

DIVISION OF REAL ESTATE
STATE OF UTAH
JONATHAN STEWART, DIRECTOR

IN THE MATTER OF THE APPLICATION OF:

DISNEY VACATION DEVELOPMENT INC]
1390 CELEBRATION BLVD]
CELEBRATION FL 34747] PROPERTY REPORT
] NO. RET 13-03-01 8610871- TIME

FOR A REGISTRATION TO OFFER]
TIMESHARE INTERESTS IN:] EFFECTIVE DATE: MARCH 6, 2015

THE VILLAS AT DISNEY'S GRAND FLORIDIAN] EXPIRATION DATE: MARCH 31, 2016
RESORT]
ORANGE COUNTY, FLORIDA]

BUYER MUST SIGN THAT HE HAS RECEIVED AND READ THIS REPORT
PROSPECTIVE PURCHASERS ARE URGED TO VISIT AND INSPECT THE PROPERTY BEFORE ENTERING
INTO ANY BINDING AGREEMENT TO PURCHASE. THE PURCHASER SHOULD ASCERTAIN FOR
HIMSELF WHETHER OR NOT THE PROPERTY MEETS HIS PERSONAL REQUIREMENTS AND
EXPECTATIONS. PURCHASER SHOULD BE PARTICULARLY AWARE OF ISSUES SUCH AS:

THIS PROJECT IS LOCATED IN THE STATE OF FLORIDA. PURCHASERS ARE
ENCOURAGED TO READ THE FLORIDA PROPERTY REPORT FOR INFORMATION RELEVANT
TO THE PURCHASE AND OWNERSHIP OF TIMESHARES IN THAT STATE.

DO NOT PURCHASE ANY TIMESHARE JUST FOR THE BENEFITS DERIVED FROM USE EXCHANGE
PROGRAMS. THERE IS NO GUARANTEE OF THE CONTINUANCE, PERMANENCY OR SITE
AVAILABILITY OF SUCH PROGRAMS.

SEEK PROFESSIONAL ADVICE IF QUESTIONS ARISE REGARDING THESE MATTERS.

ALL TERMS OF PURCHASE AND OTHER PROMISES SHOULD BE IN WRITING.

PURCHASERS WHO BUY ON SPECULATION SHOULD BE ADVISED THAT THE RESALE MAY NOT
PRODUCE A PROFIT AS THE ORIGINAL COST INCLUDES PROMOTIONAL, ADVERTISING, AND SALES
COMMISSION COSTS.

PURCHASERS RIGHT TO CANCEL: "YOU MAY CANCEL THIS AGREEMENT WITHOUT ANY
CANCELLATION FEE OR OTHER PENALTY BY HAND DELIVERING OR SENDING BY CERTIFIED MAIL
WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER. THE NOTICE MUST BE DELIVERED OR
POSTMARKED BY MIDNIGHT OF THE FIFTH BUSINESS DAY FOLLOWING THE DAY ON WHICH THE
AGREEMENT IS SIGNED. IN COMPUTING THE NUMBER OF BUSINESS DAYS, THE DAY ON WHICH
THE CONTRACT IS SIGNED IS NOT INCLUDED." (57-19-12, UTAH CODE)

UTAH STATE PROPERTY REPORT DISCLAIMER

THIS PROPERTY REPORT IS FOR INFORMATION PURPOSES ONLY. THE UTAH DEPARTMENT OF
COMMERCE, DIVISION OF REAL ESTATE, HAS NEITHER APPROVED NOR DISAPPROVED THE MERITS
OF THIS OFFERING. THE DEVELOPER IS RESPONSIBLE FOR THE ACCURACY AND COMPLETENESS
OF STATEMENTS CONTAINED HEREIN. FOR FURTHER INFORMATION CONTACT: DIVISION OF REAL
ESTATE, 160 E. 300 S., PO BOX 146711 SALT LAKE CITY, UT 84114-6711 (801-530-6747).

