information that DVD believes will be of general interest to Purchasers. We also highlighted in bold or underlined some things that we didn't want to escape your attention. Purchasers should understand, however, that it is not possible or practical to include in this Disclosure Statement all points that each Purchaser may consider important, or a summary of all the documents involved. It is also not possible for DVD to predict which points may turn out to be important to the Purchasers. Each Purchaser is therefore cautioned to read carefully the Plan Documents, the Condominium Documents, the Hotel Condominium Documents, the Master Declaration, the Master Cotenancy Agreement, the Escrow Agreement, and his or her Purchase Agreement, Product Understanding Checklist, deed, and any note and mortgage to be sure that the purchase will satisfy his or her own personal requirements and expectations. Each Purchaser is also cautioned that by signing a Purchase Agreement, he or she accepts and agrees to obey all of these documents.

DISNEY VACATION DEVELOPMENT, INC.

a Florida corporation


By: Yvonne Chang

Its: Assistant Secretary

Dated: December 19, 2014

EXHIBIT A

DEFINITIONS

"Agreement of Sale" means a recorded contract that binds the seller to sell and the buyer to buy an Ownership Interest and under which the seller keeps the title to the Ownership Interest as collateral for payment of the sales price. The buyer, however, is considered the Owner of the Ownership Interest and can use the Home Resort Vacation Points assigned to it to reserve the use of a Vacation Home so long as the buyer makes all payments and keeps his or her promises under the Agreement of Sale.

"Air Space Units" means Condominium Units in either the Condominium or Hotel Condominium that are defined in the applicable condominium documents as Air Space Units. The boundaries of Air Space Units are generally established by imaginary lines depicted on the applicable condominium map and/or described in the other condominium documents. Air Space Unit Owners can construct, expand, reduce, remove, replace, or otherwise change the building or buildings and improvements within the boundaries or "envelope" of the Air Space Unit.

"Annual Dues" means Regular Assessments charged by the Vacation Owners Association, and Regular Assessments charged by the Condominium Association for Common Expenses and reserves of the Condominium (including amounts charged to Owners as Common Expenses of the Hotel Condominium).

"Articles" means the Articles of Incorporation of the Vacation Owners Association filed with the Secretary of State of the State of Florida, as they may be amended from time to time. The Articles established and govern the Vacation Owners Association as a Florida not-for-profit corporation.

"Assessments" means Regular Assessments, Special Assessments and/or, in the case of the Plan, Personal Assessments.

"Associations" means the Condominium Association, the Hotel Condominium Association and/or the Vacation Owners Association.

"Association Property" means all things owned or leased by the Vacation Owners Association for use by Owners or Occupants, or for operating or maintaining the Vacation Property or the Plan. It includes, for example, furniture, appliances, and furnishings (like linens and kitchenware) in the Vacation Homes, as well as equipment (like computers, tools and ladders) and motor vehicles owned or leased by the Vacation Owners Association for the benefit of the Plan. The Vacation Owners Association may also buy or lease things like bicycles, surfboards, videos, and other recreational property for use by or to rent to Occupants. These are also part of the "Association Property." However, all personal property related to the Home Resort Reservation Component and the DVC Reservation Component made available to the Plan, including all computer hardware and software and intellectual property, is not Association Property and is and always will be the personal property of the owner of such personal property.

"Assigned Vacation Home" means the Vacation Home assigned to a Primary Occupant for use during his or her Use Period.

"Association Rules" means the rules adopted pursuant to Section 14.3H of the Plan Declaration, as they are amended from time to time.

"Board" means (i) when referring to the Vacation Owners Association, the board of directors of the Vacation Owners Association, as it is constituted from time to time, (ii) when referring to the Condominium Association, the of directors of the Condominium Association, as it is constituted from time to time, and (iii) when referring to the Hotel Condominium Association, the of directors of the Hotel Condominium Association, as it is constituted from time to time.

"Breakage Period" means the period established as the Breakage Period pursuant to the Reservation Rules.

"Bylaws" means the bylaws of the Vacation Owners Association, as they are amended from time to time.

"BVTC" means Buena Vista Trading Company, a Florida corporation, its successors and assigns. BVTC is an Exchange Company and is registered as an exchange agent under the Act.

"Check-In Day" means the first day of a Use Period.

"Check-In Time" means the time after which a Primary Occupant may check in with the Plan Manager and then occupy a Vacation Home on the first day of his or her Use Period. The Reservation Rules set the Check-In Time.

"Check-Out Day" means the last day of a Use Period.

"Check-Out Time" means the time by which Occupants must move out of their Assigned Vacation Home and the Primary Occupant must check out with the Plan Manager on the last day of his or her Use Period. The Reservation Rules set the Check-Out Time.

"Club" or "Disney Vacation Club" means the Disney Vacation Club. The Club is not a legal entity or association of any kind, but rather is a service name for the services and benefits appurtenant to and the restrictions imposed on the use and enjoyment of Ownership Interests. These services presently include, among other things, the operation of a central reservation system consisting of the Home Resort Reservation Component and the DVC Reservation Component.

"Club Member" means the owner of record of an Ownership Interest in a DVC Resort. It includes Owners of Ownership Interests in this Plan for so long as the Membership Agreement or DVC Resort Agreement are in effect.

"Collection Costs" means all costs incurred to collect any overdue Assessments. It includes, but is not limited to collection agency fees and costs, foreclosure costs, court costs, and reasonable attorneys' fees, costs, and expenses.

"Common Elements" means (i) when referring to the Condominium, all of the Condominium except for the Condominium Units, and (ii) when referring to the Hotel Condominium, all of the Hotel Condominium except the Units in the Hotel Condominium.

"Common Expenses" means the expenses of operating the Condominium or Hotel Condominium, as applicable, and all other amounts designated as Common Expenses under the Condominium Documents or Hotel Condominium Documents, as applicable, or under the Hawai'i Condominium Property Act.

"Common Interest" means, for any Condominium Unit, the undivided interest in the Common Elements assigned to that Condominium Unit by the applicable condominium declaration, as the condominium declaration may be amended from time to time. In condominium projects generally, the condominium unit owners own their condominium units separately and they share the ownership of the common elements. Their ownership share in the common elements is called their "common interest."

"Condominium" means the Aulani, *Disney Vacation Club*® Villas, Ko Olina, Hawai'i Condominium.

"Condominium Articles" means the Articles of Incorporation of the Condominium Association filed with the Secretary of State of the State of Florida, as they are amended from time to time. The Condominium Articles established and govern the Condominium Association as a Florida not-for-profit corporation.

"Condominium Association" means the Ali'i Nui Villas Condominium Association, Inc., a Florida not-for-profit corporation. It is an association of all of the owners of Condominium Units in the Condominium.

"Condominium Bylaws" means the bylaws of the Condominium Association described in **Exhibit C**, as they are amended from time to time.

"Condominium Declaration" means the "Declaration of Condominium Property Regime for the Aulani, *Disney Vacation Club*® Villas, Ko Olina, Hawai'i Condominium" described in **Exhibit C**, as it is amended from time to time.

"Condominium Developer" means the person or persons holding the rights of "DVD" under the Condominium Documents. If the Condominium Developer transfers some or all of its rights or duties as "DVD" under the Condominium Documents to someone else, then that person will become the "Condominium Developer" to the extent (and only to the extent) of the rights and/or duties transferred.

"Condominium Documents" means the Condominium Declaration, the Condominium Articles, the Condominium Bylaws, the Condominium Rules and Regulations, the Condominium Map and the Declaration of Merger.

"Condominium Map" means the recorded drawings designated in the Condominium Declaration as the Condominium Map, as they are amended from time to time.

"Condominium Rules And Regulations" means the rules and regulations adopted by or on behalf of the Condominium Association, as they are amended from time to time.

"Condominium Unit" means any part of a condominium designated for separate ownership by the applicable condominium declaration. When the term is used to refer to legal title, it also includes either:

A. An undivided interest in the Common Elements (including the land) of the condominium in fee simple, or

B. An undivided interest in (i) the Common Elements of the condominium (other than the land) of the Condominium in fee simple, and (ii) an estate for years in the land of the condominium.

In either case, the undivided interest is equal to the fractional or percentage interest assigned by the applicable condominium declaration to the Condominium Unit as its appurtenant Common Interest, as the condominium declaration may be amended from time to time

"Contract Documents" means, for each Purchaser, (i) the Escrow Agreement, and (ii) the Purchaser's Purchase Agreement, and (iii) any written changes to any of those documents. Changes must be in writing and signed by the person whose duties change.

"Declaration" or "Plan Declaration" means the Aulani, *Disney Vacation Club*® Villas, Ko Olina, Hawai'i Vacation Ownership Plan Declaration of Covenants, Conditions and Restrictions and Grant and Reservation of Easements dated April 20, 2010, and filed in the Office of the Assistant Registrar of the Land Court of the State of Hawai'i as Document No. 3957910.

"Declaration Of Merger" means the Declaration of Merger of Condominium Phases recorded as Land Court Document No. 3957569, as it may be amended from time to time. It provides for a merger of the Condominium with one or more other condominium projects. If there is a merger under the Declaration of Merger, then:

A. The term "Condominium" will mean the merged condominiums projects.

B. The terms "Condominium Declaration," "Condominium Articles," "Condominium Bylaws," "Condominium Rules and Regulations" and "Condominium Map" will refer to the condominium declaration, condominium articles, condominium bylaws, condominium rules and regulations and condominium map for each of the merged projects. The Declaration of Merger explains which documents govern in case of inconsistencies.

"Disney Standard" means the overall theme, concept, atmosphere and extraordinarily high standards of quality associated with the WALT DISNEY WORLD® RESORT in Lake Buena Vista, Florida, and the DISNEYLAND® RESORT in Anaheim, California.

"DVCHMC" means Disney Vacation Club Hawaii Management Corp., a Florida corporation, its successors and assigns.

"DVCMC" means Disney Vacation Club Management Corp., a Florida corporation, its successors and assigns.

"DVC Operator" means DVCHMC at all times when the Membership Agreement is in effect. If the Membership Agreement is no longer in effect, then the Vacation Owners Association will perform the obligations of the "DVC Operator."

"DVC Reservation Component" means the exchange component of the Club central reservation system through which accommodations in any DVC Resort may be reserved using DVC Vacation Points pursuant to priorities, restrictions and limitations established by BVTC from time to time.

"DVC Resort" means each resort which is entitled to access and use the DVC Reservation Component and other applicable Club services and benefits provided by BVTC by virtue of and pursuant to the terms and conditions of a DVC Resort Agreement. The Plan will be a DVC Resort for so long as the DVC Resort Agreement for the Plan remains in effect.

"DVC Resort Agreement" means the agreement pursuant to which a resort becomes and remains a DVC Resort in accordance with the terms and conditions of such agreement.

"DVC Vacation Points" means Vacation Points utilized by a Club Member to make a reservation through the DVC Reservation Component at a DVC Resort.

"DVD" means Disney Vacation Development, Inc., a Florida corporation, its successors and assigns. No other person shall exercise DVD's Reserved Rights under the Plan Documents except to the extent provided in Section 21.1 of the Plan Declaration.

"DVD'S Reserved Rights" means all rights and privileges reserved to DVD in the Plan Documents. For examples, see DVD's rights described in Sections 4.5, 4.6, 10.7, 19.1, 19.2, 19.4, 19.6A and 20.1D of the Plan Declaration. This is not intended to be a complete list of all of DVD's Reserved Rights.

"Exchange Program" means a service that permits Owners to trade their reservation and use rights in the Plan for the right to reserve and use other property. For example, the DVC Reservation Component is an Exchange Program because it allows Owners to trade their rights to reserve and then use a vacation home in the Plan for the right to reserve and then use accommodations in other DVC Resorts. This also includes any special exchange relationship made available to the Owners as permitted in the Plan Declaration.

"External Exchange Program" means the contractual arrangement between (i) an External Exchange Company or companies, and (ii) DVD, DVCHMC, DVCMC, BVTC, the Vacation Owners Association and/or individual Club Members and under which Club Members may request and reserve, under certain conditions, the use of accommodations in resorts other than the Plan or other DVC Resorts. The DVC Reservation Component is not an External Exchange Program.

"Exchange Company" means the owner, operator, or owner and operator of an Exchange Program. For example, BVTC is an Exchange Company.

"Exchange Contract" means the contractual arrangement between (i) an Exchange Company or companies, and (ii) DVD, DVCHMC, DVCMC, BVTC, the Vacation Owners Association or individual Club Members to make the Exchange Company's Exchange Program available to Owners. The DVC Resort Agreement is an Exchange Contract.

"External Exchange Company" means the owner, operator, or owner and operator of an External Exchange Program. BVTC is not an External Exchange Company.

"Exchanger" means a person who is not an Owner in this Plan and whose use of a Vacation Home is arranged through an Exchange Program.

"Fair Share" means, for a given Ownership Interest, a share determined by multiplying the amount in question by the following fraction:

$$\frac{\text{The number of Home Resort Vacation Points assigned to that Ownership Interest}}{\text{The sum of all Home Resort Vacation Points for all Units for which Assessments have begun}}$$

"Fair Share" is defined differently in the Condominium Documents and in the Hotel Condominium Documents.

"Fee Owner" means ABC, Inc., a New York corporation, and its successors and assigns. Some or all of the Condominium Units included in the Plan may include an interest in the land of the Condominium, called an "estate for years," rather than a fee simple interest in the land. The estate for years will expire on January 31, 2062 unless it is extended or terminates early. In those cases, the Fee Owner owns the "remainder interest" in the land. This means that when the estate for years expires, the Fee Owner will own the Condominium Units' undivided interest in the land in fee simple.

"First Deed" means the deed by which DVD deeds an Ownership Interest to someone else, as described in greater detail in Section 5.9 of the Plan Declaration.

"Fiscal Year" means the tax year of each of the Associations, which, for each of the Associations, is currently the calendar year.

"Fixed Ownership Interest" means an Ownership Interest whose Owner has the right to use a specific Vacation Home Type during a specific time period in each Use Year. The DVC Operator will automatically reserve that kind of Vacation Home for use by the Owner during that time period (the "Owner's Fixed Use Period").

"Floating Ownership Interest" means an Ownership Interest whose Owner must reserve the use of a Vacation Home using his or her Home Resort Vacation Points in each Use Year in order to have the right to occupy a Vacation Home.

"General Common Elements" means all Common Elements except for the Limited Common Elements.

"Governing Documents" means the Plan Documents, the Condominium Documents, the Hotel Condominium Documents, the Master Declaration, the Master Cotenancy Agreement and the Ko Olina Documents.

"Guest" means a Primary Occupant's family, visitors, renters, employees, servants, tenants, "licensees" (persons permitted in the Vacation Home) and "invitees" (persons invited in). An Exchanger is not considered a "Guest" of (i) the Owner whose Use Period he or she uses, (ii) DVD, (iii) the Plan Manager, (iv) the DVC Operator, (v) the Exchange Company that arranged the exchange, or (vi) anyone else.

"Holding Account Vacation Points" means those Home Resort Vacation Points which have reservation rights restricted to the Holding Period because of a late cancellation by a Club Member.

"Holding Period" means the sixty (60) day period preceding a given Use Day.

"Home Resort" means any DVC Resort in which an owner owns an Ownership Interest which is symbolized by Home Resort Vacation Points.

"Home Resort Priority Period" means the period of time at each DVC Resort during which only Club Members having an Ownership Interest at that DVC Resort are entitled to request a reservation for the accommodations at that DVC Resort.

"Home Resort Reservation Component" means the component of the Club central reservation system through which Vacation Homes may be reserved using Home Resort Vacation Points pursuant to the priorities, restrictions and limitations of the Vacation Ownership Plan and as set forth in the Plan Declaration and the Membership Agreement.

"Home Resort Rules And Regulations" means the Home Resort Rules and Regulations adopted by DVCHMC pursuant to the Membership Agreement as they are amended from time to time.

"Home Resort Vacation Points" means:

A. When referring to the Plan, Vacation Points symbolizing an Ownership Interest in the Plan and which Vacation Points may be utilized to reserve Vacation Homes in the Plan.

B. When referring to the DVC Resort Component, Vacation Points symbolizing an Ownership Interest at a Home Resort and which Vacation Points may be utilized to reserve accommodations at that Home Resort where that Ownership Interest is held.

"Hotel" means that portion of the Resort being operated as the Hotel known as Aulani, A Disney Resort & Spa, Ko Olina, Hawai'i. The Hotel is located in various Units in the Condominium and the Hotel Condominium.

"Hotel Condominium" means Aulani, A Disney Resort & Spa, Ko Olina, Hawai'i Condominium. It is a separate condominium project located adjacent to the Condominium. Like the Condominium, the Hotel Condominium is subject to the Master Declaration.

"Hotel Condominium Association" means the Ali'i Nui Hotel Condominium Association, Inc., a Florida not-for-profit corporation. It is an association of all of the owners of Condominium Units in the Hotel Condominium.

"Hotel Condominium Articles" means the Articles of Incorporation of the Hotel Condominium Association filed with the Secretary of State of the State of Florida, as they are amended from time to time. The Hotel Condominium Articles established and govern the Hotel Condominium Association as a Florida not-for-profit corporation.

"Hotel Condominium Bylaws" means the bylaws of the Hotel Condominium Association described in Exhibit C, as they are amended from time to time.

"Hotel Condominium Declaration" means the "Declaration of Condominium Property Regime for the Aulani, A Disney Resort & Spa, Ko Olina, Hawai'i Condominium" described in Exhibit C, as it is amended from time to time.

"Hotel Condominium Documents" means (i) the Hotel Condominium Declaration, (ii) the Hotel Condominium Articles, and Hotel Condominium Bylaws, the Hotel Rules and Regulations, and (iv) the Hotel Condominium Map. These are described in more detail in Exhibit C to this Disclosure Statement.

"Hotel Condominium Developer" means the person or persons holding the rights of "DVD" under the Hotel Condominium Documents. If the Hotel Condominium Developer transfers some or all of its rights or duties as "DVD" under the Hotel Condominium Documents to someone else, then that person will become the "Hotel Condominium Developer" to the extent (and only to the extent) of the rights and/or duties transferred.

"Hotel Condominium Map" means the recorded drawings designated in the Hotel Condominium Declaration as the Hotel Condominium Map, as they are amended from time to time.

"Hotel Condominium Rules And Regulations" means the rules and regulations adopted by or on behalf of the Hotel Condominium Association, as they are amended from time to time.

"Ko Olina Articles" means the articles of incorporation of the Ko Olina Community Association, as they may be amended from time to time. The Ko Olina Articles established and govern the Ko Olina Community Association as a Hawai'i nonprofit corporation.

"Ko Olina Bylaws" means the bylaws of the Ko Olina Community Association, as they are amended from time to time.

"Ko Olina Community Association" means the Ko Olina Community Association, a Hawai'i nonprofit corporation. If the rights or duties of the Ko Olina Community Association are transferred to someone else, then that person will become the "Ko Olina Community Association" to the extent of the rights and duties transferred.

"Ko Olina Declaration" means the "Amended and Restated Declaration of Covenants for Ko Olina Community Association" dated March 13, 2006, recorded May 10, 2006, as Doc. Nos. 3426805 through 3426807, as it is amended from time to time.

"Ko Olina Documents" means the Ko Olina Declaration, the Ko Olina Bylaws, the Ko Olina Articles and the Ko Olina Other Documents.

"Ko Olina Other Documents" means any documents adopted pursuant to the Ko Olina Declaration, including but not limited to the "Design Guidelines" and the "Use Restrictions and Rules" referred to in the Ko Olina Declaration, and the articles of incorporation and bylaws of the Ko Olina Resort Operators Association, Inc.

"Ko Olina Resort" means all of the property designated in the Ko Olina Declaration from time to time as comprising the Ko Olina Resort.

"Ko Olina Resort Operators Association" means the Ko Olina Resort Operators Association, Inc., the Hawaii non-profit corporation established or to be established pursuant to Section XXI of the Ko Olina Declaration. If the rights or duties of the Ko Olina Resort Operators Association are transferred to someone else, then that person will become the "Ko Olina Resort Operators Association" to the extent of the rights and duties transferred.

"Limited Common Elements" means Common Elements set aside in the Condominium Declaration for use by the Owners or occupants of specific Condominium Units.

"Maintenance Period" means (i) the time between Check-Out Time on the Check-Out Day of a Use Period and Check-In Time later that same day, and (ii) one or more Use Days set aside for maintenance and repair of a Vacation Home.

"Majority of the Total Voting Interests" means Units having more than fifty percent (50%) of the sum of the Common Interests for all Units. Any reference to a specific percentage of the "Total Voting Interests" means Units having that percentage of the sum of the Common Interests for all Units.

"Majority of the Voting Interests" means Units having more than fifty percent (50%) of the sum of the Common Interests for all Units whose Voting Representatives are present and casting a vote on the matter at hand. Any reference to a specific percentage of "Voting Interests" means Units

having that percentage of the sum of the Common Interests for all Units whose Voting Representatives are present and casting a vote on the matter at hand.

"Master Cotenancy Agreement" means the "Master Cotenancy Agreement Declaration of Covenants, Conditions and Restrictions" recorded as Document No. 3957568, as it is amended from time to time.

"Master Declarant" means the person designated as the "Declarant" in the Master Declaration. If the Master Declarant transfers some or all of its rights or duties as the "Declarant" under the Master Declaration to someone else, then that person will become the "Master Declarant" to the extent of the rights and duties transferred.

"Master Declaration" means the recorded "Declaration of Covenants, Conditions, Easements and Restrictions for Aulani, A Disney Resort & Spa, Ko Olina, Hawai'i" described in Exhibit C, all rules and policies adopted pursuant to it, as it is amended from time to time.

"Master Property" means the property subject to the Master Declaration, together with any additions and deletions properly made to that property from time to time.

"Membership Agreement" means the Disney Vacation Club Membership Agreement for the Plan, as it is amended from time to time.

"Mortgage Lender" means DVD (and any successor in interest to DVD as to a purchase-money mortgage), the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, or any trust, savings and loan association, credit union, mortgage company, bank, insurance company, or other commercial loan company, to the extent that any of the same hold a first mortgage encumbering any Unit or any Ownership Interest, whether directly or through a nominee such as MERS (Mortgage Electronic Registration Systems, Inc.).

"Occupant" means a Primary Occupant and the Primary Occupant's Guests.

"Ownership Interest" means a property interest in a DVC Resort. In the case of the Plan, an Ownership Interest is an undivided interest in a Unit.

"Owner" means the Owner of an Ownership Interest in the Plan. The following persons are "Owners:"

A. The Owner named in the First Deed of an Ownership Interest (but only while he or she owns it), and any person to whom that Ownership Interest is later transferred (but only while such person owns it).

B. The buyer under an Agreement of Sale. While an Agreement of Sale is in effect, only the buyer (and not the seller) will be considered the "Owner." Even so, the seller may keep the right to vote on "matters substantially affecting the seller's security interest in the Unit" as that phrase is used in the Hawai'i Condominium Property Act. If the Agreement of Sale is canceled, the seller will become the Owner again.

C. DVD with respect to any Ownership Interest not transferred by a First Deed or Agreement of Sale.

"Personal Assessment" is a charge for an expense that results from the act, failure to act, or other conduct of an Owner or other Primary Occupant, or the Guest of an Owner or other Primary Occupant. It includes, among other things, charges for extra services requested or used by the Owners or Occupants or by their Guests.

"Plan Documents" means the Plan Declaration, the Articles, the Bylaws, the Association Rules, and the Reservation Rules.

"Plan Expenses" are the costs of operating the Vacation Ownership Plan and the costs of owning and maintaining the Vacation Property.

"Plan Manager" means DVCHMC or any entity engaged, pursuant to Section 14.4, to be the "plan manager" for the Plan as "plan manager" is defined in the Act.

"Primary Occupant" means an Owner, Exchanger or other person who has the right to occupy a Vacation Home during a particular time period and who has checked-in with the Plan Manager.

"Property Management Agreement" means the agreement in which the Vacation Owners Association appoints a company to be the Plan Manager and assigns its responsibilities and duties relating to management and operation of the Vacation Property and the Vacation Owners Association to the Plan Manager.

"Purchase Agreement" means an Aulani, *Disney Vacation Club*® Villas, Ko Olina, Hawai'i Vacation Ownership Plan Purchase Agreement.

"Purchaser" means each person shown as a Purchaser in a Purchase Agreement.

"Regular Assessment" means an Owners share of Common Expenses and Plan Expenses.

"Reservation Rules" means the rules and regulations of the Home Resort Reservation Component as established in or pursuant to the Membership Agreement from time to time. This includes, but is not limited to the Home Resort Rules And Regulations adopted by DVCHMC pursuant to the Membership Agreement, and any policies and procedures adopted from DVCHMC from time to time. If the Membership Agreement is no longer in effect, then "Reservation Rules" will mean the Association Rules adopted pursuant to Section 14.3H of the Plan Declaration.

"Resort" means the same thing as "Master Property."

"Shared Areas" means any portions of the Master Property designated from time to time as "Shared Areas" pursuant to the Master Declaration.

"Special Assessment" means, with respect to a Condominium Unit in the Condominium or a Unit in the Hotel Condominium or an Ownership Interest in the Plan, as applicable, a Fair Share of the total amount shown on a supplemental budget adopted by the board of directors of the applicable Association.

"The TWDC Companies" means TWDC and all subsidiaries of TWDC, including, without limitation, DVD, DVCHMC, DVCMC and BVTC.

"TWDC" means The Walt Disney Company, a Delaware corporation, its successors and assigns.

"Unit" or "Vacation Unit" means a Condominium Unit included in the Plan. Each Condominium Unit described in Exhibit B is a "Unit." Each Condominium Unit added to the Plan by DVD pursuant to Section 19.2 of the Plan Declaration is also a "Unit."

"Unit Owner" means the owner of a Condominium Unit, including the Owner of any Ownership Interest in a Vacation Unit.

"Unit Lease" means any recorded lease of a Unit, unit deed and ground lease, or condominium conveyance document. It does not refer to any deeded estate for years.

"Use Day" means a twenty-four (24) hour period (or such lesser period as may be designated by the DVC Operator from time to time) in a Vacation Home subject to reservation and use by Owners.

"Use Period" means a period of one or more consecutive Use Days reserved by an Owner, or by the Vacation Owners Association or DVC Operator. A Use Period begins at Check-In Time on the first day of the time period reserved by that person and ends at Check-Out Time on the last day of the time period reserved.

"Use Year" means, for each Unit, the twelve (12) month period beginning on the first day of the month designated by DVD in the First Deeds of the Ownership Interests in that Unit. The Use Year shall continue for successive twelve (12) months periods for so long as the Vacation Ownership Plan continues.

"Vacation Home" means a Unit or portion of a Unit designed and intended for separate use and occupancy.

"Vacation Owners Association" means the ALI'I NUI VACATION OWNERS ASSOCIATION, INC., a Florida not-for-profit corporation. The name of the Vacation Owners Association may change as provided in Section 10.7H of the Plan Declaration.

"Vacation Ownership Plan" or "Plan" means the plan created by and existing under the Act and the Plan Documents.

"Vacation Points" means the symbolic unit of measuring the respective rights of an Owner to enjoy the benefits of his or her Ownership Interest within the Plan and, for so long as the Membership Agreement or the DVC Resort Agreement remain in effect, the Disney Vacation Club.

"Vacation Points Activity Account" means a record of the number of unused Home Resort Vacation Points held by an Owner at any particular time. The Vacation Points Account is used to track the number of Home Resort Vacation Points that an Owner has used and the number that are still available for use in any Use Year.

"Vacation Points Chart" means a list or chart showing the Vacation Point Value for each Use Day in every Vacation Home or Vacation Home Type.

"Vacation Point Value" or "Home Resort Vacation Point Requirement" means the number of Home Resort Vacation Points required to reserve a Vacation Home or Vacation Home Type for a given Use Day.

"Vacation Property" means the Units and the Association Property.

"Vacation Unit" means the same thing as "Unit."

"Voting Certificate" means a document that designates one of the Owners of a Unit as the authorized representative to vote on behalf of the Unit and to represent the Unit in all matters of the Vacation Owners Association, Condominium Owners Association, Hotel Condominium Association, Ko Olina Community Association and Ko Olina Resort Operators Association.

"Voting Representative" means the Owner (as designated in a Voting Certificate) who is authorized to vote on behalf of a Condominium Unit and to represent the Condominium Unit in all matters of the Vacation Owners Association, Condominium Association, Hotel Condominium Association, Ko Olina Community Association and Ko Olina Resort Operators Association, except as may be limited by the provisions of a Voting Certificate where applicable.

EXHIBIT B

LIST OF VACATION UNITS IN THE PLAN

Vacation Home Room Numbers	Vacation Home Type/View	Condominium Unit Numbers	Common Interest	Home Resort Vacation Points / Condo Unit
289, 389	Grand Villa Standard	4A, 6A	0.373624%	46,343
201, 301, 401, 501, 601, 701, 801, 901, 1001, 1101, 489, 589, 689, 789, 889, 989, 1089, 1189	Grand Villa Ocean	3A, 5A, 7A, 8A, 9A, 10A, 11A, 12A, 13A, 14A, 15A, 16A, 17A, 18A, 19A, 20A, 21A, 22A	0.373624%	46,343
102, 104/106, 202, 204/206, 208, 210/212, 302, 304/306, 402, 404/406, 408, 410/412, 502, 504/506, 282/284, 286, 276/278, 280, 270/272, 274, 382/384, 386, 376/378, 380, 370/372, 374, 482/484, 486, 476/478, 480, 470/472, 474, 582/584, 586, 576/578, 580, 570/572, 574	2BR Pool	1B, 3B, 3C, 4E, 4F, 4G, 5B, 6F, 6G, 6H, 7B, 7C, 8G, 8H, 8I, 9B, 10G, 10H, 10I	0.394183%	48,042
602, 604/606, 608, 610/612, 702, 704/706, 802, 804/806, 808, 810/812, 803, 805/807, 809, 811/813, 902, 904/906, 908, 910/912, 903, 905/907, 909, 911/913, 1002, 1004/1006, 1008, 1010/1012, 1003, 1005/1007, 1009, 1011/1013, 1102, 1104/1106, 1108, 1110/1112, 1103, 1105/1107, 1109, 1111/1113, 1202, 1204/1206, 1208, 1210/1212, 1203, 1205/1207, 1209, 1211/1213, 1402, 1404/1406, 1408, 1410/1412, 1403, 1405/1407, 1409, 1411/1413, 1508, 1510/1512, 1509, 1511/1513, 1608, 1610/1612, 1609, 1611/1613, 682/684, 686, 676/678, 680, 670/672, 674, 782/784, 786, 776/778, 780, 770/772, 774, 882/884, 886, 876/878, 880, 870/872, 874, 982/984, 986, 976/978, 980, 970/972, 974, 1082/1084, 1086, 1076/1078, 1080, 1070/1072, 1074, 1182/1184, 1186, 1176/1178, 1180, 1170/1172, 1174, 1282/1284, 1286, 1276/1278, 1280, 1270/1272, 1274, 1482/1484, 1486, 1476/1478, 1480, 1470/1472, 1474, 1576/1578, 1580, 1570/1572, 1574, 1676/1678, 1680, 1670/1672, 1674	2BR Ocean	11B, 11C, 12G, 12H, 12I, 13B, 14G, 14H, 14I, 15B, 15C, 15D, 15E, 16G, 16H, 16I, 17B, 17C, 17D, 17E, 18G, 18H, 18I, 19B, 19C, 19D, 19E, 20G, 20H, 20I, 21B, 21C, 21D, 21E, 22G, 22H, 22I, 23A, 23B, 23C, 23D, 24F, 24G, 24H, 25A, 25B, 25C, 25D, 26F, 26G, 26H, 27A, 27B, 28F, 28G, 29A, 29B, 30F, 30G	0.394183%	48,042
203, 205/207, 209, 211/213, 403, 405/407, 409, 411/413, 603, 605/607, 609, 611/613, 1577/1579, 1581, 1571/1573, 1575, 1677/1679, 1681, 1671/1673, 1675	2BR Island	3D, 3E, 7D, 7E, 11D, 11E, 28A, 28B, 30A, 30B	0.394183%	48,042
108, 110/112, 308, 310/312, 508, 510/512	2BR Pool	1C, 5C, 9C	0.591637%	72,063
1111/1113, 311/313, 511/513	2BR Island			
708, 710/712	2BR Ocean,	13C	0.591637%	72,063
711/713	2BR Island			
103, 105/107, 109, 303, 305/307, 309, 503, 505/507, 509, 703, 705/707, 709, 281, 283/285, 287, 381, 383/385, 387, 481, 483/485, 487, 581, 583/585, 587, 681, 683/685, 687, 781, 783/785, 787, 881, 883/885, 887, 981, 983/985, 987	2BR Island	1D, 4B, 5D, 6B, 8B, 9D, 10B, 12B, 13D, 14B, 16B, 18B	0.597314%	72,063

1081, 1181, 1281, 1481	2BR Island	20B, 22B, 24A, 26A	0.597314%	72,063
1083/1085, 1087, 1183/1185, 1187, 1283/1285, 1287, 1483/1485, 1487	2BR Ocean			
160, 164, 166/168, 260, 264, 266/268, 360, 362/364, 366/368, 460, 462/464, 466/468, 560, 562/564, 566/568,	2BR Island	2D, 4D, 6D, 8D, 10D, 10J	0.588090%	72,063
550, 552/554, 556/558	2BR Pool			
650, 652/654, 656/658, 750, 752/754, 756/758, 850, 852/854, 856/858, 950, 952/954, 956/958, 1050, 1052/1054, 1056/1058, 1150, 1152/1154, 1156/1158, 1250, 1252/1254, 1256/1258, 1450, 1452/1454, 1456/1458, 1550, 1552/1554, 1556/1558, 1650, 1652/1654, 1656/1658, 660, 662/664, 666/668, 760, 762/764, 766/768, 860, 862/864, 866/868, 960, 962/964, 966/968, 1060, 1062/1064, 1066/1068, 1160, 1162/1164, 1166/1168, 1260, 1262/1264, 1266/1268, 1460, 1462/1464, 1466/1468, 1560, 1562/1564, 1566/1568, 1660, 1662/1664, 1666/1668	2BR Ocean	12D, 12J, 14D, 14J, 16D, 16J, 18D, 18J, 20D, 20J, 22D, 22J, 24C, 24I, 26C, 26I, 28C, 28H, 30C, 30H	0.588090%	72,063
451, 453/455, 457/459, 551, 553/555, 557/559, 651, 653/655, 657/659, 751, 753/755, 757/759, 361, 363/365, 367/369, 461, 463/465, 467/469, 561, 563/565, 567/569, 661, 663/665, 667/669, 761, 763/765, 767/769	2BR Standard	6E, 8E, 8F, 10E, 10F, 12E, 12F, 14E, 14F	0.588096%	72,063
851, 853/855, 857/859, 951, 953/955, 957/959, 1051, 1053/1055, 1057/1059, 1151, 1153/1155, 1157/1159, 1251, 1253/1255, 1257/1259, 1451, 1453/1455, 1457/1459, 1551, 1553/1555, 1557/1559, 1651, 1653/1655, 1667/1669, 861, 863/865, 867/869, 961, 963/965, 967/969, 1061, 1063/1065, 1067/1069, 1161, 1163/1165, 1167/1169, 1261, 1263/1265, 1267/1269, 1461, 1463/1465, 1467/1469, 1561, 1563/1565, 1567/1569, 1661, 1663/1665, 1667/1669,	2BR Island	16E, 16F, 18E, 18F, 20E, 20F, 22E, 22F, 24D, 24E, 26D, 26E, 28D, 28E, 30D, 30E	0.588096%	72,063
352/354, 356/358, 452/454, 456/458	2BR Pool	6I, 8J	0.393495%	48,042
181, 183/185, 175, 177/179	2BR Island	2A, 2B	0.396652%	48,042
180, 182/184, 174, 176/178	2BR Pool	2E, 2F	0.396652%	48,042
173	Deluxe Studio Island	2C	0.256697%	32,028
170/172	2BR Pool			
271/273, 275, 277/279, 371/373, 375, 377/379, 471/473, 475, 477/479, 571/573, 575, 577/579, 671/673, 675, 677/679, 771/773, 775, 777/779, 871/873, 875, 877/879, 971/973, 975, 977/979, 1071/1073, 1075, 1077/1079, 1171/1173, 1175, 1177/1179, 1271/1273, 1275, 1277/1279, 1471/1473, 1475, 1477/1479	2BR Island	4C, 6C, 8C, 10C, 12C, 14C, 16C, 18C, 20C, 22C, 24B, 26B	0.599909%	72,063
531, 533, 537, 539, 541, 543, 545, 547	Standard Hotel Room	1A	0.548162%	62,960

Note: The percentage interest in the Common Elements assigned to each of the Vacation Units changed when DVD recorded the Second Amended and Restated Declaration of Condominium Property Regime for Aulani, *Disney Vacation Club*® Villas, Ko Olina, Hawai'i Condominium described in **Exhibit C**. This **Exhibit B** reflects the new percentage interests for the Vacation Units as stated in the Second Amended and Restated Declaration of Condominium Property Regime. Although the Plan Declaration shows the old percentage interests, the percentage interests shown above are now the correct ones and they supersede those shown in the Plan Declaration.

EXHIBIT C

PERMITTED ENCUMBRANCES

Each Ownership Interest will be subject to these encumbrances and any amendments made to them from time to time:

1. The lien of real property taxes not yet due and owing.
2. Title to all mineral and metallic mines reserved to the State of Hawaii.
3. The "Ko Olina Documents," consisting of the following documents and all changes and additions made to any of them from time to time: (i) the Amended and Restated Declaration of Covenants for Ko Olina Community Association dated March 13, 2006, recorded May 10, 2006 as Doc. Nos. 3426805 through 3426807, and any changes and additions properly made to it from time to time (the "Ko Olina Declaration"); (ii) the Articles of Incorporation of the Ko Olina Community Association, Inc. on file with the Department of Commerce and Consumer Affairs of the State of Hawai'i; (iii) the Bylaws of the Ko Olina Community Association, Inc.; (iv) the Articles of Incorporation of the Ko Olina Resort Operators Association, Inc. on file with the Department of Commerce and Consumer Affairs of the State of Hawai'i; (v) the Bylaws of the Ko Olina Resort Operators Association, Inc.; and (vi) any documents adopted pursuant to the Ko Olina Declaration, including but not limited to the "Design Guidelines" and the "Use Restrictions and Rules" referred to in the Ko Olina Declaration.
4. The "Master Deed," consisting of that certain deed made by ABC, Inc., a New York corporation, in favor of Disney Vacation Development, Inc., a Florida corporation, dated April 12, 2010, and recorded as Land Court Document No. 3957506, which deed provides in part that ABC, Inc. has a remainder interest in the Units and Common Elements of the Condominium (other than the land) upon expiration or earlier termination of the estate for years in the land of the Condominium.
5. The "Master Declaration," consisting of (i) that certain Amended and Restated Declaration of Covenants, Conditions, Easements and Restrictions for Aulani, A Disney Resort & Spa, Ko Olina, Hawai'i dated September 16, 2011, and recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 2011-150332, which instrument amended and restated that certain Declaration of Covenants, Conditions, Easements and Restrictions for Aulani, A Disney Resort & Spa, Ko Olina, Hawai'i dated April 12, 2010, and recorded as Land Court Document No. 3957567, (ii) all rules and policies adopted pursuant to it, and (iii) any changes and additions made to any of them from time to time.
6. The "Master Cotenancy Agreement," consisting of that certain Master Cotenancy Agreement Declaration of Covenants, Conditions and Restrictions, dated April 12, 2010, and recorded as Land Court Document No. 3957568 and all changes and additions made to it from time to time.

7. The "Hotel Condominium Documents," consisting of the following documents and all changes and additions made to any of them from time to time: (i) the Amended and Restated Declaration of Condominium Property Regime for Aulani, A Disney Resort & Spa, Ko Olina, Hawai'i Condominium, dated September 16, 2011, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 2011-150333 (2011-150334), which instrument amended and restated that certain Declaration of Condominium Property Regime for Aulani, A Disney Resort & Spa, Ko Olina, Hawai'i Condominium, dated April 20, 2010, recorded as Land Court Document No. 3957905 (the "Hotel Condominium Declaration"), and which instrument was further amended by that certain First Amendment to the Amended and Restated Declaration of Condominium Property Regime for Aulani, A Disney Resort & Spa, Ko Olina, Hawai'i Condominium, recorded on January 14, 2014, in the Bureau of Conveyances of the State of Hawaii as Document No. A-51270609; (ii) the Articles of Incorporation of the Ali'i Nui Hotel Condominium Association, Inc., on file with the Florida Secretary of State (the "Hotel Condominium Articles"); (iii) the Amended and Restated Bylaws of the Ali'i Nui Hotel Condominium Association, Inc. (Amended and Restated), dated September 16, 2011, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 2011-150335 (2011-150336), which instrument amended and restated those certain Bylaws of the Ali'i Nui Hotel Condominium Association, Inc., dated April 12, 2010, recorded as Land Court Document No. 3957906 (the "Hotel Condominium Bylaws"); (iv) the rules and regulations adopted by or on behalf the Ali'i Nui Hotel Condominium Association, Inc. (the "Hotel Condominium Rules"); (v) the plans of the Aulani, A Disney Resort & Spa, Ko Olina, Hawai'i Condominium recorded in the Bureau of Conveyances of the State of Hawaii as Condominium Map No. 5025, which plans amended and restated the plans of the Aulani, A Disney Resort & Spa, Ko Olina, Hawai'i Condominium recorded in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Condominium Map No. 2048, and which plans were further amended by the plans recorded with the First Amendment to the Amended and Restated Declaration of Condominium Property Regime for Aulani, A Disney Resort & Spa, Ko Olina, Hawai'i Condominium identified above (the "Hotel Condominium Map"); and (vi) the Aulani, *Disney Vacation Club*® Villas, Ko Olina, Hawai'i Condominium Declaration of Merger of Condominium Phases dated April 12, 2010, recorded as Land Court Document No. 3957569.

8. The "Condominium Documents," consisting of the following documents and all changes and additions made to any of them from time to time: (i) the Second Amended and Restated Declaration of Condominium Property Regime for Aulani, *Disney Vacation Club*® Villas, Ko Olina, Hawai'i Condominium, recorded on January 14, 2014 in the Bureau of Conveyances of the State of Hawaii as Document No. A-51270610, which instrument amended and restated (a) that certain Declaration of Condominium Property Regime for Aulani, *Disney Vacation Club*® Villas, Ko Olina, Hawai'i Condominium, dated April 20, 2010, recorded as Land Court Document No. 3957908, and (b) that certain Amended and Restated Declaration of Condominium

Property Regime for Aulani, *Disney Vacation Club*® Villas, Ko Olina, Hawai'i Condominium, dated September 16, 2011, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 2011-150337 (2011-150338) (the "Condominium Declaration"); (ii) the Articles of Incorporation of the Ali'i Nui Villas Condominium Association, Inc. (Amended and Restated), on file with the Florida Secretary of State (the "Condominium Articles"); (iii) Amended and Restated Bylaws of the Ali'i Nui Villas Condominium Association, Inc., dated September 16, 2011, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 2011-150339 (2011-150340), which instrument amended and restated those certain Bylaws of the Ali'i Nui Villas Condominium Association, Inc., recorded in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 3957909 (the "Condominium Bylaws"); (iv) the rules and regulations adopted by or on behalf the Ali'i Nui Villas Condominium Association, Inc. (the "Condominium Rules and Regulations"); (v) the plans of the Aulani, *Disney Vacation Club*® Villas, Ko Olina, Hawai'i Condominium recorded in the Bureau of Conveyances of the State of Hawaii as Condominium Map No. 5026, which plans amended and restated the plans of the Aulani, *Disney Vacation Club*® Villas, Ko Olina, Hawai'i Condominium recorded in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Condominium Map No. 2049 and which plans were further amended by the plans recorded with the Second Amended and Restated Declaration of Condominium Property Regime for Aulani, *Disney Vacation Club*® Villas, Ko Olina, Hawai'i Condominium identified above above (the "Condominium Map"); and (vi) the Aulani, *Disney Vacation Club*® Villas, Ko Olina, Hawai'i Condominium Declaration of Merger of Condominium Phases dated April 12, 2010, recorded as Land Court Document No. 3957569.

9. The "Plan Documents," consisting of the following documents and all changes and additions made to any of them from time to time: (i) Aulani, *Disney Vacation Club*® Villas, Ko Olina, Hawai'i Vacation Ownership Plan Declaration of Covenants, Conditions and Restrictions and Grant and Reservation of Easements dated April 20, 2010, and recorded in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 3957910, as amended by (a) that certain Aulani, *Disney Vacation Club*® Villas, Ko Olina, Hawai'i Vacation Ownership Plan First Amendment to Declaration of Covenants, Conditions and Restrictions and Grant and Reservation of Easements recorded in the Office of the Assistant Registrar of the Land Court of the State of Hawaii on June 17, 2010, as Document No. 3971762, (b) that certain Declaration of Removal, recorded on January 14, 2014 in the Bureau of Conveyances of the State of Hawaii as Document No. A-51270608, and (c) that certain Declaration of Annexation, recorded on January 14, 2014 in the Bureau of Conveyances of the State of Hawaii as Document No. A-51270611 (the "Plan Declaration"); (ii) the Articles of Incorporation of the Ali'i Nui Vacation Owners Association, Inc., filed with the Secretary of State of the State of Florida (the "Articles"); (iii) the Bylaws of the Ali'i Nui Vacation Owners Association, Inc. (the "Bylaws"); (iv) the Reservation Rules adopted by or on behalf of Ali'i Nui Vacation Owners Association, Inc., pursuant to the Plan Declaration (the initial Reservation Rules consist of the Membership Agreement attached as **Exhibit "G"** to the Plan Declaration and the Home Resort Rules and Regulations attached as **Exhibit "F"** to the Plan Declaration); and (v) the Association Rules adopted by or on behalf of Ali'i Nui Vacation Owners Association, Inc.

10. The "Club Documents," consisting of the following documents and all changes and additions made to any of them from time to time: (i) that certain Membership Agreement attached as **Exhibit "G"** to the Plan Declaration, (ii) the Home Resort Rules and Regulations attached as **Exhibit "F"** to the Plan Declaration, (iii) DVC Resort Agreement attached as **Exhibit "E"** to the Plan Declaration, and (iv) any rules, regulations, policies and procedures adopted pursuant to any of the foregoing.

11. Certificate and Authorization recorded October 11, 1985 in the Bureau of Conveyances of the State of Hawaii as Book 19004 Page 123 and Land Court Document No. 1328029, as amended by Amendment to Certificate and Authorization recorded July 20, 1994 as Document No. 94-120723 in the Bureau of Conveyances of the State of Hawaii.

12. Unilateral Agreement and Declaration of Conditional Zoning recorded February 25, 1986 as Land Court Document No. 1354687, as amended by instrument recorded November 24, 1993 as Regular System Document No. 93-195382 and as Land Court Document No. 2090355.

13. Short Form Development Agreement recorded December 2, 1986 as Land Court Document No. 1419770, as amended by the following documents: (a) Short Form of First Amendment to Amended and Restated Ko Olina Resort Development; (b) Agreement recorded May 4, 1994 as Land Court Document No. 2141539; (c) Development Agreement assigned to Ko Olina Company, LLC, a Delaware limited liability company, by instrument recorded August 20, 1998 as Land Court Document No. 2479691; (d) Short Form of Second Amendment to Amended and Restated Ko Olina Resort Development Agreement recorded January 6, 2000 as Land Court Document No. 2600070; (e) Assignment of Rights Ko Olina Resort recorded August 30, 2007 as Land Court Document No. 3649643; and (f) Short Form Third Amendment and Restatement and Partial Assignment of Ko Olina Resort Development Agreement recorded August 30, 2007 as Land Court Document No. 3649644.