THE VILLAS AT DISNEY'S GRAND FLORIDIAN RESORT
A LEASEHOLD CONDOMINIUM

This public offering statement contains important matters to be considered in acquiring an interest in a vacation ownership plan. The statements contained herein are only summary in nature. A prospective purchaser should refer to all references, exhibits hereto, contract documents, and sales materials. You should not rely upon oral representations as being correct. Refer to this document and accompanying exhibits for correct representations. The seller is prohibited from making any representations other than those contained in the contract and this public offering statement.

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I. DEFINITIONS AND ABBREVIATIONS

All terms contained in this Public Offering Statement shall have the meanings ascribed to them by Florida Statutes or the Condominium Documents. The following definitions shall prevail to the extent that they are not in conflict with the statutory or Condominium Document definitions:

Additional Ownership Interest means any Ownership Interest purchased to supplement an existing Ownership Interest.

Ad Valorem Real Estate Taxes means those real property taxes assessed against the Units and their respective undivided interests in the Common Elements by Orange County, Florida and RCID. The Association shall serve as the agent of the Owners of Units committed to the Vacation Ownership Plan for the purpose of collection of Ad Valorem Real Estate Taxes as provided in Section 192.037, Florida Statutes.

Annual Dues means that portion of the Estimated Budgets that has been assessed against an individual Owner's Ownership Interest together with the Owner's proportionate share of the Ad Valorem Real Estate Taxes for the Ownership Interest.

Articles of Incorporation means the Articles of Incorporation of the Association, as they may be amended from time to time.

Association means THE VILLAS AT DISNEY'S GRAND FLORIDIAN RESORT CONDOMINIUM ASSOCIATION, INC., a not-for-profit Florida corporation, and its successors, which is responsible for the operation of the Grand Floridian Villas (as hereinafter defined). In the event that the Property Management Agreement terminates for any reason, the name of the Association shall, at the option of DVD or DVCMC and without any action to be taken by the Board of Directors, simultaneously and automatically be changed to The West Bay Lake Club Condominium Association, Inc. In the event that the name The West Bay Lake Club Condominium Association, Inc. is unavailable for use by the Association, the Board of Directors shall be empowered to select an alternative name for the Association; provided, however, that prior to the use of any name to identify the Association, such name shall be submitted to WDPR for its consent. WDPR may consent to the use of such name in its sole, absolute and unfettered discretion and, if given, the consent shall be set forth in writing.

Association Property means all real and personal property owned by the Association, including, without limitation, all furnishings and other personal property contained within each Unit or on the Common Elements that are not the property of an individual Owner. All personal property related to the Home Resort Reservation Component and the DVC Reservation Component made available to the Grand Floridian Villas, including, without limitation, all computer hardware and software and intellectual property, shall not be Association Property and is and always shall be the personal property of the owner of such property.

BVTC means Buena Vista Trading Company, a Florida corporation, its successors and assigns. BVTC is an exchange company registered under Chapter 721.

Board of Directors or Board means the board of directors of the Association.

Bylaws means the Bylaws of the Association, as they may be amended from time to time.

Chapter 718 means the provisions of Chapter 718, Florida Statutes, as the same are constituted on the date of the recording of the Declaration.

Chapter 721 means the provisions of Chapter 721, Florida Statutes, as the same are constituted on the date of the recording of the Declaration.

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 upon 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.

Commercial Unit means a Unit reserved for commercial use pursuant to the Condominium Documents.

Common Elements shall include (i) all of those items defined in Chapter 718 as Common Elements and the items declared in the Declaration to be included within the Common Elements; (ii) all Association Property, (iii) all canals, lakes and waterways located within the Condominium Property, (iv) DVD's interest in the Ground Lease for that portion of the property described in the Ground Lease that is declared as part of this Condominium for which the Association will assume the obligations of DVD under the Ground Lease to the extent of that portion of the property described in the Ground Lease that is declared as part of the Condominium, and (v) membership in the Disney Vacation Club pursuant to the terms and conditions set forth in the Condominium Documents.