14. Declaration of Covenants, Conditions and Restrictions recorded December 2, 1986 as Land Court Document No. 1419771, as amended by the following documents: (a) instruments recorded January 29, 1990, August 7, 2002 and March 15, 2004 as Land Court Document Nos. 1702235, 2829644 and 3083061; (b) Assignment of Rights Ko Olina Resort recorded August 30, 2007 as Land Court Document No. 3649643; and (c) Partial Assignment and Modification of Ko Olina Declaration of Conditions, Covenants and Restrictions in favor of Ko Olina Development Company, LLC, a Delaware limited liability company, recorded August 30, 2007 as Land Court Document No. 3649645.

15. Trustees' Limited Warranty Deed recorded December 2, 1986 as Land Court Document No. 1419772, as amended by instruments recorded May 22, 1991 and October 10, 1991 as Land Court Document Nos. 1821776 and 1857006.

16. Declaration of Covenants for Ko Olina Community Association recorded December 2, 1986 as Land Court Document No. 1419773, as amended by the following documents: (a) instruments recorded as Land Court Document Nos. 2249998, 2377790 and 2583045; (b) Assignment of Declarant's Rights in favor of Ko Olina Development Company, LLC, a Delaware limited liability company, by instrument

recorded August 20, 1998 as Land Court Document No. 2479692; (c) Amended and Restated Declaration of Covenants for Ko Olina Community Association recorded May 10, 2006 as Land Court Document No. 3426805; (d) Assignment of Rights Ko Olina Resort recorded August 30, 2007 as Land Court Document No. 3649643; and (e) Assignment of Rights Under Amended and Restated Declaration of Covenants for Ko Olina Community Association in favor of Ko Olina Development Company, LLC, a Delaware limited liability company, recorded August 30, 2007 as Land Court Document No. 3649646.

17. Agreement for Issuance of Conditional Use Permit Under Section 21-5.380 of the Land Use Ordinance (LUO) recorded June 28, 2006 as Land Court Document No. 3446051, as amended by instrument recorded March 31, 2009 as Land Court Document No. 3843447.

18. Limited Warranty Deed with Acknowledgement (Estate for Years) recorded October 5, 2007 as Land Court Document No. 3664877.

19. Limited Warranty Deed with Acknowledgement (Remainder Interest) recorded October 5, 2007 as Land Court Document No. 3664878.

20. Declaration of Restrictive Covenants Regarding Use; Reserved Power to Grant or Modify Easements recorded October 5, 2007 as Land Court Document No. 3664879.

21. Short Form Memorandum of Hotel Portion Limited Right of First Offer (Estate for Years) made by and between Disney Vacation Development, Inc., a Florida corporation, Ko Olina Parcel 15 LLC, Ko Olina Parcel 13-1 LLC, Ko Olina Parcel 13-2 LLC, and Ko Olina Parcel 13-3 LLC, each a Hawaii limited liability company, recorded October 5, 2007 as Land Court Document No. 3664882.

22. Short Form Memorandum of Hotel Portion Limited Right of First Offer (Remainder Interest) made by and between ABC, Inc., a New York corporation, Ko Olina Parcel 15 LLC, Ko Olina Parcel 13-1 LLC, Ko Olina Parcel 13-2 LLC, and Ko Olina Parcel 13-3 LLC, each a Hawaii limited liability company, recorded October 5, 2007 as Land Court Document No. 3664883.

23. Declaration of Covenants, Conditions and Restrictions for Vacation and Recreation Experience Preservation recorded October 5, 2007 as Land Court Document No. 3664884.

24. Ko Olina Resort Parcel 19 Height Limitation Agreement made by and between Ko Olina Chapel LLC, a Hawaii limited liability company, Disney Vacation Development, Inc., a Florida corporation, and ABC, Inc., a New York corporation, recorded October 5, 2007 as Land Court Document No. 3664885.

25. Waiver of Golf Termination Rights made by and between Disney Vacation Development, Inc., a Florida corporation, ABC, Inc., a New York corporation, and Ko Olina Intangibles, LLC, a Delaware limited liability company, recorded October 5, 2007 as Land Court Document No. 3664889.

26. Ko Olina Development LLC Estoppel Statement recorded October 5, 2007 as Land Court Document No. 3664890.

27. James Campbell Company LLC Estoppel Statement recorded October 5, 2007 as Land Court Document No. 3664891.

28. Ko Olina Development LLC Estoppel Statement Regarding Unit Counts recorded October 5, 2007 as Land Court Document No. 3664892.

29. Short Form Memorandum of Floor Area Allocation Agreement recorded April 3, 2009 as Land Court Document No. 3844930.

30. Easement 2130 for shoreline parkway purposes as shown on Map 474 as set forth by Land Court Order No. 93926.

31. Easement 2282 for open space parkway purposes as shown on Map 497, as set forth by Land Court Order No. 96075.

32. A Grant of Easement for public access and utility purposes over Easement 2130, in favor of The City and County of Honolulu, a Hawaii municipal corporation, recorded December 21, 1993 as Land Court Document No. 2099737.

33. Easement 1918 for communication lines and utility purposes as shown on Map 451, as set forth by Land Court Order No. 92806.

34. Easement 1925 for shoreline access purposes as shown on Map 451, as set forth by Land Court Order No. 92806.

37. The First Deed of the Ownership Interest.

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

ON THE ISLAND OF O'AHU, HAWAII

2015

VACATION POINTS
PER NIGHT

S - Standard View
I - Island Gardens View
P - Poolside Gardens View
O - Ocean View

	NIGHTS	HOTEL ROOM (Sleeps up to 4)	DELUXE STUDIO (Sleeps up to 4)				ONE-BEDROOM VILLA (Sleeps up to 5)				TWO-BEDROOM VILLA (Sleeps up to 9)				THREE-BEDROOM GRAND VILLA (Sleeps up to 12)	
		S	S	I	P	O	S	I	P	O	S	I	P	O	S	O
ADVENTURE SEASON	SUN—SAT	17	18	19	23	25	36	37	44	45	49	51	60	63	95	123
Jan 4—Feb 21	WEEKLY	119	126	133	161	175	252	259	308	322	343	357	420	441	665	861
Sep 6—Oct 10																
CHOICE SEASON	SUN—SAT	18	19	22	24	25	37	44	46	50	51	60	63	70	104	134
Apr 12—28	WEEKLY	126	133	154	168	182	259	308	322	350	357	420	441	490	728	938
May 6—Jun 28																
Oct 11—Nov 23																
Nov 29—Dec 17																
MAGIC SEASON	SUN—SAT	20	22	24	26	29	44	46	50	58	60	63	70	79	122	159
Feb 22—Mar 26	WEEKLY	140	154	168	182	201	308	322	350	406	420	441	490	553	854	1113
Jun 29—Sep 5																
PREMIER SEASON	SUN—SAT	22	24	26	29	31	46	50	58	62	63	70	79	85	140	184
Jan 1—3	WEEKLY	154	168	182	203	217	322	350	406	424	441	490	553	595	980	1288
Mar 27—Apr 11																
Apr 29—May 5																
Nov 24—28																
Dec 18—31																

All reservations are subject to availability. For all stays at Aulani, the State of Hawai'i imposes a daily transient accommodations tax based upon the number of vacation points required for the stay and the annual dues per vacation point for the calendar year of the stay. This tax must be paid by check-out. The amount of the tax will vary from year to year and the tax rate is subject to change.

Standard View includes either a view of the conference center, parking lot or parking garage from the room or balcony. Island Gardens View includes at least a partial view of the mountains, spa or landscaping from the room or balcony. Poolside Gardens View includes at least a partial view of the pool, courtyards, water features, or landscaping from the room or balcony. Ocean View includes at least a partial view of the ocean from the room or balcony.

VACATION POINTS CHART

EXHIBIT D

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

ON THE ISLAND OF O'AHU, HAWAII

2016 VACATION POINTS PER NIGHT

S - Standard View I - Island Gardens View P - Poolside Gardens View O - Ocean View	NIGHTS	HOTEL ROOM (Sleeps up to 4)	DELUXE STUDIO (Sleeps up to 4)				ONE-BEDROOM VILLA (Sleeps up to 5)				TWO-BEDROOM VILLA (Sleeps up to 9)				THREE-BEDROOM GRAND VILLA (Sleeps up to 12)	
		S	S	I	P	O	S	I	P	O	S	I	P	O	S	O
ADVENTURE SEASON Jan 3—Feb 20 Sep 4—Oct 8 Nov 15—21 Nov 27—Dec 22	SUN—SAT	16	17	19	23	25	35	36	44	46	48	50	59	62	96	122
	WEEKLY	112	119	133	161	175	245	252	308	322	336	350	413	434	672	854
CHOICE SEASON Apr 3—28 May 6—Jun 26 Oct 9—Nov 14	SUN—SAT	17	19	21	24	26	37	44	46	50	51	59	62	69	103	134
	WEEKLY	119	133	147	168	182	259	308	322	350	357	413	434	483	721	938
MAGIC SEASON Feb 21—Mar 17 Aug 15—Sep 3 Nov 22—26	SUN—SAT	18	22	25	26	29	44	46	50	58	60	62	70	79	121	158
	WEEKLY	126	154	175	182	203	308	322	350	406	420	434	490	553	847	1106
PREMIER SEASON Jan 1—2 Mar 18—Apr 2 Apr 29—May 5 Jun 27—Aug 14 Dec 23—31	SUN—SAT	22	24	27	29	31	46	50	58	62	64	71	79	84	140	184
	WEEKLY	154	168	189	203	217	322	350	406	434	448	497	553	588	980	1288

All reservations are subject to availability. For all stays at Aulani, the State of Hawai'i imposes a daily transient accommodations tax based upon the number of vacation points required for the stay and the annual dues per vacation point for the calendar year of the stay. This tax must be paid by check-out. The amount of the tax will vary from year to year and the tax rate is subject to change.

Standard View includes either a view of the conference center, parking lot or parking garage from the room or balcony. Island Gardens View includes at least a partial view of the mountains, spa or landscaping from the room or balcony. Poolside Gardens View includes at least a partial view of the pool, courtyards, water features, or landscaping from the room or balcony. Ocean View includes at least a partial view of the ocean from the room or balcony.

EXHIBIT E

DVD'S RESERVED RIGHTS

DVD owns all unsold Ownership Interests and generally has the same rights as other Owners with respect to those Ownership Interests. In addition, DVD (whether as the developer of the Plan, the Condominium Developer, Master Declarant and/or Grantor) has various other "Special Rights" and "Reserved Rights" and easements that nobody else has. These include, among others, the following:

SECTION I: SPECIAL RIGHTS OF DVD UNDER THE PLAN DECLARATION

Capitalized terms used in Section I of this Exhibit E which are not otherwise defined shall have the definitions provided for such terms in the Plan Declaration. Except where specifically noted, all section references in Section 1 of this Exhibit E are references to the Plan Declaration. Section references are intended to guide you to some but not necessarily all applicable provisions of the Plan Declaration.

DVD has the following rights and easements under the Plan Declaration:

1. DVD has the right to use its Home Resort Vacation Points to reserve Vacation Homes on the same basis as any other Owner. DVD may use its Use Periods for any purpose, no matter what else the Plan Documents provide. This includes, among other things, use for rental, sales and other commercial purposes permitted by law. If DVD rents its Use Periods, then no matter what the Plan Documents say, DVD, and DVD alone, gets to keep the rent from such rentals. (Sec. 10.7B)

2. DVD may: (i) use one or more Vacation Homes as model Vacation Homes, (ii) use one or more of the Vacation Homes for customer relations, sales, marketing, and/or administrative offices, and (iii) show the Vacation Homes to potential buyers. (Sec. 10.7C)

3. DVD has the exclusive right and an easement to solicit Owners and Occupants staying in the Vacation Homes. DVD may exercise its right and easement in any manner that does not violate any laws that may apply and that does not prevent or unreasonably interfere with the occupancy of the Vacation Homes. The Vacation Owners Association, the Plan Manager and the DVC Operator will facilitate DVD's exercise of its exclusive right and easement. (Sec. 10.7D) For example:

- ❖ DVD may require that the Plan Manager place marketing materials in the Vacation Homes. This might include pamphlets in the guest directory, tent cards, brochures, and/or door hangers on the interior or exterior door knobs.
- ❖ DVD may also require that the Vacation Owners Association or Plan Manager give out informational brochures, flyers, gifts, and other things at the front desk provided that DVD furnishes the informational brochures, flyers, gifts, and other things.
- ❖ DVD may place signs and other marketing materials at the front desk or in other parts of the Condominium under the control of the Vacation Owners Association or the Plan Manager.

- ❖ DVD will have the exclusive right to use at least one channel of any cable television or similar system for distributing television signals to the Vacation Homes for the purpose of running television commercials and advertising programs on a periodic or continuous basis.
- ❖ DVD may leave messages on the voice mail for the Vacation Homes.
- ❖ The Vacation Owners Association, the Plan Manager and the DVC Operator will provide to DVD access to reservation systems and to other databases, subject to any restrictions imposed by law.

4. So long as DVD owns any Ownership Interest or Condominium Unit, it may use (i) the Common Elements of the Condominium for any purpose permitted by law and by the Condominium Documents, free from the restrictions imposed by the Plan Documents, and (ii) the Shared Areas for any purpose permitted by law and by the Master Declaration, free from the restrictions imposed by the Plan Documents. (Sec. 10.7F)

5. DVD has an easement to use the rights reserved by DVD under the Plan Declaration and may authorize its agents, employees, contractors, and other persons to use its easement rights. (Sec. 10.7BG)

6. DVD may, with the Master Declarant's consent, change the name of the Vacation Ownership Plan at any time in its sole, absolute and unfettered discretion. If DVD changes the name of the Plan or the Vacation Owners Association, then the Vacation Owners Association and its agents must stop all use of the discontinued name as of the date when DVD instructs the Vacation Owners Association to stop using that name (which DVD may do at any time and for any reason or for no reason). If DVD changes the name of the Plan by removing any reference to "Disney" or "Ko Olina", then the Vacation Owners Association, the Board and all Owners are prohibited from using the names "Disney" or "Ko Olina" (or any other forms thereof) in any manner whatsoever and are immediately required to do all things set forth in the Plan Declaration to remove the names Disney and Ko Olina, and to remove any architectural or landscaping features which

contain (i) the "Disney" or "Ko Olina" names, (ii) any "Disney" caricature, fanciful character, logo or other trademarked symbol registered by any of The TWDC Companies, unless otherwise approved by DVD, or (iii) any "Ko Olina" logo or other trademarked symbol registered by the declarant under the Ko Olina Documents, unless otherwise approved by the declarant under the Ko Olina Documents. (Section 10.7H).

7. From time to time, DVD may arrange for one or more trade names to be licensed to and binding on the Plan or the Vacation Owners Association. (Sec. 10.7I)

8. DVD alone may assign Home Resort Vacation Points to a Condominium Unit, and DVD alone may apportion Home Resort Vacation Points among Ownership Interests. (Sec. 4.1) DVD can change the number of Home Resort Vacation Points to correct any error or mistake reflected in the Plan Declaration or (i) if it is required to do so by a governmental agency or a court order, (ii) in order to comply with the laws and regulations of any place or the requirements of any government agency in connection with the registration of the Condominium, the Plan or the Disney Vacation Club, (iii) in order to comply with any other laws and regulations of the State of Hawaii or the requirements of any government agency in Hawaii, or (iv) if it removes a Condominium Unit from the Plan and then adds it back into the Plan. (Sec. 4.4)

9. DVD may create new Vacation Home Types and new kinds of Ownership Interests with respect to Condominium Units being added to the Plan or in which DVD owns all of the Ownership Interests. (Section 5.8B and 19.2B)

10. DVD may change the Vacation Home Type of any Vacation Home located in a Unit in which DVD owns all of the Ownership Interests such that DVD could remove the Unit from the Plan. (Sec. 5.8C)

11. DVD alone can set the features of an Ownership Interest. If an Ownership Interest is transferred back to DVD, then DVD may change the features of that Ownership Interest by issuing a new First Deed for it. (Sec. 5.9A(2))

12. DVD may correct any error or mistake reflected in a First Deed by re-recording it with the correction or by recording a replacement deed. Neither the Owner nor anyone else must sign the re-recorded deed or the replacement deed; it will be binding on the Owner and everyone else just as if the Owner had signed it. DVD may sign the deed as attorney-in-fact for the Owner if DVD chooses to do so in its sole, absolute and unfettered discretion. (Sec. 5.9C)

13. For each Unit, DVD is considered to be the Owner of an Ownership Interest consisting of all undivided interests and Home Resort Vacation Points not transferred by a First Deed to someone else. DVD will be an "Owner" at any time when it owns any undivided interest in a Unit. At DVD's election, this Ownership Interest may be treated as a Floating Ownership Interest, or, subject to the limitations of Section 5.10D, a Fixed Ownership Interest. (Sec. 5.11)

14. DVD may make any changes in the Vacation Point Values required by law or by any governmental agency. This includes, but is not limited to, any change required in connection with the registration of the Condominium, the Plan or, for so long as the Membership

Agreement or the DVC Resort Agreement remain in effect, the Club. (Sec. 6.3A(2))

15. Unless DVD consents in writing, for so long as the Membership Agreement or the DVC Resort Agreement is in effect, the Vacation Owners Association has no power or authority to enter into (i) an agreement like the DVC Resort Agreement with anyone else, (ii) an agreement with anyone else to provide a common reservation system for Vacation Homes and accommodations included in any other resort, or (iii) an Exchange Contract with an External Exchange Company. (Sec. 8.7F)

16. No business or profession may be conducted in any Vacation Home, on the Common Elements or in any Shared Areas. This does not apply, however, to DVD's Special Rights or Reserved Rights. (Sec. 10.4A(1))

17. DVD's prior written authorization shall be required before any timeshare plans, fractional plans, exchange programs or clubs, or travel or vacation clubs comprised of a trust, corporation, cooperative, limited liability company, partnership, equity plan, non-equity plan, membership program, or any such other similar programs, structures, schemes, devices or plans of any kind (a) shall be created, established, operated or maintained with respect to the Plan or the Ownership Interests; (b) shall acquire or accommodate Units or Ownership Interests; or (c) shall be permitted to incorporate an Ownership Interest into such entity, program, structure, scheme, device or plan. (Sec. 10.4B)

18. Nothing in the Plan Documents prohibits DVD from keeping and maintaining animals on the Condominium. (Sec. 10.4C)

19. Each Owner promises not to enter into a "rental pool" or similar arrangement where the Owner's reservation rights, Home Resort Vacation Points and/or Use Periods are placed together in a pool with other Owners' reservation rights, Home Resort Vacation Points and/or Use Periods and rented, or where rental income and/or expenses are shared in some other way. Only DVD can enforce this restriction. (Sec. 10.4F)

20. DVD expressly reserves the right to operate or permit the operation of a nightly rental program or hotel with respect to Ownership Interests and Vacation Points owned or otherwise possessed or controlled by DVD or any TWDC Company and with respect to unsold Units or Inactive Units. (Sec. 10.8)

21. Written notice must be given to the Plan Manager within fifteen (15) days after any Ownership Interest is transferred. The Plan Manager must then provide a copy of the notice of transfer and deed to DVD within ten (10) days after receiving it. (Sec. 11.3D)

22. Owners are prohibited from further dividing or partitioning Ownership Interests (except in a deed back to DVD with DVD's consent). All Ownership Interests in a Unit reacquired by DVD will be merged into and combined with any other Ownership Interests that DVD may own in that Unit at that time. If an Owner other than DVD acquires title to two or more Ownership Interests in the same Unit, no such merger or combination shall occur. (Sec. 11.7B)

23. DVD has a right of first refusal to purchase the Ownership Interests as discussed in Section 7.3 of this Disclosure Statement. (Sec. 11.8)

24. DVD appoints the first Board of Directors for the Vacation Owners Association. (Sec. 13.4) The initial Directors are employees or otherwise affiliated with The TWDC Companies.

25. DVD has the same rights to change the Association Rules that it has to change the Plan Declaration. At any time when DVD holds a mortgage on or owns any Ownership Interest, no change to the Association Rules will be effective without DVD's written consent. (Sec. 14.3H)

26. The Board shall not pay or incur, or commit the Vacation Owners Association to pay or incur legal fees and costs of more than \$50,000 in any lawsuit, arbitration or other legal proceeding in any dispute with DVD or any company related to DVD (including but not limited to DVCHMC and BVTC) unless, among other things:

- a. The Board obtains from at least two law firms and provides to the Owners (1) a list of all of the Vacation Owners Association's claims and all claims against it, (2) an estimate of the likelihood of prevailing on each claim, and (3) an estimate of the total amount of legal fees, court costs and expenses that the Vacation Owners Association is likely to incur through the trial or completion of any arbitration or other proceeding (assuming that the Vacation Owners Association will prevail on only those claims where the law firms give the Association more than a 60% chance of prevailing), (4) an estimate of the likely award of damages to or against the Vacation Owners Association, including legal fees and costs, court costs and other expenses, and (5) an estimate of the total amount of any Special Assessments, or any increase in the Regular Assessments, that the Board may have to charge to the Owners to pay for legal fees and costs, court costs, and other expenses while the lawsuit or other legal proceeding is going on; and
- b. At a meeting of the Vacation Owners Association, a majority of the Total Voting Interests (not counting the Common Interests of any Condominium Units owned solely by DVD) vote to authorize the board to start, prosecute and/or defend the lawsuit or any other arbitration or other legal proceeding. This may be difficult to do.

This rule does not apply to suits against DVD or any company related to it if the suit is filed solely to collect Assessments or Subsidy Contract payments that are past due or for breach of any contract to provide goods or services to the Vacation Owners Association (for example, the Property Management Agreement). (Sec. 14.3I)

27. The Vacation Owners Association will furnish a copy of the Membership List to the Plan Manager or the DVC Operator (while the Plan is part of the Club), the Master Declarant (currently DVD) or DVD promptly after any of them asks for it. DVD and The TWDC Companies may use the Membership List for commercial purposes, while other Owners may not. (Sec. 14.3J)

28. DVD must pay the Assessments for each Ownership Interest for the period during which DVD is the Owner of it. Instead of doing so, however, DVD may enter into a "Subsidy Contract" with the Vacation

Owners Association in which DVD agrees to pay to the Vacation Owners Association an amount calculated substantially as stated in the form of Subsidy Contract. (Sec. 15.7)

29. No matter what else the Plan Documents say, the Association's Lien is subordinate to the rights or remedies of DVD under a mortgage recorded before a Notice of Lien is recorded. This rule also applies to a Mortgage Lender who acquires a note and mortgage made in favor of DVD or its nominee. (Sec. 16.6B(2))

30. DVD has the right, but not the obligation to pay the amounts due from a defaulting Owner to the Vacation Owners Association or to the Condominium Association. In such event, (i) DVD shall hold the Association's Lien on the Owner's Ownership Interest, (ii) DVD shall have the right to exercise all rights and remedies of the Vacation Owners Association, including the right to foreclose the Association's Lien in the name of the Vacation Owners Association, and (iii) DVD shall have the right to act as the attorney-in-fact for the Owner pursuant to the Vacation Owners Association's power of attorney under Section 16.6C.5, and in the exercise of the Vacation Owners Association's power of substitution pursuant to Section 21.5B. (Sec. 16.6D)

31. DVD is not liable for any decision it makes on insurance unless it was grossly negligent or was guilty of intentional misconduct. (Sec. 17.1H)

32. DVD alone may add more Condominium Units to the Plan, and it may do so without the consent of any Owner or anyone else. (Sec. 19.1)

33. DVD may include more Condominium Units in the Plan than may be needed at any particular time. DVD alone may use any excess Condominium Units, called "Inactive Units." (Sec. 10.7E and 19.4)

34. DVD alone has the right to submit to the Plan Declaration and to the Plan the Remainder Interest for any or all Estate Condominium Units or to cause the Fee Owner to do so. (Sec. 19.5)

35. DVD may remove any Unit from the Plan if DVD owns all of the Ownership Interests in it. (Sec. 19.6A)

36. So long as DVD holds a mortgage on or owns any Ownership Interest, the Plan Declaration may not be amended unless DVD gives its written consent by signing the amendment. (Sec. 20.1A)

37. Without the consent or approval of any person, DVD may at any time change the Plan Declaration pursuant to Section 20.1D(1) of the Plan Declaration:

- ❖ For any purpose before recording any First Deed or Agreement of Sale to someone other than (i) DVD, (ii) any of The TWDC Companies, or (iii) a Mortgage Lender;
- ❖ To comply with the laws and regulations of any other place (for example, the State of Maine) or the requirements of any government agency (such as the California Department of Real Estate) in connection with the registration of (i) the Condominium, (ii) the Plan, or (iii) the Disney Vacation Club (if any Owner is a Club Member);

- ❖ To satisfy requests for changes made to DVD by any commercial lender loaning money to DVD, by any investor in mortgages initially made in favor of DVD, or by any title insurance company;
- ❖ When establishing new Vacation Home Types or creating new kinds of Ownership Interests;
- ❖ To facilitate the operation and management of the Plan or the Club, or the sale of the Ownership Interests, or to facilitate participation in any Exchange Program(s); or
- ❖ To correct any error or mistake reflected in any Plan Documents

DVD has similar rights to change other Plan Documents.

38. DVD may amend the Bylaws and Articles to make them consistent or compatible with the provisions of the Plan Declaration, the Condominium Declaration, the Master Cotenancy Agreement or the Master Declaration, to conform them to requirements of any governmental entity or statute, as may be in the best interests of the

Vacation Owners Association, and as it may deem appropriate, in its sole, absolute and unfettered discretion, to carry out the purposes of the project and to expand or enhance the Plan or Club.

39. No amendment to any of the Plan Documents may change the rights and privileges of DVD unless DVD signs it. (Sec. 20.1G(2))

40. If DVD transfers some or all of its rights or duties under the Plan Documents to someone else, then that person will become "DVD" to the extent of the rights and duties transferred. The transferee can likewise transfer the rights it has. After a transfer (i) the transferee has and may use the rights transferred to it, and (ii) the transferor is automatically relieved of any and all liability arising after the transfer takes effect with respect to the rights and duties transferred; and (iii) the transferee will not be liable for any violation of the Plan Documents or other acts of the transferor or any prior transferor(s). (Sec. 21.1)

SECTION II: SPECIAL RIGHTS OF DVD UNDER THE CONDOMINIUM DOCUMENTS AND HOTEL CONDOMINIUM DOCUMENTS

The terms "Condominium Declarations," "Bylaws," and "Condominium Documents," as used in Section II of this Exhibit E, refers to both the Condominium Declaration and Hotel Condominium Declaration, both the Condominium Bylaws and Hotel Condominium Bylaws and both the Condominium Documents and the Hotel Condominium Documents. Capitalized terms used in Section II of this Exhibit E which are not otherwise defined shall have the definitions provided for such terms in the applicable condominium declaration. Section numbers without a letter refer to the Condominium Declaration. Section numbers beginning with "H" refer to the Hotel Condominium Declaration. Section numbers are intended to guide you to some but not necessarily all applicable provisions of the applicable condominium declaration.

DVD, as the "Condominium Developer" or the "Hotel Developer", as applicable, has the following rights and easements under the Condominium Declarations:

1. DVD has the right and an easement to create and cause noise, dust, soot, smoke, odors, vibrations, and other nuisances in connection with the use and operation of (i) the Hotel, (ii) the Condominium, or (iii) any Adjacent Project as a resort hotel consistent with the overall theme and concept, atmosphere associated with resort hotels located in or associated with the WALT DISNEY WORLD® RESORT in Lake Buena Vista, Florida, and/or the DISNEYLAND® RESORT in Anaheim, California, including but not limited to the use and operation of portions of the Condominium or the Hotel Condominium for the conduct of social events (for example, high school proms), convention and meeting purposes, and other activities, some of which may be within plain view and/or earshot of Vacation Homes or Units in the Condominium. (See Sections 7.1E.3, 7.1F, H-7.1F.4 and H-7.1G)

2. DVD and its Representatives, licensees and invitees may use the New Common Elements (including but not limited to the beach, lawns and grounds) for the purpose of conducting educational, cultural, entertainment or sporting events, and other activities of general community interest. These events may occur at times they deem appropriate in their sole, absolute and unfettered discretion. The use of this easement may result in a temporary increase in traffic, noise, gathering of crowds, and related inconveniences. (Section 7.1G)

3. DVD has the exclusive right and an easement to conduct marketing and sales activities (which may be extensive) on the Common Elements and Common Areas, and from any Unit owned by DVD or any Limited Common Elements of such Unit. (Sections 7.1H and H-7.1I)

4. DVD has an easement over, under and upon the Condominium and Hotel Condominium, including all General Common Elements, all Limited Common Elements, and all Units, as may be reasonably necessary or convenient to complete the installation, construction or initial renovation of any Improvements of the Condominium and/or any improvements within the Condominium Units, and to correct any defects and other punchlist items in the Common Elements or any Unit or to use any of DVD's Reserved Rights. (Sections 7.1I and H-7.1J)

5. DVD has an easement over, under and upon the Condominium and Hotel Condominium and all of its parts, pursuant to which DVD and its Representatives, licensees and invitees have the right to create and cause noise, dust, soot, smoke, odors, surface water runoff, vibrations, and other nuisances or hazards in connection with (a) the use of the easements it has under Section 7 of the Condominium Declarations, (b) the development of any Adjacent Parcels, and/or (c) the use of DVD's Reserved Rights or any other rights of DVD described elsewhere in the Condominium Declarations, the Declaration of Merger or the Master Declaration. (Sections 7.2 and H-7.2)

6. During the Development Period, neither the Condominium Association nor the Hotel Condominium Association may exercise its right to grant additional easements and modify easements under Section 7.3 of the Condominium Declarations without the written consent of DVD. (Sections 7.3 and H-7.3)

7. DVD reserves the right to designate, grant, accept, lease, convey, transfer, cancel, relocate and otherwise deal with any easements and/or licenses over, under, across or through the Common Elements as necessary or convenient to the use of any of DVD's Reserved Rights, or for any reasonable purpose. (Sections 7.4A and H-7.4A)

8. DVD reserves the right to accept, transfer, cancel, relocate and otherwise deal with any easement or license in favor of the Land, the Condominium or Hotel Condominium for any reasonable purpose. (Sections 7.4B and H-7.4B)

9. No matter what the Condominium Declarations or the Bylaws otherwise say, no Unit Owner, lessee, tenant, occupant, or other Interested Person, or any licensee or invitee of any such person, can use the Condominium or Hotel Condominium or any part of either condominium (i) for the promotion or sale of Vacation Interests or Fractional Interests, whether directly or indirectly, or (ii) for the operation of a tour or activity desk or any other business that directly or indirectly promotes the sale of Vacation Interests or Fractional Interests. These restrictions are intended to benefit DVD alone and will apply in every case unless DVD gives its written consent in a recorded document. These restrictions do not apply to DVD. DVD has the right to use its Units and DVD's Reserved Rights for the promotion and sale of Vacation Interests and/or Fractional Interests. (Sections 9.4A and H-9.3A)

10. No timeshare plans, fractional plans, Exchange Programs or clubs, or travel or vacation clubs comprised of a trust, corporation, cooperative, limited liability company, partnership, equity plan, non-equity plan, membership program, or any such other similar programs, structures, schemes, devices or plans of any kind (a) shall be created, established, operated or maintained with respect to the Condominium or Hotel Condominium or the Units; (b) shall acquire or accommodate Units, Unit Leases, Vacation Ownership Interests or Fractional Ownership Interests; and (c) shall be permitted to incorporate a Unit, Unit Lease, Vacation Ownership Interests or Fractional Ownership Interests into such entity, program, structure, scheme, device or plan, except by DVD or except with the prior written authorization from DVD, which authorization may be given or withheld in DVD's sole, absolute and unfettered discretion. (Sections 9.4B and H-9.3B)

11. Nothing in the Condominium Documents prohibits DVD from keeping and maintaining animals on the Condominium or Hotel Condominium. (Sections 9.4C and H-9.3C)

12. The Boards of the Condominium Association and Hotel Condominium Association have the right to change the exterior appearance of the Condominium and Hotel Condominium, as applicable. During the Development Period, however, the Board cannot do so without DVD's prior written consent. (Sections 9.5 and H-9.4)

13. DVD has the right to use any Unit that it owns for promotional purposes or in connection with the initial sale and/or any resale or

other conveyance of Units, Vacation Interests, and/or Fractional Interests. (Sections 9.7A and H-9.6A)

14. DVD reserves the right to operate or permit the operation of a nightly rental program or hotel with respect to Units, portions of Units, Vacation Ownership Interests and Fractional Ownership Interests owned or otherwise possessed or controlled by DVD or any TWDC Company. (Sections 9.7B and H-9.6B)

15. The first Board of each Association will consist of the persons named in the articles of incorporation for the Association or otherwise appointed by DVD. (Sections 10.4 and H-10.4)

16. DVD established the initial Condominium Rules and Regulations. DVD has certain rights to change the Condominium Rules and Regulations. The Board also has the right to change the Condominium Rules and Regulations. At any time when DVD holds a Mortgage on or owns any Unit, no change to the Condominium Rules and Regulations will be effective without DVD's written consent. (Sections 11.3P and H-11.3P)

17. The Condominium Association and Hotel Condominium Association will furnish a copy of the Membership List to DVD promptly after DVD asks for it. The Membership List may not be used for commercial purposes by anyone other than DVD or the TWDC Companies. (Sections 11.3W and H-11.3W)

18. The Condominium Association and Hotel Condominium Association must accept title to any real or personal property transferred or leased to it by DVD. (Sections 11.3X and H-11.3X)

19. DVD has the right to choose and employ the first Property Management Company. (Section 11.4C and H-11.4C)

20. Pursuant to Section 514B-41(b) of the Condominium Property Act, DVD has the right to assume all of the actual Common Expenses and Unit Owners shall not be obligated for payment of the Unit Owner's share of Common Expenses until such time as DVD sends each Unit Owner written notice that, after a specified date, the Unit Owner shall be obligated to pay for the share of Common Expenses allocated to the Unit Owner's Unit. (Section H-12.10C)

21. No matter what else the Condominium Documents say, the Associations' Lien are subordinate to (which means that they are subject to and will not affect) the rights or remedies of DVD under a mortgage recorded before a Notice of Lien is recorded. (Sections 13.7B.2 and H-13.7B.2)

22. DVD has the right, but not the obligation to pay the amounts due from a defaulting Owner to the Condominium Association or Hotel Condominium Association. In such event, (i) DVD shall hold that Association's Lien on the Owner's Unit, (ii) DVD shall have the right to exercise all rights and remedies of the Condominium Association or Hotel Condominium Association, including the right to foreclose the Association's Lien in the name of the applicable Association, and (iii) DVD shall have the right to act as the attorney-in-fact for the Owner pursuant to that Association's power of attorney, and in the exercise of that Association's power of substitution. (Sections 13.7D and H-13.7D)

23. DVD shall not be liable except to the extent of its gross negligence or intentional misconduct in making insurance decisions. (Sections 14.1F and H-14.1F)

24. If all or any part the Condominium or Hotel Condominium is taken or is sold under threat of condemnation before the end of the Development Period, then the condemnation proceeds must first be divided between DVD and the Unit Owners of the applicable condominium. DVD will be entitled to receive all proceeds payable for or on account of the loss of DVD's Reserved Rights. (Sections 16.5 and H-16.5)

25. During the Development Period, the consent of DVD is required for the Condominium Association or Hotel Condominium Association to decide not to repair, rebuild or restore the Improvements following substantial damage or destruction not covered by insurance. (Sections 17.1A and H-17.1A)

26. Changes and additions made by DVD under Section 18.2A of the Condominium Declarations (governing changes to the Condominium or Hotel Condominium by Unit Owners or by DVD) do not require the vote or consent of the applicable Board, any Unit Owner, or anyone else except the Master Declarant. During the Development Period, the consent of DVD is also required and DVD may grant or deny its consent, and/or may establish conditions to granting its consent, in its sole, absolute and unfettered discretion (Sections 18.3 and H-18.3)

27. DVD reserves the right to change the Condominium or Hotel Condominium by annexing into such condominium and the condominium property regime any Adjacent Parcel and any Improvements located on the Adjacent Parcel. DVD may do this more than once and at any time before the Development Period ends. This reserved right (subject to certain limitations described in the Condominium Declarations) includes the right to do anything necessary or convenient to annex any Adjacent Parcel and any Improvements on it. (Sections 19 and H-19)

28. By adopting the Amended and Restated Declaration of Condominium Property Regime For Aulani, *Disney Vacation Club*® Villas, Ko Olina, Hawai'i Condominium, DVD is annexing the Vacation Support Property into the Condominium in the exercise of DVD's Reserved Rights pursuant to Section 19 of the Original Declaration. Such annexation constitutes a conveyance of such Units from DVD to the Owners of Condominium Units in the Condominium, each in proportion to their respective undivided interest in the General Common Elements of the Condominium, but saving, reserving and excepting therefrom (i) all rights and easements established, granted and/or reserved by DVD with respect to the same in said Amended and Restated Declaration, including but not limited to DVD's Reserved Rights in the Property, the Condominium and/or under the Condominium Documents, and (ii) all rights and easements otherwise established, granted and/or reserved with respect to the same as "Vacation Support Property" and/or as "New Common Elements." The Amended and Restated Declaration of Condominium Property Regime For Aulani, *Disney Vacation Club*® Villas, Ko Olina, Hawai'i Condominium, shall be construed as if it were a deed conveying the Vacation Support Property to the Owners, each in proportion to their respective undivided interest in the Common Elements, but saving, reserving and excepting from such conveyance the rights and interests described in items (i) and (ii), above. (Section 19)

29. DVD reserves the right to submit any of the Air Space Units that it owns in the Hotel Condominium to the Condominium so that the Air Space Unit and any Improvements constructed within the Air Space Unit shall also be governed by and used in conformity and compliance with the terms and conditions of the Condominium Documents. This reserved right (subject to certain limitations described in the Hotel Condominium Declaration) includes the right to do anything necessary or convenient to submit any Air Space Units that it owns in the Hotel Condominium to the Condominium. (Section H-20)

30. DVD reserves the right to create one or more New Units and to designate Limited Common Elements appurtenant to any New Unit. DVD can do this more than once and at any time before the Development Period ends. This reserved right (subject to certain limitations described in the Condominium Declarations) includes the right to do anything necessary or convenient to create the New Units or to designate Limited Common Elements appurtenant to the New Units. (Sections 20 and H-21)

31. DVD reserves the right to design, develop, install, build, add, and complete New Improvements on the Land (including the right to construct one or more buildings and other Improvements within any Unit) and to remodel the existing Improvements. DVD may do this more than once, and may do so before or after any Unit, Vacation Ownership Interest and/or Fractional Ownership Interest is conveyed to someone else. This reserved right (subject to certain limitations described in the Condominium Declarations) includes the right to do anything necessary or convenient to design, develop, install, build, add, and complete New Improvements and/or to remodel the existing Improvements. (Sections 21 and H-22)

32. DVD may convey Units and/or interests in Units (for example, Vacation Ownership Interests or Fractional Ownership Interests) in a particular building or phase before construction or remodeling of that building or phase is completed. No matter what else the Condominium Documents say, DVD reserves the exclusive right to control, manage, arrange and/or conduct the design, development, construction, installation, addition, and completion of the New Improvements, and the remodeling of the existing Improvements, of the Condominium and the Hotel Condominium even after it deeds or conveys Units and/or any interests in Units (for example, Vacation Ownership Interests or Fractional Ownership Interests) to others. DVD may do this more than once and at any time before the Development Period ends. (Sections 21.4 and H-22.4)

33. DVD has a special power of attorney and a proxy to receive notice of and attend any and all meetings of the Associations, and any continuation or adjournment of them, and to vote and otherwise act on behalf of the Unit Owner at the meetings, in the same manner and to the same extent and with the same effect as if the Unit Owner was personally present and doing the same things. DVD has "full power of substitution." This means that DVD may let someone else act in its place as a substitute attorney-in-fact and proxy holder. This power of attorney and proxy will remain in effect, as to any given Unit Owner, until 45 days after the "date of completion" (as that term is defined in Section 507-43(f), Hawai'i Revised Statutes) of DVD's initial construction or initial remodeling of the Unit Owner's Unit. The Unit Owner cannot revoke the power of attorney or the proxy before then. (Sections 21.4B and H-22.4B)

34. No matter what else the Condominium Documents say (and subject to certain limitations described in the Hotel Condominium Declaration), DVD's Reserved Rights under Section 22 of the Hotel Condominium Declaration shall apply to improvements on or in the Units in the Hotel Condominium submitted to the Condominium even though those improvements are not Improvements of the Hotel Condominium. (Section H-22.5A)

35. No matter what else the Condominium Documents or the Hotel Condominium Documents may say, DVD's Reserved Rights under Section 22 of the Hotel Condominium Declaration include the right to design, develop, install, build, add, and complete New Improvements on, in or above Air Space Units H-1 and H-9 by (i) adding one or more floors above the parking structure and parking areas initially constructed within Air Space Unit H-1 and/or Air Space Unit H-9 plus various related improvements (for example, stairways, elevators, columns, and so on to provide access to and support for the other New Improvements) up to the upper boundary of Air Space Unit H-1 and/or Air Space Unit H-9; or (ii) removing the parking structure and parking areas initially constructed within Air Space Unit H-1 and H-9 as part of phase 1 and constructing an entirely new parking structure and/or building within the boundaries of Air Space Unit H-1 and/or Air Space Unit H-9. DVD may do this more than once, and may do so before or after any Unit and/or any interest in any Unit (for example, any Vacation Ownership Interest or Fractional Ownership Interest) is conveyed to someone else. DVD may do so without the consent or approval of any other person, and Sections 22.1B.2) and 22.1B.3) shall not apply. DVD must reimburse the Owner of the Unit in which such construction takes place (meaning Air Space Unit H-1 or Air Space Unit H-9) for any revenue lost by the Owner of such Air Space Unit during the construction of any Improvements in such Owner's Air Space Unit. In the event that the development of phase 3 within Air Space Unit H-1 or phase 4 within Air Space Unit H-9 includes other improvements (for example, hotel or guest rooms, meeting rooms, administrative offices, restaurants, bars, child care facilities, health spas, fitness clubs, conference centers, or sales and marketing offices) then DVD shall have the right to subdivide such Unit into two or more Units in the same manner provided in Section 18.2A.3 of the Hotel Condominium Declaration just as if DVD was the sole Owner of such Air Space Unit(s) but subject to certain limitations described in the Hotel Condominium Declaration. The Condominium Unit containing the parking structure, parking areas and surface-level grounds will remain Common Elements of the Condominium, and DVD will become the owner of the other Condominium Unit. (Section H-22.5B)

36. DVD reserves the right to subdivide the Land of the Condominium and the Hotel Condominium, and/or to consolidate the Land of the Condominium with any Adjacent Parcel, for or in connection with the use of DVD's Reserved Rights in (i) Sections 23 and 19 of the Condominium Declaration and (ii) Sections 24 and 19 of the Hotel Condominium Declaration. DVD may do this more than once and at any time before the Development Period ends. This reserved right (subject to certain limitations described in the Condominium Declarations) includes the right to do anything necessary or convenient to subdivide the Land of the Condominium and the Hotel Condominium and/or to consolidate the Land of the Condominium and the Hotel Condominium with any Adjacent Parcel. (Sections 22 and H-23)

37. DVD reserves the right to withdraw and delete from the Condominium and the Hotel Condominium, and from the condominium property regime, parts of the Land for public or quasi-public purposes (for example, road widening) and only if such land is part of Unit owned by DVD. DVD may do this more than once and at any time before the Development Period ends. This reserved right (subject to certain limitations described in the Condominium Declaration) includes the right to do anything necessary or convenient to delete all or any part of such Land. (Sections 23 and H-24)

38. DVD reserves the right to develop one or more Adjacent Projects on any Adjacent Parcel or Parcels and/or to merge any Adjacent Condominium with the Condominium or Hotel Condominium pursuant to the Declaration of Merger. DVD may do this more than once and at any time before the Development Period ends. This reserved right (subject to certain limitations described in the Condominium Declarations) includes the right to do anything necessary or convenient to develop one or more Adjacent Projects on any Adjacent Parcel or Parcels and/or to merge any Adjacent Condominium with the Condominium or Hotel Condominium. (Sections 24 and H-25)

39. DVD reserves the right, at any time and from time to time, to convert all or any part of a Limited Common Element appurtenant to a Unit owned by DVD into one or more separate Units. Any Unit created in this way will be a New Unit. This reserved right (subject to certain limitations described in the Condominium Declarations) includes the right to do anything necessary or convenient to convert all or any part of a Limited Common Element appurtenant to a Unit owned by DVD into one or more separate Units. (Sections 25 and H-26)

40. DVD reserves the right, at any time and from time to time, to convert: (i) any part of any Unit owned by DVD into Limited Common Elements appurtenant to that Unit, or (ii) all or any part of any Unit owned by DVD, or its Limited Common Elements, into General Common Elements. This reserved right (subject to certain limitations described in the Condominium Declaration) includes the right to do anything necessary or convenient to convert (i) any part of any Unit owned by DVD into Limited Common Elements appurtenant to that Unit, or (ii) all or any part of any Unit owned by DVD, or its Limited Common Elements, into General Common Elements. (Sections 26 and H-27)

41. By adopting the Amended and Restated Declaration of Condominium Property Regime For Aulani, *Disney Vacation Club*® Villas, Ko Olina, Hawai'i Condominium, DVD is converting certain Units or parts of certain Units to Common Elements in the exercise of DVD's Reserved Rights pursuant to Section 26 of the Original Declaration, which conversion constitutes a conveyance of the portion of such Units being converted to Common Elements. Such conveyance is made by DVD to the Owners, each in proportion to their respective undivided interest in the Common Elements, but saving, reserving and excepting from such conveyance (i) all rights and easements established, granted and/or reserved by DVD with respect to the same in said Amended and Restated Declaration, including but not limited to DVD's Reserved Rights in the Property, the Condominium and/or under the Condominium Documents, and (ii) all rights and easements otherwise established, granted and/or reserved with respect to the same as "New Common Elements." The Amended and Restated Declaration of Condominium Property Regime For Aulani, *Disney Vacation Club*® Villas, Ko Olina, Hawai'i Condominium,

shall be construed as if it were a deed conveying the portion of such Units being converted to Common Elements to the Owners, each in proportion to their respective undivided interest in the Common Elements, but saving, reserving and excepting from such conveyance the rights and interests described in items (i) and (ii), above.

42. DVD reserves the right, at any time and from time to time, to change the Units, the General Common Elements, the Limited Common Elements, and/or to amend the Condominium Documents as required to comply with any laws that apply to the Condominium or to the Condominium Association, the Hotel Condominium or to the Hotel Condominium Association, any Vacation Owners Association, any Fractional Owners Association, or DVD. This includes, for example, the federal Fair Housing Act, 42 U.S.C. §§3601 *et seq.*, and the Americans With Disabilities Act 42 U.S.C. §§12101 *et seq.*, (the "ADA"), and any rules and regulations adopted under either of them. (Sections 27 and H-28)

43. DVD reserves the right to do all things necessary or convenient to satisfy the requirements of any zoning or other land use requirements that apply to the Condominium, the Hotel Condominium or any Adjacent Parcel from time to time. DVD may do this more than once and at any time before the Development Period ends. This reserved right (subject to certain limitations described in the Condominium Declarations) includes the right to do anything necessary or convenient to satisfy the requirements of any zoning or land use requirements that apply to the Condominium, the Hotel Condominium or any Adjacent Parcel from time to time. (Sections 28 and H-29)

44. DVD may use DVD's Reserved Rights separately or in one or more combinations and at one or more times. DVD has no duty to use DVD's Reserved Rights. Nothing contained in the Condominium Documents can be deemed to be a representation that it will do so. (Sections 29.2 and H-30.2)

45. DVD may use DVD's Reserved Rights without being required to obtain the approval, consent, or joinder of anyone else, and without having to give notice to anyone else. (Sections 29.3 and H-30.3)

46. DVD may act on behalf of any Unit Owner as attorney-in-fact to join in, consent to, sign, have notarized, deliver and record all documents and to do all things on its behalf. This means that DVD can act in the place of the Unit Owner and/or any other Interested Person. DVD can do anything that they could do, and they ratify, accept and confirm anything that DVD does using this power of attorney. (Sections 29.3A.4 and H-30.3A.4)

47. If DVD signs and records a document that expressly transfers to someone else some or all of DVD's Reserved Rights, or any of DVD's other rights under the Condominium Documents, then that person will become "DVD" to the extent of the rights transferred. The new "DVD" can likewise transfer the rights it has. (Sections 29.5A and H-30.5A)

48. DVD may transfer its rights as collateral for a loan. If so, the lender will not have the rights of "DVD" until (i) it forecloses the loan, (ii) it holds the rights of DVD outright, and (iii) it records a document that says so. (Sections 29.5B and H-30.5B)

49. When New Units are created, DVD has the right to reallocate the Common Interests among the existing Units and the New Units. This

includes the right to change the Common Interests of existing Units. If and when DVD creates New Units, DVD has the right to reallocate a portion of the Common Interest of the Gazebo Unit in the Condominium or Hotel Condominium, as applicable, to the New Units. If at any time DVD decides not to proceed with the development of any further phases, or if not all phases are built before the end of the Development Period, then DVD may do either of the following things:

- ❖ DVD may revise the Common Interests so that the Common Interest for each Unit actually constructed will be determined in the manner provided in (i) Sections 30.1 and 30.2 of the Condominium Declaration and (ii) Sections 31.1 and 32.2 of the Hotel Condominium Declaration. DVD may sign, acknowledge and record one or more amendments to the Condominium Declarations reflecting the changes to the Common Interests. DVD may also amend any previously recorded deed or other document conveying or encumbering a Unit or interest in a Unit (for example, a Vacation Ownership Interest or Fractional Ownership Interest) so that it conforms with the revised Condominium Declarations and/or to record a new deed or conveyance instrument for that purpose. DVD may do so in its own right and/or using its power of attorney under (a) Section 29.3 of the Condominium Declaration and (b) Section 30.3 of the Hotel Condominium Declaration.
- ❖ DVD may record a deed or other conveyance document transferring the Gazebo Unit to a trustee in trust for the benefit of the Condominium Association or Hotel Condominium Association. (Sections 30.3 and H-31.3)

50. If rounding is required under (i) Section 30.4 of the Condominium Declaration or (ii) Section 31.4 of the Hotel Condominium Declaration, DVD has the absolute discretion in choosing the Units that will have their Common Interests rounded up or down, and in deciding whether to round them up or down by more than one ten-thousandths of a percent (0.0001%). (Sections 30.4 and H-31.4)

51. Despite the general rules on amending the applicable condominium declaration set forth in (i) Section 36.1 of the Condominium Declaration and (ii) Section 37.1 of the Hotel Condominium Declaration, DVD's Reserved Rights include the right to change the Condominium Documents and Hotel Condominium Documents as follows:

- ❖ It may change them in any way and for any purpose before the date when DVD first records a deed, other conveyance document or agreement of sale transferring a Unit or interest in a Unit (for example, a Vacation Ownership Interest or Fractional Ownership Interest) to someone other than (i) DVD, (ii) any of The TWDC Companies, or (iii) any lender.
- ❖ It may change them to file the "as-built" certification (with plans, if necessary or convenient) required by the Condominium Law. DVD may do this each time a phase or increment of the Condominium or Hotel Condominium, whether remodeling or New Improvement, is completed. It may also do this at any other time required by law or permitted by the Condominium Declarations. DVD does not need the consent of anyone else who owns a Unit or interest in a Unit (for example, a Vacation Ownership Interest or Fractional Ownership Interest) or any other Interested Person.

- ❖ It may change them to comply with the laws and regulations in effect in the State of Hawai'i, or the requirements of any government agency in Hawai'i.
- ❖ It may change them to comply with the laws or regulations of any place (for example, the State of New York) or the requirements of any government agency (such as the California Department of Real Estate) in connection with the registration of the (i) Condominium or Hotel Condominium, (ii) any Vacation Plan that includes one or more Units, (iii) any Fractional Plan that includes one or more Units, (iv) any Adjacent Project, or (v) the Disney Vacation Club (if any Owner is a member), to permit the sale of Units, Vacation Interests, or Fractional Interests (or any Units, Vacation Interests, or Fractional Interests in an Adjacent Project) there.
- ❖ It may change them to satisfy requests for changes made by any commercial lender loaning money to DVD, by any investor in mortgages initially made in favor of DVD, or by any title company licensed to do business in the State of Hawai'i.
- ❖ It may change them to facilitate the operation and management of the Condominium, the Hotel Condominium, any Vacation Plan that includes one or more Units, any Fractional Plan that includes one or more Units, any Adjacent Project, or the Disney Vacation Club.
- ❖ It may change them to correct any errors or mistakes reflected in any of the Condominium Documents.
- ❖ DVD may use these rights at any time and it may use them more than once. DVD may sign, record and deliver amendments in its own name and/or in the name of the Condominium Association, the Hotel Condominium Association, Unit Owners or other Interested Persons pursuant to its power of attorney under (i) Section 29.3 of the Condominium Declaration and (ii) Section 30.3 of the Hotel Condominium Declaration. (Sections 36.3 and H-37.3)

52. DVD may amend the Condominium Articles and Condominium Bylaws to make them consistent or compatible with the provisions of the Condominium Declaration, the Master Cotenancy Agreement or the Master Declaration, to conform them to meet the requirements of any governmental entity or statute, as may be in the best interests of the Condominium Association, and as it may deem appropriate, in its sole, absolute and unfettered discretion, to carry out the purposes of the Condominium and to expand or enhance any Vacation Ownership Plan or Fractional Ownership Plan established with respect to the Condominium, or the Club. DVD has the same rights with respect to the Hotel Condominium Articles and Hotel Condominium Bylaws.

53. Regardless of anything else stated in the Condominium Documents, no amendment to any of the Condominium Documents that changes, terminates, or otherwise affects any of DVD's Reserved Rights, or any other rights or privileges of DVD under the Condominium Documents or the Master Declaration, will be effective unless DVD gives its written consent and signs the amendment, and the amendment is recorded. (Sections 36.4 and H-37.4B)

54. Without the written consent of DVD and the Condominium Association, the Hotel Condominium Association shall adopt no amendment to any of the Condominium Documents (1) that (a) is inconsistent with the corresponding provisions of the Condominium Documents, and (b) materially and adversely affects the rights of the owners and occupants of the Condominium to use and enjoy Air Space Units H-5 and H-11 in the manner authorized in that certain instrument recorded as Land Court Document No. 3957907 (although such instrument is no longer in effect), as determined by DVD in its sole, absolute and unfettered discretion, or (2) that increases the proportionate share of the Common Expenses of the Hotel Condominium allocable to Air Space Units H-5 and H-11. None of the restrictions or requirements in Section 37.4B of the Hotel Condominium Declaration apply to, limit or restrict DVD's Reserved Rights. (Section H-37.4B)

SECTION III: RESERVED RIGHTS OF THE MASTER DECLARANT UNDER THE MASTER DECLARATION

Capitalized terms used in Section III of this Exhibit E which are not otherwise defined shall have the definitions provided for such terms in the Master Declaration. Except where specifically noted, all section references in Section III of this Exhibit E are references to the Master Declaration. Section numbers are intended to guide you to some but not necessarily all applicable provisions of the Master Declaration.

DVD as the "Master Declarant" has the following rights and easements under the Master Declaration:

1. Master Declarant, from time to time, may, in its sole, absolute and unfettered discretion, cause additional real property to become subject to the Master Declaration. (Sec. 2.2)
2. Master Declarant may, without the consent of any Owner or any person claiming by, through, or under any Owner, at any time delete any portion of the Master Property owned by Master Declarant from encumbrance by the Master Declaration by executing and filing of record a Notice of Deletion from Master Declaration of Covenants, Conditions, and Restrictions. No Owner, or any entity claiming by, through, or under any Owner, shall have any right to claim detrimental reliance on the Master Declaration with regard to any portion of the

Master Property deleted from the Master Declaration by Master Declarant. Notwithstanding the foregoing, Master Declarant shall not delete, without approval of all Owners, any portion of the Master Property which deletion would result in the deletion of any Designated Facility from the Master Declaration. Master Declarant shall not delete, without the approval of all Owners, any portion of the Master Property which deletion would result in the elimination of all reasonable ingress and egress rights to a dedicated right of way granted or the elimination of drainage or utility easement rights granted pursuant to the Master Declaration. (Sec. 2.3)

3. Master Declarant has non-exclusive use and access rights over, upon, under and across the Master Property (together with the right to assign all or any portion of such rights) including the right to: (i) erect, maintain, repair, replace, relocate and use electric and telephone

poles, wires, cables, conduits, sewers, water mains, pipes, machinery, and other suitable equipment or improvement related thereto, whether public or private, used in connection with, or in any way related to, the production, transmission, conveyance, distribution or use of electricity, telephone, cable television, communications (voice, video or data), gas, sewer, water, storm water, security or any other public conveniences or utilities; (ii) plant, maintain, remove, relocate or replace any trees, bushes, shrubbery or other landscaping; (iii) perform any excavation, filling, digging, earth moving or grading activities; (iv) construct, maintain, repair, replace, relocate, remove, modify, support or alter Improvements and Open Areas of every kind or nature as may be permitted by applicable laws and the Master Declaration; (v) landscape or otherwise do those acts necessary to maintain or enhance the aesthetic quality of the Master Property and the Improvements and Open Areas to be developed on the Master Property; (vi) locate, construct, repair, maintain, replace or relocate wells, lift stations, pumping stations, tanks and any other facilities associated therewith; (vii) take any other similar action reasonably necessary to provide economical and safe utility installation on or about the Master Property and to maintain, at all times, high standards of health, safety and appearance; (viii) share in the license and easement rights granted to Owners pursuant to the Master Declaration; (ix) access and use, and allow its guests, invitees and licensees to access and use any Shared Area; (ix) conduct marketing, sales, and rental of Parcels owned by Master Declarant; (x) develop, construct, remodel, or otherwise do any and all acts necessary or desirable to develop the Master Property in any manner deemed desirable by Master Declarant or its designees from time to time; (xi) perform maintenance on and otherwise manage the Hotel Master Parcel (including, without limitation the Building Shared Components) in accordance with the provisions of the Master Declaration; (xii) employ or contract with a manager (which may be a TWDC Company) with respect to maintenance of the Hotel Master Parcel and Building Shared Components, and delegate its powers to committees, officers and employees; and to assign and delegate for the term of any management contract, any or all of its obligations, privileges and immunities under the Master Declaration; (xiii) control the appearance of the exterior of any Improvements located on the Master Property and the appearance of any Visible Area; and (xiv) otherwise do any and all acts necessary or desirable to develop the Master Property in any manner deemed desirable by Master Declarant and in Master Declarant's sole, absolute and unfettered discretion. (Sec. 3.3.1)

4. Master Declarant has the reserved right to grant such easements over, upon, under and across the Master Property, without the consent of any Owners, as are reasonably necessary to enable any company to provide Utility Services to the Master Property. (Sec. 3.3.7)

5. Master Declarant has reserved exclusive, perpetual easements for the location, installation, erection, maintenance, use, operation, repair, replacement, or removal of signs, notices, other displays, or advertising on the exterior of any Improvements constructed on the Master Property, together with non-exclusive rights of ingress to and egress as may be necessary and appropriate to exercise such easements granted. (Sec. 3.3.8)

6. Master Declarant has reserved non-exclusive, perpetual easements for the use, access, ingress, and egress over, through, under, over, and across the Master Property, as may be necessary and appropriate for marketing, sales, resales, and rental of units,

commercial units, accommodations at other projects, or any other hospitality, realty, or consumer products, and for the purpose of leasing any accommodations that may or may not be part of the Master Property. Such rights may include the right to establish models; conduct property tours; conduct sales presentations; conduct closings; and to erect, post, maintain, and relocate signs, notices, advertisements, and other promotional information on the Master Property. (Sec. 3.3.9)

7. Master Declarant or the ARO may promulgate such Rules and Regulations they deem advisable and the Owners and respective members, guests, lessees and invitees shall comply with said Rules and Regulations. (Sec. 3.3.10)

8. Non-exclusive easements have been reserved in favor of Master Declarant and its respective members, guests, lessees and invitees and granted to Owners and their respective members, guests, lessees and invitees, across, under and through the applicable portions of the Master Property as are necessary and reasonable for support, ingress and egress and for the installation, maintenance, repair, replacement or operation of all Shared Areas. (Sec. 3.4.1)

9. Non-exclusive, perpetual easements appurtenant to each Master Parcel have been reserved to Master Declarant for access and temporary encroachments by contractors and subcontractors (and the equipment and employees thereof) in, on, or through the adjacent Master Parcel or the Shared Areas to the extent reasonably necessary for Master Declarant to perform general and ongoing maintenance, repair and replacement work with respect to the Improvements and any appurtenant easement areas. (Sec. 3.4.3)

10. Master Declarant has reserved to itself and has granted to each Master Parcel Owner non-exclusive, perpetual easements appurtenant to each Master Parcel on, over, in, and through any portion of the adjacent Master Parcel and the Improvements now or hereafter constructed thereon, contributing to the structural support and integrity of a Master Parcel, including, but not limited to, contributing support provided by means of columns, caissons, beams, walls, ceilings, floors, foundations, footings, and load bearing structures now or hereafter located on the Master Parcels. (Sec. 3.4.4)

11. Master Declarant has reserved to itself and has granted to each Master Parcel Owner non-exclusive, perpetual easements appurtenant to each Master Parcel for the passage, travel, transmission, or disposal of any air, exhaust fumes or vapors by means of any ventilation pipes, chutes, conduits, lines, or other devices or equipment located in, on, through, under, or over the portions of the adjacent Master Parcel. (Sec. 3.4.5)

12. Master Declarant has reserved to itself non-exclusive, perpetual easements appurtenant to the Hotel Master Parcel in, on, or through the Shared Vertical Transportation located in and extending through a Master Parcel, together with non-exclusive easement rights to Master Declarant of ingress to and egress from a Master Parcel, necessary and appropriate to maintain, repair, or replace the Shared Vertical Transportation. (Sec. 3.4.6)

13. Master Declarant has reserved to itself and has granted to the Master Parcel Owners non-exclusive, perpetual easements appurtenant to each Master Parcel in, over, and through the Shared

Vertical Transportation located in and extending through portions of each Master Parcel, for the use of any Shared Vertical Transportation located in either of the Master Parcels, together with rights of ingress to and egress, necessary and appropriate for the use of such Shared Vertical Transportation. (Sec. 3.4.7)

14. Master Declarant has reserved to itself non-exclusive, perpetual easements appurtenant to each Master Parcel in, on, and through the portions of the adjacent Master Parcel to use, maintain, operate, repair, or replace the Roof Drains, together with rights of ingress to and egress from the Hotel Master Parcel to exercise such easements. (Sec. 3.4.8)

15. Master Declarant has reserved to itself (and its guests, lessees and invitees) and has granted to the Master Parcel Owners (and their respective Owners, guests, lessees and invitees) non-exclusive, perpetual easements appurtenant to each Master Parcel, for emergency fire escape egress from each Master Parcel, in, over, across, or through those portions of each Master Parcel designed for emergency fire escape. (Sec. 3.4.9)

16. Master Declarant has reserved to itself (and its guests, lessees and invitees) and has granted to the Master Parcel Owners (and their respective members, guests, lessees and invitees) non-exclusive, perpetual easements, rights, and privileges appurtenant to each Master Parcel of and for emergency ingress, egress, and access to, from, through or across portions of each Master Parcel, provided the Owner of the Master Parcel utilizing the easement shall use good faith efforts to limit any emergency ingress, egress and access within the other Master Parcel to those parts of such Master Parcel which are generally available for use by the Owners and occupants of the Accommodations within such Master Parcel (i.e., the lobby area, stairwells and common hallways). (Sec. 3.4.10)

17. Master Declarant has reserved to itself and has granted to the Master Parcel Owners non-exclusive, perpetual easements appurtenant to each Master Parcel of and for ingress, egress, access, passage and use on, over, and across those portions of each Master Parcel which contain structures, lines, pipes, conduits, and other Improvements related to Utility Services that serve a Master Parcel, or the easement areas appurtenant to a Master Parcel, on an exclusive or non-exclusive basis for the purposes of using the same. (Sec. 3.4.11)

18. Master Declarant has reserved non-exclusive, perpetual easements on, over, in, or across any applicable portions of the Master Property, for access, temporary encroachments, staging, and the storage of various materials and equipment by and for Master Declarant's agents, employees, contractors, and subcontractors during the reconstruction or restoration of any Improvements to the extent reasonably necessary to reconstruct or restore any Building Shared Components as required or permitted under the Master Declaration. (Sec. 3.5)

19. All easements created by the Master Declaration are subject to a general reservation and right of Master Declarant (i) to locate within any pedestrian access easement area so-called "street furniture" including, without limitation, trash containers, signs, directories, security desks, kiosks, benches, chairs, public art, and other similar elements of aid to pedestrians in utilizing the Improvements, so long as such "street furniture" does not materially impede pedestrian

access to and from any Improvements and the visibility of Improvements is not impaired and (ii) to make changes in the configuration and location of any of the easement areas so long as (a) the width of the easement areas, pedestrian access to the easement areas, or sidewalk areas, if any, located within the easement areas, are not materially reduced; (b) the visibility of any Improvements is not materially impaired; (c) the resulting easement areas provide essentially the same benefit to the other Owners and do not materially interfere with rights that such Owners previously maintained under the Master Declaration; (d) such changes are made at no expense to the other Owners and with the minimum possible interruption and interference to the other Owners and their respective licensees; and (e) such changes do not violate any applicable laws. (Sec. 3.10)

20. Except as expressly provided to the contrary in the Master Declaration, any right and easement created by any provision of the Master Declaration is subject to the following:

- ❖ The right of Master Declarant, without the need to obtain the approval or written assent of any other Owner, to borrow money for the purpose of improving any of the Building Shared Components or Shared Areas located on any portions of the Master Property owned by Master Declarant, and in furtherance thereof, to mortgage, pledge or hypothecate such property and assessments for Shared Area Expenses as security for money borrowed or debts incurred, provided that the rights of the mortgagee or secured party in any such case shall be subordinate to the rights and easements of the Owners under the Master Declaration, including their rights in the Building Shared Components and Shared Areas and the Owners' use of such rights.
- ❖ The right of Master Declarant to reconstruct, replace or refinish any improvement upon or within the Building Shared Components or Shared Areas.
- ❖ The right of the Master Declarant to restrict those portions of the Building Shared Components and Shared Areas to the use of Owners and occupants of Accommodations and invitees of Master Declarant as well as the right of Master Declarant to restrict the use of the Hotel Master Parcel (other than Shared Areas) to invitees of Master Declarant.
- ❖ The rights and easements of Master Declarant and other matters provided elsewhere in the Master Declaration.
- ❖ The right of Master Declarant to relocate and redefine the areas covered by such easements, subject to the specific limitations on such right set forth elsewhere in the Master Declaration.
- ❖ Subject to the requirement that there be no Prohibited Deletions, the right of Master Declarant and the ARO to establish and enforce Rules and Regulations governing the use of such easements, and to limit or deny the Owners and their respective guests, lessees or invitees, access to designated portions of the Master Property owned by Master Declarant, charge use fees or otherwise regulate the use by the Owners and their respective guests, lessees and invitees, of the portions of the Master Property owned by Master Declarant pursuant to the Rules and Regulations; provided that Owners and their respective members, guests, lessees and invitees shall at all times have

reasonable ingress and egress to any dedicated rights of way and use of Shared Areas.

- ❖ The right of Master Declarant to suspend the enjoyment and use rights of any Owner for any period during which any monies due by the Owner under the Master Declaration remain unpaid.
- ❖ Subject to the requirement that there be no Prohibited Deletions, the right of Master Declarant to transfer all or any part of its interest in the Master Property to any public agency, authority or utility company, Association, Owner or other person or entity, and subject to such conditions as Master Declarant determines in its sole, absolute and unfettered discretion.
- ❖ Subject to the requirements that there be no Prohibited Deletions, the easements granted in the Master Declaration shall in no way prevent or limit Master Declarant's right to subsequently develop any portion of the Master Property for whatever purposes or uses Master Declarant chooses. (Sec. 3.11)

21. Master Declarant shall be entitled to keep all Improvements located on the Master Property insured against loss or damage by fire, water, lightning, windstorm, hail, explosion, riot, damage from aircraft, collapse, and smoke damage, and such other risks, casualties and hazards as may from time to time be carried for similar buildings located at The Walt Disney World® Resort or the Disneyland® Resort, with "Special Perils", extended coverage, vandalism and malicious mischief endorsements in an amount equal to the full replacement value thereof less any applicable deductibles, the cost of which shall be a Shared Area Expense. Master Declarant may elect from time to time, in its sole, absolute and unfettered discretion, to obtain property insurance only for those portions of the Master Property owned by Master Declarant in which case, the Owner(s) of those portions of the Master Property not owned by Master Declarant shall be required to obtain such Property Insurance covering such Parcels. (Sec. 4.2)

22. Master Declarant may elect, from time to time, to self-insure all or any portion of the risks for which insurance is required under Article IV of the Master Declaration, in which event Master Declarant shall be solely responsible for any costs or expenses incurred by the Owners as a result of casualty or other events for which Master Declarant has self-insured and which would have been covered by the insurance required under such Article IV if such insurance had been obtained. (Sec. 4.7)

23. Master Declarant may designate one or more persons as the "Architectural Review Officer" or "ARO" in its sole, absolute, and unfettered discretion. To the extent Master Declarant does not so designate, Master Declarant shall act as the ARO. Master Declarant may increase or decrease the number of persons who make up the composition of the ARO from time to time. (Sec. 5.2)

24. Master Declarant shall have the right in its sole, absolute and unfettered discretion to cause or permit the subdivision, platting or division of all or any part of the Master Property, subject to the Master Declaration and applicable law. No portion of the Master Property shall be subdivided, platted or divided by any persons claiming an interest in the Master Property by, through or under any Owner, without the prior written consent of Master Declarant. (Sec. 8.9)

25. Master Declarant may, from time to time, promulgate, modify, or delete use restrictions and rules and regulations applicable to the Master Property, with or without the consent of any other person. Master Declarant may exempt certain Owners, Improvements, or portions of the Master Property from the use, restrictions, and rules and regulations applicable to the Master Property. (8.16)

26. Master Declarant may amend the Master Declaration, at any time and from time to time, as to all or any portion of the Master Property unilaterally and without the consent of any Owner or other person claiming an interest in the Master Property by, through or under any Owner in the following situations:

- ❖ if such amendment is necessary to bring any provision of the Master Declaration into compliance with any applicable law;
- ❖ if such amendment is necessary to enable any reputable title insurance company to issue title insurance coverage with respect to any property subject to the Master Declaration;
- ❖ if such amendment is required by an institutional or governmental lender or purchaser of mortgage loans, to enable such lender or purchaser to make or purchase mortgage loans encumbering any property subject to the Master Declaration;
- ❖ if such amendment is necessary to enable any governmental agency or reputable private insurance company to insure mortgage loans encumbering any property subject to the Master Declaration;
- ❖ if such amendment is necessary for the purpose of curing any error, ambiguity in or inconsistency between or among the provisions contained in the Master Declaration;
- ❖ if such amendment is necessary to allow the development or expansion of the Condominium Property or Vacation Ownership Plan; to allow the development of other residential accommodations or commercial or other profit-making ventures as contemplated under the Master Declaration; or
- ❖ if Master Declarant determines such amendment is necessary. (Sec. 9.1)

27. For so long as Master Declarant and ABC, Inc., the Fee Owner, together or separately hold fee title in any portion of the Master Property, Master Declarant shall have and reserves to itself the sole and exclusive right with regard to such portions of the Master Property held by Master Declarant to take the following actions at any time and from time to time unilaterally and without the consent of any Owner or any other person claiming an interest in the Master Property by, through or under any Owner:

- ❖ To amend, modify or grant exceptions or variances from any of the use restrictions set forth in the Master Declaration.
- ❖ To add or delete portions of the Master Property as otherwise provided in the Master Declaration.
- ❖ To include in any contract, deed, lease agreement or other instrument any additional covenants, conditions and restrictions deemed desirable by Master Declarant. (Sec. 9.2)

28. Master Declarant may, at its expense, alter, modify, rearrange, relocate, replace or remove any Designated Facility; provided, however, that no amendment may, without the approval of all Owners, result in the alteration, modification, rearrangement, relocation or replacement of the Designated Facility in such manner that such Designated Facility or any replacement Designated Facility no longer provides substantially the same use, function or experience as the existing Designated Facility, as Master Declarant may determine in its sole, absolute and unfettered discretion. (Sec. 9.4.2)

29. Master Declarant reserves an easement over the Master Property for the purpose of enforcing the provisions in the Master

Declaration, and may go upon any portion of the Master Property to remove or remedy any violations of these provisions. (Sec. 10.2)

30. Master Declarant has the sole and exclusive right at any time to transfer and assign to any person, firm or corporation, partnership, limited liability company or other entity, any or all rights, powers, easements, privileges, authorities and reservations given to or reserved by Master Declarant or any obligation imposed upon Master Declarant by any part, section or paragraph of the Master Declaration as to all or a portion of the Master Property. (Sec. 11.8)

SECTION IV: RESERVED RIGHTS OF THE GRANTOR UNDER DEED OF OWNERSHIP INTEREST

Capitalized terms used in Section IV of this Exhibit E which are not otherwise defined shall have the definitions provided for such terms in the Deed.

DVD as the "Grantor" has the following special or reserved rights under the Deed which transfers your Ownership Interest:

1. DVD has reserved (a) all of DVD's Reserved Rights under the Plan Documents, the Condominium Documents, the Master Cotenancy Agreement and the Hotel Condominium Documents, and (b) all rights of the Master Declarant under the Master Declaration. (Section 7.A of the Deed)

2. DVD has reserved the exclusive right to control, manage and conduct the design, development, construction, addition and completion of the first phase and each later phase of the Condominium and each phase of the Hotel Condominium. (Sec. 7.B of the Deed)

3. Without DVD's written consent, you cannot lease, rent, or otherwise contribute your Ownership Interest or its reservation and use rights to (i) any other vacation plan or (ii) any fractional plan. Any

attempt to do so will not be effective; it will be void. (Sec. 7.D of the Deed)

4. DVD has reserved a right of first refusal to buy the Property on the terms and conditions stated in the Plan Declaration. (Sec. 7.E of the Deed)

5. DVD may act as attorney-in-fact on your behalf under the power of attorney granted under the deed. (Sec. 7.F of the Deed)

6. If DVD asks, you will promptly sign, have notarized, and deliver to DVD a special power of attorney in the form attached to the Condominium Declaration. If you deed, mortgage, or otherwise transfer any interest in the Property to anyone other than DVD, you or the person receiving the transfer (the "Transferee") will promptly deliver to DVD a special power of attorney in the form attached as Exhibit to the Condominium Declaration and signed by the Transferee and notarized. (Sec. 7.G of the Deed)

THIS IS ONLY A SUMMARY OF CERTAIN OF DVD'S RESERVED RIGHTS AND SPECIAL RIGHTS UNDER THE PLAN DECLARATION, CONDOMINIUM DECLARATION, HOTEL CONDOMINIUM DECLARATION, MASTER DECLARATION, DEED AND PLAN DOCUMENTS. THE NATURE AND EXTENT OF THE RIGHTS OF DVD AND SUCH OWNERS IS DESCRIBED IN AND GOVERNED BY THESE DOCUMENTS. YOU SHOULD READ THEM.

EXHIBIT F

DESCRIPTION OF CONDOMINIUM AND HOTEL CONDOMINIUM PHASES

DVD plans to develop the Condominium and the Hotel Condominium in stages. Each stage is called a "phase" or an "increment." Each phase may include units and other improvements.

THE CONDOMINIUM

The phases of the Condominium are as follows:

PHASE 1. Phase 1 consists of Building D, the Beachside Restaurant, the Caldera, the quiet pool bar, the snorkel lagoon building, the shave ice kiosk, the beach rental building, Air Space Units Nos. L-1, L-2, L-3, L-4 and L-6, and certain improvements within the Vacation Support Property.

- ❖ Building D is a fifteen-story building. It also has a basement. Building D is located entirely within Air Space Unit H-11. It is constructed principally of steel-reinforced concrete, gypsum board and glass. Building D contains twenty-five (25) Vacation Units (containing 73 Vacation Homes) and two (2) Commercial Units (Commercial Unit Nos. 2003 and 2004).
- ❖ The Beachside Restaurant building is a one story building located entirely within Air Space Unit No. L-6. It does not have a basement. It is constructed principally of steel-reinforced concrete, gypsum board and glass.
- ❖ The Caldera building is a special purpose building rising nearly 50 feet above the first floor level (approximately 5 stories). It also has a basement which contains one (1) Commercial Unit (Commercial Unit No. 2005). It is constructed principally of concrete, wood, gypsum and allied building materials.
- ❖ The quiet pool bar is a one story building located entirely within Air Space Unit No. L-2. It is constructed principally of steel-reinforced concrete and gypsum board.
- ❖ The snorkel lagoon building is a one story building located entirely within Air Space Unit No. L-3. It is constructed principally of steel-reinforced concrete, gypsum board, wood and glass.
- ❖ The shave ice kiosk is a one story building located entirely within Air Space Unit No. L-4. It is constructed principally of steel-reinforced concrete, gypsum board, wood and glass.
- ❖ The beach rental building is a one story building. It is constructed principally of steel-reinforced concrete, gypsum board and wood.
- ❖ Initially, no buildings were constructed within Air Space Unit No. L-1. However, nothing in the Condominium Declaration shall limit any rights that the Air Space Unit Owner(s) may have to construct buildings within their Condominium Unit(s) in the future. See, for example, Section 18.2A.1)(b) of the Condominium Declaration, which gives an Air Space Unit Owner the right to

construct a building within the boundaries or "envelope" of the Air Space Unit.

- ❖ In addition, certain improvements have been constructed within the Hotel Air Space Units annexed into the Condominium. A five (5) story parking structure is located within Air Space Unit H-1 and a four (4) story parking structure is located within Air Space Unit H-9. Each parking structure will be constructed principally of steel-reinforced concrete. The porte cochere is located within Air Space Unit H-12. This porte cochere is attached to the building constructed in Air Space Unit H-7 and rises about 1 and one-half stories above the pavement. The porte cochere is constructed principally of concrete, steel and glass.

PHASE 2. Phase 2 consists of Building A and related Improvements. Building A has no basement. A portion of Building A is located within Air Space Unit H-5. It is constructed principally of steel-reinforced concrete, gypsum board and glass. Building A contains a total of sixty-two (62) Vacation Units (containing 122 Vacation Homes) and two (2) Commercial Units (Unit Nos. 2001 and 2006).

PHASE 3. Phase 3 consists of Buildings E and G, and Air Space Unit Nos. L-7 and L-8.

- ❖ Building E is a fifteen-story building. It has no basement. A portion of Building E is located within Air Space Unit H-11. It is constructed principally of steel-reinforced concrete, gypsum board and glass. It contains 83 Vacation Units (containing 180 Vacation Homes) and one Commercial Unit (Unit No. 2002 - Kid's Club).
- ❖ Building G is a fifteen-story building. It has a partial basement. Building G is located entirely within Air Space Unit H-11. It is constructed principally of steel-reinforced concrete, gypsum board and glass. It contains 28 Vacation Units (containing 84 Vacation Homes).
- ❖ Initially, no buildings were constructed within Air Space Unit Nos. L-7 and L-8. However, nothing in the Condominium Declaration shall limit any rights that Air Space Unit Owners may have to construct buildings within their Condominium Unit(s) in the future. See, for example, Section 18.2A.1)(b) of the Condominium Declaration, which gives an Air Space Unit Owner the right to construct a building within the boundaries or "envelope" of the Air Space Unit.

PHASE 4. Phase 4, if it is constructed, is presently planned to consist of a gazebo, a one story building. The gazebo is likely to be constructed principally of wood. It contains one (1) Commercial Unit

(Commercial Unit No. 4001 – Gazebo Unit). DVD is not currently planning to construct the gazebo (Commercial Unit No. 4001), although this may change.

ADDITIONAL PHASES. DVD's current plans call for fourteen (14) Commercial Units (seven (7) of which are Air Space Units) and one hundred ninety nine (199) Vacation Units (containing four hundred sixty-seven (467) Vacation Homes) to be located in the Condominium, as described above. DVD has the authority, however, to expand the Condominium. This includes the authority to add more property to the Condominium, to construct or renovate improvements on the added property, and to establish new units on the added property. This might happen if, for example, DVD adds more Units from the Hotel Condominium into the Condominium and then converts existing hotel rooms in those Units into Condominium Units and/or Vacation Homes in the Condominium. Pursuant to such rights, DVD has added the following to the Condominium:

- ❖ DVD has expanded the Condominium to include a portion of Building B of the Hotel Condominium. Building B is a fifteen-story building. It has no basement. Building B is located within Air Space Unit H-6A, H-6B and H-6C of the Hotel Condominium. Air Space Units H-6B and H-6C of the Hotel Condominium have been included in this Condominium but not Air Space Unit H-6A. Building B is constructed principally of steel-reinforced concrete, gypsum board and glass. The portion of Building B located within Air Space Units H-6B and H-6C of the Hotel Condominium contains 1 Vacation Unit (containing 8 Vacation Homes).

HOTEL CONDOMINIUM

The phases of the Hotel Condominium are described as follows:

PHASE 1. The first phase consists of Air Space Units H-1 through H-5, H-6A, H-6B and H-6C, and H-7 through H-13. Initially, DVD plans to construct the following buildings in the Air Space Units although such plans may change:

- ❖ Air Space Unit H-1, H-5, H-6B, H-6C, H-9, H-11 and H-12 will not contain any improvements comprising a part of the Hotel Condominium.
- ❖ Air Space Unit H-1 will be submitted to the Condominium pursuant to Section 19 of the Condominium Declaration. See Section 4.2 of this Disclosure Statement for a description of the improvements that the Condominium Developer intends to build within this Air Space Unit. These improvements will be part of the Condominium and not improvements of the Hotel Condominium
- ❖ Air Space Unit H-2 will initially contain a fifteen (15) story building with no basement constructed principally of reinforced concrete, gypsum board, glass, and allied building materials.
- ❖ Initially, Air Space Units H-3, H-4 and H-10 will initially contain no buildings.

ORDER OF DEVELOPMENT. DVD has completed construction of Phases 1, 2 and 3. No date has been set for construction of Phase 4. DVD may change its plan of development without the consent or approval of anyone else. For example, DVD may choose to speed the construction of one building or slow construction of another.

ADDITIONAL BUILDINGS. Pursuant to and in the exercise of DVD's Reserved Rights, DVD has added the following to the Condominium:

- ❖ DVD has constructed a food and beverage kiosk within Air Space Unit No. L-4. It is a one story building constructed principally of steel-reinforced concrete, gypsum board, wood and glass.
- ❖ DVD has constructed a pool restroom building within Air Space Unit No. L-2. It is a one-story building constructed principally of steel-reinforced concrete and gypsum board.
- ❖ DVD has constructed two concession stands: the Little 'Opihi's beachside food and beverage concession is a one-story building constructed principally of steel-reinforced concrete (floor), gypsum board (on the inside), metal stud framing on the exterior and a rock veneer. The concession stand adjacent to the Ulu Café (Commercial Unit 2006) is a one-story structure constructed principally of steel reinforced concrete (floor), gypsum board (on the inside), metal stud framing, rock veneer and portland cement plaster.

- ❖ Air Space Unit H-13 contains a cooling tower, emergency generator enclosure constructed principally of steel-reinforced concrete.
- ❖ Air Space Unit H-6A, H-6B and H-6C will initially contain a fifteen (15) story building constructed principally of reinforced concrete, gypsum board, glass, and allied building materials.
- ❖ Air Space Unit H-7 will initially contain a three (3) story building with a partial basement constructed principally of reinforced concrete, gypsum board, glass, wood, and allied building materials.
- ❖ Air Space Unit H-8 will initially contain a three (3) story building constructed principally of steel-reinforced concrete, gypsum board, glass, and allied building materials. It has a basement.

PHASE 2. The second phase, if it is constructed, is presently planned to include the addition of one or more additional floors above the building initially constructed within Air Space Unit H-7 as part of phase 1 plus various related improvements (for example, stairways, elevators, and so on) up to the upper boundary of Air Space Unit H-7. Alternately, phase 2 may provide for the complete replacement of the building initially constructed within Air Space Unit H-7 as part of phase 1 and construction of an entirely new building within the boundaries of Air Space Unit H-7. It will continue to be located within a single Air Space Unit unless Air Space Unit H-7 is subdivided into two or more

units. The new improvements of phase 2 are likely to be constructed principally of reinforced concrete, gypsum board, glass, wood and/or allied building materials.

PHASE 3. The third phase, if it is constructed, is presently planned to include the addition of one or more floors above the parking structure, and ten (10) feet above the surface parking areas, initially constructed within Air Space Unit H-1 as part of phase 1 plus various related Improvements (for example, stairways, elevators, columns, and so on to provide access to and support for the other New Improvements) up to the upper boundary of Air Space Unit H-1. Alternately, phase 3 may provide for the complete or partial replacement of the parking structure and parking areas initially constructed within Air Space Unit H-1 as part of phase 1 and construction of one or more entirely new parking structure(s) and/or building(s) within the boundaries of Air Space Unit H-1, in which case any new parking structure must have a value that is equivalent to or greater than the value of the parking structure that it replaces. In either event, DVD shall be obligated to reimburse the Owner of Air Space Unit H-1 for any revenue lost by the Owner of Air Space Unit H-1 during the construction of any Improvements in Air Space Unit H-1. DVD shall have the right to subdivide Unit H-1 into two or more Units just as if DVD was the sole Owner of such Air Space Unit(s). The new Unit containing the existing parking structure or other improvements shall become Air Space Unit H-1 and will remain a Common Element of the Condominium. The other new Unit will be owned by DVD and will no longer be part of the Condominium. The new improvements of phase 3 are likely to be constructed principally of reinforced concrete, gypsum board, glass, wood and/or allied building materials.

PHASE 4. The fourth phase, if it is constructed, is presently planned to include the addition of one or more floors above the parking structure, and ten (10) feet above the surface parking areas, initially constructed within Air Space Unit H-9 as part of phase 1 plus various related Improvements (for example, stairways, elevators, columns, and so on to provide access to and support for the other New Improvements) up to the upper boundary of Air Space Unit H-9. Alternately, phase 4 may provide for the complete or partial replacement of the parking structure and parking areas initially constructed within Air Space Unit H-9 as part of phase 1 and construction of one or more entirely new parking structure(s) and/or building(s) within the boundaries of Air Space Unit H-9, in which case any new parking structure must have a value that is equivalent to or greater than the value of the parking structure that it replaces. In either event, DVD shall be obligated to reimburse the Owner of Air Space Unit H-9 for any revenue lost by the

Owner of Air Space Unit H-9 during the construction of any Improvements in Air Space Unit H-9. DVD shall have the right to subdivide Unit H-9 into two or more Units just as if DVD was the sole Owner of such Air Space Unit(s). The new Unit containing the existing parking structure or other improvements shall become Air Space Unit H-9 and will remain a Common Element of the Condominium. The other new Unit will be owned by DVD and will no longer be part of the Condominium. The new improvements of phase 4 are likely to be constructed principally of reinforced concrete, gypsum board, glass, wood and/or allied building materials.

PHASE 5. Phase 5, if it is constructed, is planned to consist of a one-story building. It has no basement. It is likely to be constructed principally of wood. It will contain the Gazebo Unit (Unit 3001).

PHASE 6. The sixth phase, if it is constructed, is presently planned to include the addition of one or more additional floors above the building initially constructed within Air Space Unit H-8 as part of phase 1 plus various related improvements (for example, stairways, elevators, and so on) up to the upper boundary of Air Space Unit H-8. Alternately, phase 6 may provide for the complete replacement of the building initially constructed within Air Space Unit H-8 as part of phase 1 and construction of an entirely new building within the boundaries of Air Space Unit H-8. It will continue to be located within a single Air Space Unit unless Air Space Unit H-8 is subdivided into two or more units. The new improvements of phase 6 are likely to be constructed principally of reinforced concrete, gypsum board, glass, wood and/or allied building materials.

ORDER OF DEVELOPMENT. DVD has no obligation to develop any phase beyond phase 1. The units in phase 1 shall contain (i) such improvements, if any, as DVD may initially elect to construct within the unit boundaries, and (ii) subsequent to the completion of such initial construction, such improvements, if any, as the Owners of such units may elect to construct from time to time within the boundaries of their respective Air Space Units pursuant to Section 18.2A.1) of the Hotel Condominium Declaration. For example, this may include (subject to Section 9 of the Hotel Condominium Declaration) single or multi-story buildings containing multiple hotel or guest rooms, meeting rooms, administrative offices, restaurants, bars, child care facilities, health spas, fitness club, conference centers, sales and marketing offices, activity desks, parking structures, and any other lawful structures. DVD has no obligation to construct improvements in any commercial units in phase 1. DVD can develop the phases in any order that it wishes. It can also develop more than one phase at a time. DVD can also divide a phase into separate smaller phases.

EXHIBIT G

HIGHLIGHTS OF MASTER DECLARATION

The Master Declaration imposes a wide range of restrictions and controls on the Master Property. For your convenience, we will discuss or summarize some of the highlights of the Master Declaration in this Exhibit G, but *you should make time to read it yourself so that you fully understand your rights and duties*. Capitalized terms used in this Exhibit G which are not otherwise defined shall have the definitions provided for such terms in the Master Declaration. Section numbers are intended to guide you to some but not necessarily all applicable provisions of the Master Declaration.

1. Prior to the use of any name to identify: (i) any Improvements constructed on the Master Property, including any Condominium or Vacation Ownership Plan; (ii) any person or entity having management duties with respect to any Improvement or any portion of the Master Property, including any Association or management company or any subsidiary or affiliate of any of the foregoing; or (iii) any commercial or non-commercial venture operated on the Master Property when such venture seeks to use the names approved for use in connection with the Master Property; such name or use shall be submitted to Master Declarant for its approval. Master Declarant may approve or disapprove of the name or the use of such name in its sole, absolute and unfettered discretion, and under such terms, conditions and limitations as Master Declarant determines in its sole, absolute and unfettered discretion. Master Declarant's consent to the name or the use of such name, if given, shall be set forth in writing, and shall only apply to the specific Improvements, person or entity to whom such approval is given. (Sec. 3.3.2 of the Master Declaration)
2. Prior to the recording of any condominium declaration or vacation ownership declaration or additional covenants or restrictions on any portion of the Master Property or any amendment to any of the foregoing, such documents shall be submitted to Master Declarant for its written approval, in its sole discretion, and under such terms, conditions and limitations as Master Declarant determines in its sole discretion. Such written approval shall be recorded with such documents. (Sec. 3.3.3 of the Master Declaration)
3. Streets and Roadways shall be the sole and exclusive property of Master Declarant or the Owner of the property upon which such Streets and Roadways are constructed, as applicable; provided, however, that Master Declarant does reserve unto itself and grant to its guests, purchasers, invitees, licensees, and domestic help, to delivery, pickup, fire protection and emergency services, police and other authorities of the law, United States mail carriers, representatives of utilities authorized by Master Declarant or any Owner to serve the Master Property, holders of mortgage liens on such lands and such other persons as Master Declarant may from time to time designate, a license and right of enjoyment for reasonable ingress and egress over and across the Streets and Roadways and to any dedicated rights of way. (Sec. 3.3.4 of the Master Declaration)
4. Master Declarant may regulate the use of the parking areas of the Hotel Master Parcel, if any, pursuant to rules and regulations promulgated by Master Declarant in its sole, absolute, and unfettered discretion. Master Declarant shall have the right to construct and operate a security gate on the portion of the Streets and Roadways located within the Hotel Master Parcel, if any, for the purpose of regulating access to the parking spaces, and to limit such access pursuant to reasonable rules and regulations promulgated by from time to time. (Sec. 3.3.5 of the Master Declaration)
5. All water management, transportation or drainage facilities, including the Surface Water Management System, constructed or maintained on the Master Property shall not be dedicated or required for public use; provided, however, that Master Declarant may, without the consent and joinder of any Owner, dedicate or grant easements to any governmental entity for all or any part of such facilities as to which such governmental entity has agreed to maintain and service. (Sec. 3.3.6 of the Master Declaration)
6. No structural improvements or alterations to a Shared Area may be made which will jeopardize the structural integrity of the Shared Area without prior written approval of the ARO and Master Declarant. No Owner shall alter, modify, rearrange, relocate, replace, or remove any Improvement constructed or located on any Shared Area without the prior written approval of the ARO and Master Declarant. Subject to the limitations imposed on Master Declarant as set forth in Section 2.3 of the Master Declaration, Master Declarant may alter, modify, rearrange, relocate, replace, or remove any Improvement constructed or located on Shared Areas owned by Master Declarant. (Sec. 3.4.12 of the Master Declaration)
7. Master Declarant is responsible for operating and maintaining the Surface Water Management System, the cost of which will be a Shared Area Expense. (Sec. 3.12 of the Master Declaration)
8. Each Owner must maintain (a) commercial general liability insurance and automobile liability insurance protecting Master Declarant and its parent, related, affiliated and subsidiary companies and the Owners against claims for bodily injury, death or property damage occurring upon, in or about the Master Property, and (b) worker's compensation insurance to the extent required by law with respect to the Master Property and employers liability insurance. The expense of liability insurance will be a Shared Area Expense. (Sec. 4.3 of the Master Declaration) Master Declarant may elect, from time to time, to self-insure all or any portion of the risks for which insurance is required by the Master Declaration. Nobody else has this right. (Sec. 4.7 of the Master Declaration)
9. No Improvements shall be located, constructed, erected, installed, placed, attached, affixed, or maintained upon the Master Property,

nor shall any exterior addition to, change or alteration in the Improvements, be made, nor shall any tree removal or other landscaping changes be commenced or completed until the plans and specifications showing the nature, kind, shape, height, materials, color, approximate cost and location of the same shall have been submitted to and approved by the ARO, in conformity with the Disney Standard, as determined by the ARO in its sole, absolute and unfettered discretion. Any repair, rebuilding, alteration or reconstruction on account of casualty or other damage on the Master Property shall be in accordance with the Master Declaration and with the original design and construction for the damaged Improvements or with new plans approved by the ARO. Prior to commencing any Work on a Parcel, an Owner shall submit to the ARO, and obtain the written approval of the ARO of, detailed plans for all proposed Work. Any change in the outward appearance of any Improvement including repainting in a different color, adding decorative sculptures, wrought iron grills, or the like shall also require approval by the ARO before any Work is commenced. Disapproval of plans, specifications or location may be based upon any grounds, including purely aesthetic considerations, which the ARO, in its sole, absolute and unfettered discretion deems sufficient. (Sec. 5.1 of the Master Declaration)

10. Master Declarant shall provide written notice of any violation of the provisions of the Master Declaration, and failure to correct the violation within fifteen (15) business days after delivery of such notice shall give rise to Master Declarant's right to enter upon the Master Property, make such corrections or modifications as are necessary or remove anything in violation of the provisions of the Master Declaration, and charge the cost of such corrections or modifications to the entity responsible for the violation; provided, however, if such violation is not reasonably susceptible of cure within said 15-business day period, then if the cure is undertaken within said 15-business day period and diligently prosecuted thereafter, Master Declarant's rights under this section shall be deferred pending completion of such cure. Should Master Declarant be required or elect to enforce the provisions of the Master Declaration by legal action, the reasonable attorneys' fees, other professionals' fees and costs incurred, whether or not judicial proceedings are involved, including the attorneys' fees, other professionals' fees and costs incurred on appeal of such judicial proceedings and those incurred in all bankruptcy and probate proceedings, shall be collectible from the breaching party. (Sec. 5.5 of the Master Declaration)
11. The ARO and Master Declarant shall have the right to require all Owners to comply with established maintenance, repair, replacement and management standards at least as good as the Disney Standard, as determined in their sole, absolute and unfettered discretion. (Sec. 6.1 of the Master Declaration)
12. If any Improvement located on the Hotel Master Parcel containing Building Shared Components is damaged or destroyed by fire or other casualty, such damage or destruction shall be repaired and restored as promptly as is reasonably possible by, or under the supervision of, Master Declarant, or, at Master Declarant's election, in its sole, absolute and unfettered discretion, the Owner of the Hotel Master Parcel, if different than Master Declarant. Master Declarant shall be entitled to withdraw any insurance proceeds held

by the Insurance Trustee by reason of such damage, for application to the costs and expense of such repair and restoration. (Sec. 6.6.1 of the Master Declaration)

13. If any Improvements located on the Vacation Ownership Master Parcel containing Building Shared Components is damaged or destroyed by fire or other casualty, such damage or destruction shall be repaired and restored as promptly as is reasonably possible by, or under the supervision of Master Declarant, or, at Master Declarant's election, in its sole, absolute and unfettered discretion, the Owner of the Vacation Ownership Master Parcel, if different than Master Declarant. Master Declarant, in accordance with the provisions of Section 4.4 and Section 6.6.5 of the Master Declaration, shall be entitled to withdraw any insurance proceeds held by the Insurance Trustee by reason of such damage, for application to the costs and expense of such repair and restoration. (Sec. 6.6.2 of the Master Declaration)
14. All Building Shared Components damaged or destroyed by fire or other casualty shall be repaired and restored as promptly as reasonably possible unless both the Owner of the Hotel Master Parcel and the Owner of the Vacation Ownership Master Parcel mutually agree not to make sure repairs or restorations and such agreement is approved by Master Declarant in its sole, absolute and unfettered discretion. (Sec. 6.6.3 of the Master Declaration)
15. In any instance of repair or restoration which is to be performed pursuant to Section 6.6.5 of the Master Declaration, if Master Declarant's estimate of the cost and expense of performing such repair or restoration (or, if a fixed cost construction contract shall have been executed providing for the performance of such repair and restoration, then the fixed costs so provided for, plus all other expenses estimated by an architect) exceeds the amount of insurance proceeds paid by reason of the damage which shall have necessitated such repair and restoration, then Master Declarant shall determine and impose as a Shared Area Expense in accordance with Article VII upon each of the respective Owners of Parcels for their proportionate share of the amount of such excess cost and expense. (Sec. 6.6.5 of the Master Declaration)
16. Shared Area Expenses will be estimated on an annual basis by each Master Parcel Owner with respect to the Shared Areas located on the Master Parcel for such Master Parcel Owner and by Owners of certain Parcels within each Master Parcel that are separately owned or controlled as determined by the Master Declarant, and shall submit such estimate to Master Declarant for Master Declarant's review and approval. Upon receipt of such Shared Area Expenses from each such Master Parcel Owner or other Parcel Owner, Master Declarant shall determine each Owner's share of the total Shared Area Expenses. (Sec. 7.2.1 of the Master Declaration)
17. If an Owner's share of the Shared Area Expenses is not paid within thirty (30) days after the delinquency date, Master Declarant may bring an action at law against the Owner personally obligated to pay the same, and there shall be added to the amount of such obligation the costs of collection including the preparing and filing the complaint in any such action. If a judgment is obtained, such judgment shall include interest on the obligation as above provided

and a reasonable attorneys' fee or other professionals' fees, including those incurred in all probate and bankruptcy proceedings, to be fixed by the court together with the costs of the action. In addition, Master Declarant shall be entitled to deny access to Shared Areas to any Owner who is delinquent in the payment of the Owner's share of Shared Area Expenses for more than ninety (90) days after notice from Master Declarant to Owner. (Sec. 7.2.6.b of the Master Declaration)

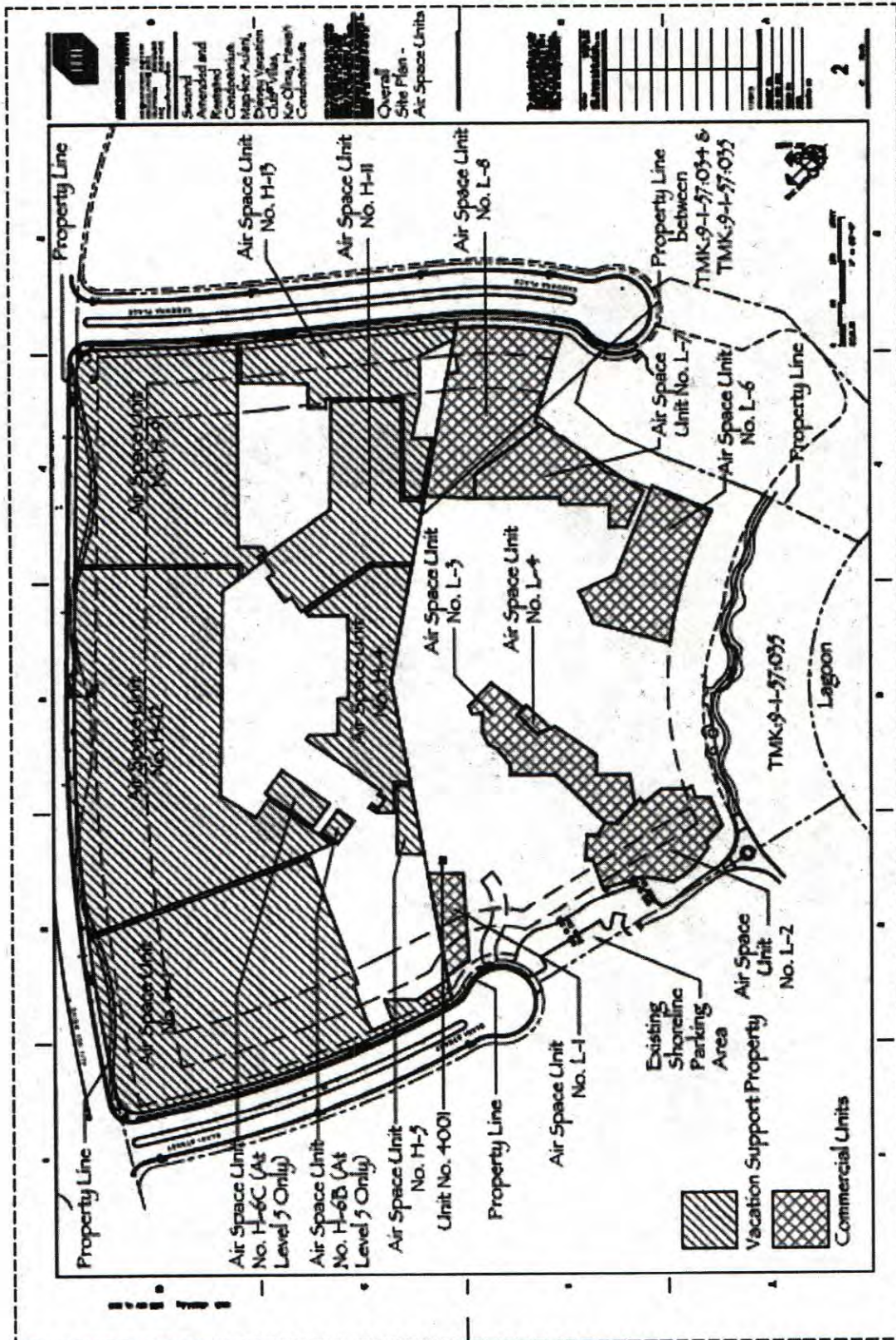
18. For any Shared Area Expenses allocated to Parcels which are solely owned by Master Declarant, Master Declarant, and not the Association, shall be responsible for the administration and collection of Shared Area Expenses for those Parcels. (Sec. 7.2.6.c of the Master Declaration)
19. If any Association fails to pay when due the Shared Area Expenses due from its members, Master Declarant shall have a lien against that Association's common expense fund for payment of the unpaid Shared Area Expenses. (Sec. 7.2.6.e of the Master Declaration)
20. Certain goods, materials, services or operational or maintenance functions are, or may be, provided on a consolidated basis for or in connection with the administration, management, maintenance, repair, renovation or operation of both the Hotel Master Parcel and Vacation Ownership Master Parcel, or between or among more than one Parcel of the Master Property. These goods, materials, services or operational or maintenance functions cannot, or cannot easily or cost-effectively, be separately provided to the respective individual Parcels, and to require that they be accounted for on a cost account basis with regard to each Association, each Parcel, ownership interest or other persons in interest or as between the Master Parcels, would impose an unnecessary administrative burden and substantially increase the costs for providing such goods, materials, services or operational or maintenance functions. Consequently, costs and expenses of Utility Services, security services and certain other labor, materials, goods and services shall be obtained or provided on a consolidated basis for or in connection with the administration, management, maintenance, repair, renovation or operation of both the Hotel Master Parcel and Vacation Ownership Master Parcel, or between or among more than one Parcel of the Master Property, and shall be shared by the respective Owners on the same basis that expenses are allocated and shared for the Shared Areas as provided for in Section 7.2 of the Master Declaration. The determination, procedures and obligations respecting the allocation and sharing of expenses

pursuant to this paragraph shall be governed by the provisions of Section 7.2 of the Master Declaration as if such expenses were Shared Area Expenses. (Sec. 7.3 of the Master Declaration)

21. There shall be no mining, quarrying or drilling for minerals, oil, gas or otherwise, undertaken within any portion of the Master Property without the specific consent of Master Declarant. (Sec. 8.2 of the Master Declaration)
22. Nothing contained in the Master Declaration shall prevent Master Declarant or any person designated by Master Declarant, from erecting or maintaining or allowing commercial and display signs for development, sales, management or other purposes, provided such are in compliance with applicable law. (Sec. 8.4 of the Master Declaration)
23. No electrical or electromagnetic signals, machinery, devices or apparatus of any sort shall be used or maintained on the Master Property which causes interference with any television or radio reception received or broadcast on any other portion of the Master Property without the approval of Master Declarant. (Sec. 8.6 of the Master Declaration)
24. No animals, household pets, livestock, or poultry of any kind shall be raised, bred, or kept on the Master Property unless approved by Master Declarant. This restriction does not apply to service animals as defined by the Americans with Disabilities Act, or to any animals being raised, bred or kept on the Master Property by Master Declarant or any of the TWDC Companies as part of the themeing and/or experience of the Resort. (Sec. 8.7 of the Master Declaration)
25. No commercial vehicles shall be parked on the Master Property, except those present on business or with the approval of Master Declarant. No inoperative automobiles, trucks, trailers or other types of vehicles shall be allowed to remain on or adjacent to any portion of the Master Property for a period in excess of forty-eight (48) hours without the prior written approval of Master Declarant, unless concealed from public view. (Sec. 8.13 of the Master Declaration)
26. The Master Declaration may be amended by any Owner, provided, however, that no such amendment shall be effective without the prior written consent of Master Declarant. (Sec. 9.3 of the Master Declaration)

THIS IS ONLY A SUMMARY OF CERTAIN OF DVD'S RESERVED RIGHTS AND SPECIAL RIGHTS UNDER THE MASTER DECLARATION. THE NATURE AND EXTENT OF THE RIGHTS OF DVD, AS THE MASTER DECLARANT, IS DESCRIBED IN AND GOVERNED BY THE MASTER DECLARATION AND THE PLAN DOCUMENTS. YOU SHOULD READ THEM.

EXHIBIT H **LOCATION OF AIR SPACE UNITS**



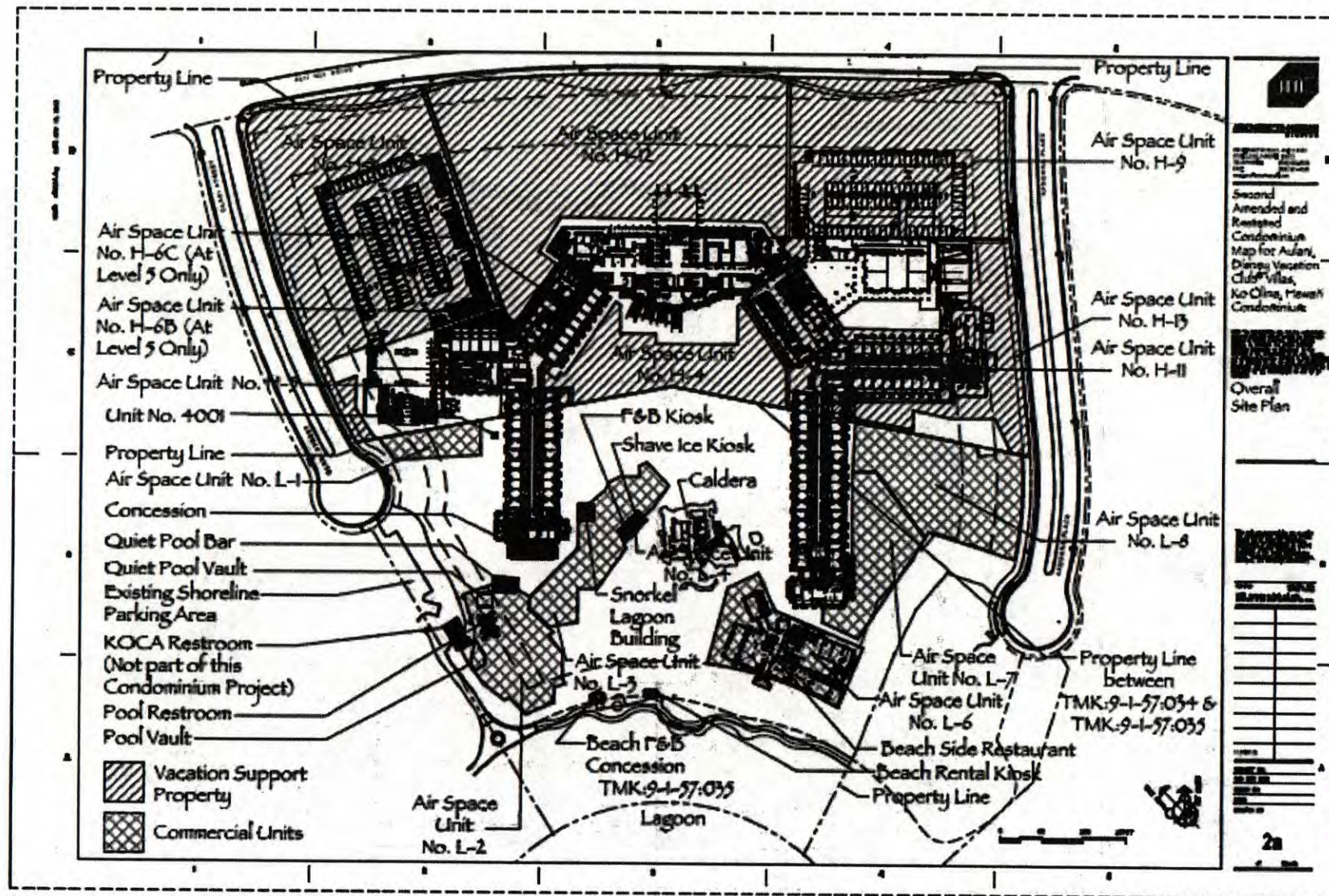


EXHIBIT I
PURCHASE PRICE, FINANCING AND CLOSING COSTS

1. **PURCHASE PRICE:** You must pay the initial purchase price stated in your Purchase Agreement. From time to time, DVD may change the purchase price and other terms of sale but this will not affect your Purchase Agreement. If any such change is made, purchasers of Ownership Interests affected by the change may pay more or less than other purchasers for similar Ownership Interests.
2. **INSTALLMENT PURCHASE TERMS:** If you wish to buy on credit from DVD then you must submit a mortgage loan application and satisfy DVD's credit underwriting standards, which may change from time to time. You must also sign a note and mortgage on your Ownership Interest. Credit approval is not guaranteed. Financing by DVD is subject to change or withdrawal without notice. If your loan application is approved, you must make monthly loan payments and pay any other amounts provided in your note and mortgage. See your Truth-In-Lending Disclosure Statement for the annual percentage rate and other important disclosures, including late charges. There are no points, prepayment penalties or balloon payments. This is not an offer of or advertisement for financing.
3. **TITLE INSURANCE:** You will receive a Hawai'i standard owner's policy of title insurance unless you provide written notice to DVD prior to Closing of your election not to purchase title insurance. You are free to choose any title insurance company authorized to write title insurance on property in Hawaii. DVD has arranged for First American Title Insurance Company to provide title insurance policies to purchasers. To choose a different title company, you must give written notice to the Escrow Agent stating the name of the title insurance company you have chosen.
4. **CLOSING COSTS; DOCUMENT PREPARATION FEE:** "Closing Costs" means all costs and expenses of Closing the sale of an Ownership Interest. It includes, for example: (i) the Escrow Agent's fee, (ii) conveyance taxes, (iii) notary fees, (iv) recording costs, (v) charges for credit reports on the Purchaser obtained by DVD, (vi) costs of preparing the Purchaser's Deed and any loan or financing documents, (vii) costs of title insurance, (viii) all loan fees and costs, (ix) any document preparation fee charged by DVD, and (x) postage and handling fees. You must pay the document preparation fee shown in your Purchase Agreement and all other Closing Costs. DVD's document preparation fee is not a finance charge and must be paid whether purchaser pays in cash or finances the purchase. If the document preparation fee charged by DVD exceeds its actual costs or expenses, DVD may retain the excess to help pay for its expenses in selling the Ownership Interests. Please consult your Settlement Statement for a list of your Closing Costs. DVD may elect, in its discretion, to pay for some or all of your Closing Costs.

End of Exhibit I

EXHIBIT J
TIMESHARE ASSOCIATION ESTIMATED BUDGET & NOTES
HOTEL CONDOMINIUM ASSOCIATION ESTIMATED BUDGET & NOTES

Aulani, Disney Vacation Club® Villas, Ko Olina, Hawai'i
2015 Dues Assessments

Association	Annual Dues Per Vacation Point (all amounts expressed in 2015 dollars)
Alī'i Nui Vacation Owners Association, Inc.	
Operating	\$3.4878
Reserve	\$0.6077
Alī'i Nui Villas Condominium Association, Inc.	
Operating	\$1.7745
Reserve	\$0.1973
Real Property Taxes	\$0.4451
TOTAL	\$6.5124

Ali'i Nui Vacation Owners Association, Inc.

The 2015 Budgets were calculated based on the Association's 2014 fiscal year operating experience and anticipated or known changes in costs for 2015. Please direct Annual Dues questions to Member Accounting at 800-800-9800 or 407-566-3800, Option 3.

Estimated Operating Budget For January 1, 2015 Through December 31, 2015

203 Vacation Homes		
Revenue Components	2015 Annual Budget	2015 Annual Budget (Per Vacation Point)
Member Late Fees and Interest	\$37,992	\$0.0077
Breakage Income	1,157,763	0.2329
Member Annual Dues Assessment	17,335,537	3.4878
TOTAL REVENUES AND INCOME	\$18,531,292	\$3.7284
Cost Components		
Administration and Front Desk	\$4,496,356	\$0.9046
Annual Audit	15,029	0.0030
Master Association Fees	304,199	0.0612
DVC Reservation Component	23,050	0.0046
General Excise Tax	969,830	0.1951
Housekeeping	3,859,030	0.7766
Income Taxes	335,404	0.0675
Insurance	366,981	0.0738
Legal	1,045	0.0002
Maintenance	2,055,832	0.4136
Management Fee	2,272,300	0.4572
Member Activities	82,805	0.0167
Resort Access Fee	1,181,862	0.2378
Security	405,299	0.0815
Utilities	2,162,270	0.4350
TOTAL OPERATING EXPENSES	\$18,531,292	\$3.7284

Estimated Capital Reserves Budget For January 1, 2015 Through December 31, 2015

<u>203 Vacation Homes</u>		
Replacement Fund Components	2015 Annual Budget	2015 Annual Budget (Per Vacation Point)
Capital Reserves	\$3,028,598	\$0.6093
Interest Income	(8,109)	(0.0016)
TOTAL CAPITAL RESERVES BUDGET	\$3,020,489	\$0.6077

Capital Reserve Analysis For The Year Ended December 31, 2014

Replacement Fund Components	Estimated Fund Balance as of December 31, 2014	Estimated Useful Lives (Years)	Estimated Remaining Useful Lives (Years)	Estimated Current Replacement Costs (203 Vacation Homes)
Roof Replacement/Repair				\$ -
Interior Refurbishment		1 - 30	1 - 27	31,092,839
External Building Painting				-
Common Element Renovation				-
Pavement Resurfacing				-
Capital Reserves	\$8,108,714			
TOTAL	\$8,108,714			\$31,092,839

Ali'i Nui Villas Condominium Association, Inc.

The 2015 Budgets were calculated based on the Association's 2014 fiscal year operating experience and anticipated or known changes in costs for 2015. Please direct Annual Dues questions to Member Accounting at 800-800-9800 or 407-566-3800, Option 3.

Estimated Operating Budget For January 1, 2015 Through December 31, 2015

Revenue Components	Total	Air Space Units	Standard Commercial Units	203 Vacation Homes	
				Vacation Ownership Units	2015 Annual Budget (Per Vacation Point)
Condominium Commercial Facilities Revenue	\$4,189,435	\$37,625	\$194,292	\$3,957,518	\$0.3436
Shared Area Income	2,908,651	26,122	134,894	2,747,635	0.2385
Member Annual Dues Assessment	21,619,935	168,152	1,011,754	20,440,028	1.7745
TOTAL REVENUES AND INCOME	\$28,718,021	\$231,899	\$1,340,940	\$27,145,181	\$2.3566
Cost Components					
Administration	\$775,372	\$6,964	\$35,959	\$732,449	\$0.0636
Annual Audit	15,029	135	697	14,197	0.0012
Master Association Fees	243,747	2,189	11,304	230,254	0.0200
General Excise Tax	319,414	2,869	14,813	301,732	0.0262
Custodial	2,052,212	6,821	99,936	1,945,455	0.1689
Income Taxes	411,534	3,696	19,086	388,753	0.0337
Insurance	625,283	5,616	28,999	590,668	0.0513
Legal	1,045	9	48	987	0.0001
Maintenance	2,322,390	10,113	110,986	2,201,291	0.1911
Management Fee	2,640,853	20,055	123,525	2,497,273	0.2168
Member Activities	10,516,194	94,445	487,706	9,934,042	0.8624
Security	291,855	2,621	13,535	275,698	0.0239
Utilities	1,565,130	14,056	72,586	1,478,488	0.1284
Hotel Condominium Assessment	347,141	3,118	16,099	327,924	0.0285
Shared Area Expenses	6,590,822	59,192	305,661	6,225,970	0.5405
TOTAL OPERATING EXPENSES	\$28,718,021	\$231,899	\$1,340,940	\$27,145,181	\$2.3566

Estimated Capital Reserves Budget For January 1, 2015 Through December 31, 2015

Replacement Fund Components	Total	Air Space Units	Standard Commercial Units	203 Vacation Homes	
				Vacation Ownership Units	2015 Annual Budget (Per Vacation Point)
Capital Reserves	\$2,356,260	\$14,369	\$109,593	\$2,232,298	\$0.1938
Hotel Condominium Assessment	14,239	128	660	13,451	0.0012
Shared Area Expense	303,343	2,724	14,069	286,549	0.0249
Interest Income	(9,160)	(82)	(425)	(8,652)	(0.0008)
Shared Area Income	(265,590)	(2,385)	(12,317)	(250,888)	(0.0218)
TOTAL CAPITAL RESERVES BUDGET	\$2,399,092	\$14,754	\$111,580	\$2,272,758	\$0.1973

Capital Reserve Analysis For The Year Ended December 31, 2014

Replacement Fund Components	Estimated Fund Balance as of December 31, 2014	Estimated Useful Lives (Years)	Estimated Remaining Useful Lives (Years)	Estimated Current Replacement Costs
Roof Replacement/Repair		20 - 40	16 - 36	\$10,697,990
Interior Refurbishment				
External Building Painting		7 - 10	4 - 7	6,480,575
Common Element Renovation		3 - 30	1 - 27	30,666,489
Pavement Resurfacing		3 - 20	1 - 16	570,672
Shared Area Expenses		5 - 30	1 - 27	3,899,520
Capital Reserves	\$8,974,956			
TOTAL	\$8,974,956			\$52,315,246

Budget Notes For 2015 Estimated Operating And Reserve Budgets For

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

These budget notes are for the 2015 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 Condominiums 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 Estimated Operating and Capital Reserve Budgets, less non-assessment revenue, of each Association exclusive of 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 \$3,487.88 per Vacation Point through December 31, 2015 (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 Owners other than DVD with respect to such operating costs (excluding real property 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 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 \$0.6077 per Vacation Point through December 31, 2015. 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. 2015 Dollars - All costs are stated in 2015 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 ("Vacation Owners Association" or "Association"):

DVD is a Florida corporation and a subsidiary 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 period from January 1, 2013 through December 31, 2013, DVD entered into a limited subsidy agreement with the Association. Pursuant to the agreement, DVD agreed to pay to the Association: (1) an amount equal to the difference between the actual amount budgeted for reserve assessments for such fiscal year and the actual sum of the amount of reserve assessments collected from all owners and other income from other sources to be applied against such reserve assessments, and (2) an amount equal to the difference between the actual costs (exclusive of ad valorem real estate taxes) incurred in operating the Vacation Plan and the sum of all amounts assessed to owners other than DVD with respect to such operating costs (exclusive of ad valorem real estate taxes) and other income from other sources to be applied against such operating costs.

The obligation under this agreement for the year ended December 31, 2013 was as follows:

	<u>Operating</u>	<u>Replacement</u>	<u>Total</u>
2013 common expenses and replacement funding	\$21,811,579	\$ 3,099,531	\$24,911,110
Annual dues from owners other than DVD	(6,741,838)	(1,422,147)	(8,163,985)
Annual dues from DVD	(11,273,475)	(1,677,384)	(12,950,859)
Revenue from other sources	(1,145,778)	-	(1,145,778)
DVD obligation under the subsidy agreement	2,650,488	-	2,650,488
Due from DVD as of January 1, 2013	1,261,039	-	1,261,039
Net payments from DVD and expenses paid on Association's behalf	(4,787,869)	-	(4,787,869)
Due to DVD as of December 31, 2013	<u>\$(876,342)</u>	<u>-</u>	<u>\$(876,342)</u>

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. Management fees incurred during the year ended December 31, 2013, were \$2,744,439.

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, 2013, the Association received \$1,127,417 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, 2013, the amount due to DVCHMC of \$635,816 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 subsidiary 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 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, 2013, DVD subsidized the operations of the Vacation Ownership Condominium Association for common expenses incurred in the amount of \$1,753,361. As of December 31, 2013, the amount due from DVD related to the subsidy was \$888,005.

During the year ended December 31, 2013, DVD annual dues paid to the Vacation Ownership Condominium Association were \$14,445,032.

DVCHMC, a Florida corporation, is the manager of the Vacation Ownership Condominium 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. Management fees incurred during the period ended December 31, 2013, were \$1,912,950.

Substantially all operating expenses have been allocated to the Vacation Ownership Condominium 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, 2013, the amount due to DVCHMC of \$1,288,549 related to allocable expenses, net of annual dues collected but not yet remitted to the Vacation Ownership Condominium Association.

5. Property Management Agreement – Each Association currently has a five-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 Real Property Taxes For January 1, 2015 Through December 31, 2015

The amount of real property 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 Honolulu. Each Owner's share of the estimated real property tax assessments to be included on each Owner's 2015 Annual Dues billing statement will be \$0.4451 per Vacation Point. This is an annual amount based in part on the actual property taxes assessed against the Resort for the first half of 2015 (January 1st to June 30th). This is DVCHMC's best estimate of the actual taxes which will be assessed for the tax year 2015. DVCHMC does not certify this ad valorem tax estimate. Each Owner is responsible for his or her per Vacation Point share of the actual real estate 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.

2015 Estimated Annual Dues Assessment

The estimated Annual Dues for the year January 1, 2015 through December 31, 2015 are \$6.5124 per Vacation Point, which is comprised of the estimated Annual Operating Budget (\$3.4878 per Vacation Point), and Capital Reserves Budget (\$0.6077 per Vacation Point) for the Vacation Owners Plan; plus the estimated Annual Operating Budget (\$1.7745 per Vacation Point) and Capital Reserves Budget (\$0.1973 per Vacation Point) for the Vacation Ownership Condominium and the estimated real property taxes (\$0.4451 per Vacation Point). The total amount of Annual Dues (including estimated real property 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 \$6.5124. For example, if the Ownership Interest is represented by 230 Vacation Points, the estimated Annual Dues would be \$1,497.85.

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 2015, the annual credit is equal to \$1.6184 per Vacation Point. As a result, in 2015, each such Owner's Annual Dues Assessment for Plan and Condominium Expenses (Operating and Capital Reserve Expenses) and real estate taxes shall be \$4.8940 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.

The 2015 Budgets were calculated based on the Association's 2014 fiscal year operating experience and anticipated or known changes in costs for 2015. Please direct Annual Dues questions to Member Accounting at 800-800-9800 or 407-566-3800, Option 3.

Estimated Operating Budget For January 1, 2015 Through December 31, 2015

Revenue Components	Total	Hotel Units	203 Vacation Homes
			Vacation Support Units
Member Annual Dues Assessment	\$738,424	\$391,284	\$347,141
TOTAL REVENUES AND INCOME	\$738,424	\$391,284	\$347,141

Cost Components			
Administration	\$129,377	\$68,556	\$60,822
Annual Audit	15,029	7,964	7,065
Insurance	88,456	46,872	41,584
Legal	1,045	554	491
Maintenance	200,681	106,339	94,343
Management Fee	85,810	45,470	40,340
Security	34,266	18,157	16,109
Utilities	183,760	97,372	86,387
TOTAL OPERATING EXPENSES	\$738,424	\$391,284	\$347,141

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

Estimated Capital Reserves Budget For January 1, 2015 Through December 31, 2015

Replacement Fund Components	Total	Hotel Units	203 Vacation Homes
			Vacation Support Units
Capital Reserves	\$30,289	\$16,050	\$14,239
TOTAL CAPITAL RESERVES BUDGET	\$30,289	\$16,050	\$14,239

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

Capital Reserve Analysis For The Year Ended December 31, 2014

Replacement Fund Components	Estimated Fund Balance as of December 31, 2014	Estimated Useful Lives (Years)	Estimated Remaining Useful Lives (Years)	Estimated Current Replacement Costs
Roof Replacement/Repair				\$ -
Interior Refurbishment				-
External Building Painting				-
Common Element Renovation		3 - 30	1 - 27	633,593
Pavement Resurfacing		3 - 20	1 - 16	10,460
Capital Reserves	<u>\$184,583</u>			
TOTAL	<u>\$184,583</u>			<u>\$644,053</u>

Budget Notes For 2015 Estimated Operating and Reserve Budgets For
Ali'i Nui Hotel Condominium Association, Inc. ("Hotel Condominium Association")

These budget notes are for the 2015 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 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 Association business.
5. Maintenance - Cost of interior and exterior maintenance and repairs of the Common Elements of the 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 Association according to the Property Management Agreement for the Association. The fee is equal to 12 percent of the total Operating Budget and Capital Reserve Budget, less non-assessment revenue, of the Association exclusive of 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. 2015 Dollars - All costs are stated in 2015 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 subsidiary of The Walt Disney Company ("TWDC"), a Delaware corporation. DVD acquired a term-of-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 Association. Certain directors or officers of the Association are also employees of TWDC or its affiliates.

During the year ended December 31, 2013, DVD annual dues paid to the Association were \$313,543. As of December 31, 2013, the amount due to DVD of \$10,277 related to allocable expenses, net of annual dues.

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

Management fees payable to DVCHMC are 12 percent of the total annual operating and reserve budget exclusive of non-assessment revenues, ad valorem taxes, and the management fee. Management fees incurred during the year ended December 31, 2013, were \$42,303.

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, 2013, the amount due to DVCHMC of \$22,666 related to allocable expenses, net of annual dues collected but not yet remitted to the Association.

4. Property Management Agreement - The 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 Association to provide all services, through employees and experts retained by it, incidental to the management and operation of the Condominium. However, certain operating expenses may be incurred through other TWDC entities.

EXHIBIT K

HOTEL CONDOMINIUM COMMON INTERESTS

<u>UNIT No.</u>	<u>COMMON INTEREST</u>
H-1	12.079352%
H-2	13.002368%
H-3	2.502012%
H-4	3.262060%
H-5	0.333911%
H-6A	5.904604%%
H-6B	0.005316%
H-6C	0.016059%
H-7	18.930696%
H-8	12.763521%
H-9	8.616109%
H-10	1.792215%
H-11	4.156533%
H-12	13.422708%
H-13	3.181986%
3001	0.030550 %

EXHIBIT L

§ 514B-87. Rescission after sales contract becomes binding.

(a) Purchasers shall have a thirty-day right to rescind a binding sales contract for the purchase of a unit from a developer if there is a material change in the project. This rescission right shall not apply, however, in the event of any additions, deletions, modifications and reservations including, without limitation, the merger or addition or phasing of a project, made pursuant to the terms of the declaration.

(b) Upon delivery to a purchaser of a description of the material change on a form prescribed by the commission, the purchaser may waive the purchaser's rescission right provided in subsection (a) by:

- (1) Checking the waiver box on the option to rescind sales contract instrument, signing it, and delivering it to the seller;
- (2) Letting the thirty-day rescission period expire without taking any action to rescind; or
- (3) Closing the purchase of the unit before the thirty-day rescission period expires.

(c) In order to be valid, a rescission form must be signed by all purchasers of the affected unit, and postmarked no later than midnight of the thirtieth calendar day after the date that the purchasers received the rescission form from the seller. In the event of a valid exercise of a purchaser's right of rescission pursuant to this section, the purchasers shall be entitled to a prompt and full refund of any moneys paid.

(d) The rescission form obtained by the seller under this section shall be kept on file in possession of the seller and shall be subject to inspection at a reasonable time by the commission or its staff or agents, for a period of three years from the date the receipt or return receipt was obtained.

(e) This section shall not preclude a purchaser from exercising any rescission rights pursuant to a contract for the sale of a unit or any applicable common law remedies.

EXHIBIT M

Definitions of Shared Area and Shared Area Expenses

The Master Declaration provides a means for sharing the portions of the Resort designated as "Shared Areas" and for sharing expenses of the Resort designated as "Shared Area Expenses." This Exhibit M is intended to help you better understand how this works.

A. Summary of Key Terms. The following terms are defined in the Master Declaration in considerably more detail. To make this Exhibit M easier to read and understand, we have paraphrased their meaning for you. For a complete understanding, however, you should read the actual definitions of these terms as stated in the Master Declaration. In case of an inconsistency, the Master Declaration controls.

1. **"Master Property"** is used to refer to the Resort and any other property that is submitted to the Master Declaration.

2. **"Parcel"** means part of the Master Property. Currently, there are two "Parcels", as follows:

➤ **"Vacation Ownership Master Parcel"** refers to the Condominium and any additional property submitted to the Master Declaration that is designated as being a part of the Vacation Ownership Master Parcel

➤ **"Hotel Master Parcel"** means the rest of the Master Property (in other words, the Hotel Condominium);

3. **"Improvements"** refers to the structures, buildings, infrastructure and other facilities located on the Master Property.

4. **"Accommodations"** means hotel rooms, timesharing lodgings and so on.

5. **"Beach"** means any portion of the beach that is located within the boundaries of the Condominium.

6. **"Shared Vertical Transportation"** refers to things like elevators.

5. **"Declarant"** refers to DVD.

6. **"Architectural Review Officer"** or **"ARO"** means DVD or someone appointed by DVD.

B. Key Terms. The following terms are quoted from the Master Declaration. Capitalized terms used in this Exhibit M which are not listed below are defined in the Master Declaration. You should read it to be sure that you fully understand these terms.

1. **"Shared Area Expenses"** means all costs and expenses of maintenance and operation of the Shared Areas, including the payment of insurance on the Shared Areas, and all expenses of repair, refurbishment, preservation, enhancement, or replacement of the Shared Areas including, without limitation, all Capital Improvement Expenses and reserves therefor, and all costs of labor, equipment,

materials, insurance and landscaping related to the Shared Areas including, without limitation, all Capital Improvement Expenses and all costs related to services provided to or from the Shared Areas, including, without limitation, check in/check out services, concierge and valet services, housekeeping and janitorial services.

2. **"Shared Areas"** means those portions of the Master Property consisting of the Designated Facilities, any portions of Streets and Roadways, the Pools, any Open Areas, the Beach, sidewalks and pedestrian walkways, any portions of the Building Shared Components, security gates, interior hallways, entranceways, the Surface Water Management System, storm water drainage systems, water distribution systems and other Utility Service systems, trash compactors, trash dumpsters, delivery area and loading dock, lift stations, or any other Improvements (except Accommodations) that are commonly-used or integral to the structure, operation, use, or enjoyment of the Master Property as determined by the ARO, in its sole, absolute, and unfettered discretion, from time to time, and any of the following systems and equipment to the extent such systems and equipment serve both Master Parcels: building control system hardware, software, and computer stations, central security system, fire escapes, fire command center, fire panels, fire equipment room, emergency generator room, fire pump room, switch gear equipment, generator, fuel tank, fire pump and, fire sprinkler systems, water pump, water distribution systems, piping systems, exfiltration systems, sewage collection system, storm water drainage system; electrical systems, main electrical room (and appurtenant equipment), mechanical rooms, exterior lighting, generators, lighting protection systems, communication systems (low voltage system), HVAC shafts, chiller, cooling tower, exhaust chases, smoke evacuation systems and ventilation chases, boilers, pipes, compressors, conduits, ducts, engines, equipment, plumbing, and ventilating. The ARO shall have the right, in its sole, absolute, and unfettered discretion, to determine that any area (other than a Designated Facility) no longer needs to be a Shared Area. Shared Areas shall not include any Accommodations, but will include the Building Shared Components supporting such Accommodations. Shared Areas also will not include any facilities used for the conduct of a business, as offices, for commercial activities, or for profit-making ventures as determined by the ARO, in its sole, absolute, and unfettered discretion.

❖ **"Designated Facilities"** consist of such facilities as Declarant may specifically designate, from time to time, as "Designated Facilities" in its sole, absolute, and unfettered discretion. Such designation shall be made by the filing of record, from time to time, of an instrument referencing the provisions of this Master Declaration executed by Declarant and recorded or filed in the Land Court. At the time of the initial recording or filing of this Master Declaration, the lazy river and adjacent pool and related facilities and the caldera waterslides all as described and depicted on Exhibit B are Designated Facilities.

- ❖ **"Streets and Roadways"** means all ingress and egress infrastructure constructed upon or across the Master Property including streets, roadways, driveways, parking areas, paths and sidewalks.
- ❖ **"Pools"** means any swimming pools and related facilities (i.e., lazy river, pool slides, hot tubs, kiddie pools, interactive fountains, pool chairs, etc.) located on any portion of the Master Property, regardless of whether such pools and related facilities exist as of the date of this Master Declaration or are constructed subsequent to the date of this Master Declaration. The snorkel lagoon is not a "Pool."
- ❖ **"Open Area"** means those areas of open space located from time to time on the Master Property and that are not included within the Improvements.
- ❖ **"Building Shared Components"** means all of those Improvements, whether located on the Hotel Master Parcel or the Vacation Ownership Master Parcel, which service or support the Improvements on both the Hotel Master Parcel and Vacation Ownership Master Parcel and include, but are not limited to, roof membranes, roofs, Roof Drains, foundational elements, slabs, exterior and external walls, stucco finish, water proofing, sealants and caulking, load-bearing walls, party walls, shear walls, support beams, columns, masonry, patios, balconies, railings, terraces, and other structural support systems and devices, expansion joints, exterior glass windows, exterior doors, shafts, exterior light fixtures, Utility Services, wiring, conduits, chilled water risers, plumbing, lines, cables, pipes, HVAC systems, life/safety systems, building control system hardware, software, and computer stations, central security system, fire escapes, fire command center, fire panels, fire equipment room, emergency generator room, fire pump room, switch gear equipment, generator, fuel tank, fire pump and fire sprinkler systems, water pump, water distribution systems, piping systems, exfiltration systems, sewage collection system, Surface Water Management System, storm water drainage system, electrical systems, main electrical room (and appurtenant equipment), mechanical rooms, generators, lighting protection systems, communication systems (low voltage system), chiller, cooling tower, ducts, exhaust chases, smoke evacuation systems and ventilation chases, boilers, compressors,

ducts, engines, equipment, and ventilation and other basic structural and support components, features or systems of, in, on or relating to Improvements and which are shared between the Improvements located on the Hotel Master Parcel and the Improvements located on the Vacation Ownership Master Parcel necessary to operate, maintain and support such Improvements, as well as the Shared Vertical Transportation located, constructed, or installed in the aforementioned Improvements, Master Parcels and buildings, but specifically excluding all personal property, fixtures, interior finishes, and other items or contents owned by or added, installed, or constructed therein by an Owner.

- ❖ **"Surface Water Management System"** means the surface water management system located on the Master Property consisting of any swales, inlets, culverts, retention ponds, outfalls, storm drains, pump stations, connecting pipes and similar systems used in connection with the retention, drainage and control of surface water.
- ❖ **"Utility Services"** means any kind of utilities servicing the Master Property whatsoever, including water, natural gas, cable television, telephone service, electricity, sewage and solid waste disposal and communications and any other similar public service or convenience facility supplied to any portion of the Master Property.
- ❖ **"Capital Improvement Expense"** means a charge against each Owner and its Parcel, representing a portion of the costs incurred for construction, installation or replacement of any capital improvement to or for any portion of the Shared Areas (including the Building Shared Components), or any repair of such an Improvement amounting to a capital expenditure under generally accepted accounting principles. "Construction" herein does not refer to the initial construction of any portion of the Shared Area or other Improvements.

C. Shared Building. The Hotel Condominium Declaration designates the building located in Units H-6A, H-6B and H-6C of the Hotel Condominium as a "Shared Building." The costs of maintenance and repairs to the Shared Building will be shared in the manner provided for Shared Area Expenses in the Master Declaration.

EXHIBIT N

Structure of the Resort

The Aulani Resort currently consists of two condominium projects: the Condominium and the Hotel Condominium.

The Condominium currently has 199 Resort Units and 14 Commercial Units.

Some of the Commercial Units are "Air Space Units." The boundaries of Air Space Units are generally established by imaginary lines depicted on the Condominium Map and/or described in the other Condominium Documents. Air Space Unit Owners can construct, expand, reduce, remove, replace, or otherwise change the building or buildings and improvements within the boundaries or "envelope" of the Air Space Unit. This includes the right, for example, to expand the buildings or other improvements to the boundaries of the Air Space Unit, to change the exterior appearance of the building(s), lanais, or other improvements, to excavate the land within the boundaries of the Air Space Unit, to add one or more basements within the boundaries of the Air Space Unit, and to remove, add to, or otherwise change the interior and/or exterior of the building walls, roofs, windows, window frames, doors, door frames, columns, beams, structural elements, roofs, floors, underground improvements, and other structures, facilities and improvements within the boundaries of the Air Space Unit. These activities may result in noise, dust, soot, smoke, odors, surface water runoff, vibrations and other nuisances and hazards. They may also partially or completely obstruct the views from some or all of the Condominium Units.

There are seven Air Space Units within the Condominium. They are shown on Exhibit H and identified as Air Space Units L-1, L-2, L-3, L-4, L-6, L-7 and L-8. Located within these seven Air Space Units are various lawn areas, the quiet pool bar and other commercial facilities, the snorkel lagoon and check-in building, the 'Ama 'Ama beachside restaurant, the Papalua shave ice kiosk, Mama's Snack Stop (located next to Papalua Shave Ice), most of the Ka Maka Grotto pool, a pool bathroom, most of the Keiki Cove kids splash pool, and the kids' club play area. These Air Space Units and the facilities and improvements in them are owned by DVD and not the Owners.

The Hotel Condominium includes fifteen (15) Air Space Units, as follows:

- ❖ Seven Air Space Units (Units H-2, H-3, H-4, H-6A, H-7 H-8 and H-10) are part of the Hotel. Among other things, they contain the Hotel lobby building, a tower containing hotel rooms, most of another tower containing hotel rooms, the spa, the spa lanai and the convention center. These Air Space Units and the facilities and improvements in them are owned by DVD and not the Owners.
- ❖ DVD has exercised DVD's Reserved Rights to add (in legal terms, "annex") nine Air Space Units (Units H-1, H-4, H-5, H-6B, H-6C, H-9, H-11, H-12 and H-13) into the Condominium. As a practical matter, DVD treated seven of these Units (Units H-1, H-4, H-5, H-9, H-11, H-12 and H-13) as though they were empty lots and simply added them into the Condominium. This means that the land located within these seven Units is part of the Condominium — even though it is still part of the Hotel Condominium as well. You could say that the boundaries of the Condominium overlap those of the Hotel Condominium. The buildings and other improvements located within these seven Air Space Units, however, belong solely to the Condominium and its owners; they are not part of the Hotel Condominium.
- ❖ The Hotel Condominium used to have a unit numbered H-6. It was an Air Space Unit and it contained a single tower containing hotel rooms and other improvements. DVD split Air Space Unit H-6 into Air Space Units H-6A, H-6B and H-6C, each containing various hotel rooms and other components of the building. Units H-6B and H-6C contain a total of eight hotel rooms. Air Space Units H-6B and H-6C have been annexed into the Condominium and the Plan. As a result, the hotel rooms located in Units H-6B and H-6C are now part of the Condominium and the Plan. The building located in Units H-6A, H-6B and H-6C is called the "Shared Building" in the Hotel Condominium Documents. The costs of maintenance and repairs to the Shared Building will be shared in the manner provided for Shared Area Expenses in the Master Declaration.

Each owner of a Condominium Unit in the Condominium still has two kinds of ownership: (1) ownership in an individual Condominium Unit in the Condominium; and (2) an undivided interest in the Common Elements of the Condominium, including, among other things, the land of Air Space Units H-1, H-4, H-5, H-9, H-11, H-12 and H-13.

As a result, an Owner of a Condominium Unit in the Condominium (including each Owner of an Ownership Interest) will be a member not just of the Condominium Association for the Condominium, but also the Hotel Condominium Association. Among other things, this means that an Owner of an Ownership Interest will have the right to attend and participate in meetings of the Hotel Condominium Association and must pay a share of the common expenses of the Hotel Condominium Association. This amount currently is included in the Estimated Budget of the Condominium Association and paid by Owners as part of their Regular Assessment of Common Expenses instead of being billed to them separately.