Common Expenses shall include (i) expenses for the operation, maintenance, repair, replacement, or protection of the Common Elements and Association Property, costs of carrying out the powers and duties of the Association, (ii) any past due and uncollected ad valorem taxes assessed against the Condominium pursuant to Section 192.037, Florida Statutes, (iii) any expenses incurred by the Association in the performance of its duties, and (iv) any other expense, whether or not included in the foregoing, designated as Common Expense by Chapter 721, Chapter 718, or the Condominium Documents.

Common Surplus means any excess of all receipts of the Association over the amount of Common Expenses.

Condominium Documents means the Declaration together with all exhibits attached thereto and all other documents expressly incorporated therein by reference, as the same may be amended from time to time.

Condominium Property means the lands, leaseholds, easements and personal property that are subjected to condominium ownership from time to time, whether or not contiguous, and all improvements thereon and all easements and rights appurtenant thereto intended for use in connection with the Grand Floridian Villas.

Cotenant means the owner of an Ownership Interest in a Unit and shall include all other Cotenants who own Ownership Interests in that Unit as tenants-in-common.

Declaration means the Declaration of Condominium of The Villas at Disney's Grand Floridian Resort, a leasehold condominium, as it may be amended from time to time.

DVC Reservation Component shall mean the exchange component of the Club central reservation system through which Vacation Homes in any DVC Resort may be reserved using DVC Vacation Points pursuant to priorities, restrictions and limitations established by BVTC from time to time and as set forth in the Disclosure Document.

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.

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

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

DVC Vacation Points shall mean Vacation Points utilized by Club Members to make a reservation through the central reservation system at a DVC Resort other than their Home Resort.

DVD means Disney Vacation Development, Inc., a Florida corporation, its successors and assigns.

Estimated Budgets means the operating and capital reserves budgets that establish the estimated annual Common Expenses and reserves of the Grand Floridian Villas.

External Exchange Company means any company that owns, operates or owns and operates an External Exchange Program.

External Exchange Program shall mean the contractual arrangement between DVCMC, the Association or individual Club Members and an External Exchange Company or Companies under which Club Members may request and reserve, under certain conditions, the use of accommodations in resorts other than the DVC Resorts.

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. A Vacation Home of that Vacation Home type will be automatically reserved every year for use by the Member during that time period.

Grand Floridian Resort and Spa shall mean the existing hotel known as Disney's Grand Floridian Resort and Spa.

Grand Floridian Villas shall mean The Villas at Disney's Grand Floridian Resort, a leasehold condominium, marketed by DVD under the name The Villas at Disney's Grand Floridian Resort & Spa, a fictitious name registered by DVD, located in Orange County, Florida.

Ground Lease means that certain Ground Lease by and between WDPR as lessor and DVD as lessee effective the 15th day of January 2012. A short form of the Ground Lease, that certain Memorandum of Ground Lease effective the 15th day of January 2012, is recorded in Official Records Book 10545, Page 3936 of the Public Records of Orange County, Florida.

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

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 as set forth in the Condominium Documents.

Home Resort Rules and Regulations means the rules and regulations for the Grand Floridian Villas which DVCMC in its sole, absolute and unfettered discretion determines are necessary or desirable from time to time in order to enforce the provisions of the Membership Agreement in accordance with Florida law.

Home Resort Vacation Points means Vacation Points symbolizing an Ownership Interest at a Home Resort, which Vacation Points may be utilized to reserve Vacation Homes at that Home Resort where that Ownership Interest is held.

Master Declaration means the Master Declaration of Covenants, Conditions and Restrictions, effective January 15, 2012, as recorded in Official Records Book 10545, Page 3894, Public Records of Orange County, Florida.

Master Declaration Property means the lands, leaseholds, easements and all improvements on such property that are subject to Master Declaration from time to time, whether or not contiguous.

Membership Agreement means the Disney Vacation Club Membership Agreement for the Grand Floridian Villas, as amended from time to time. The Membership Agreement provides for the operation of the Vacation Ownership Plan and the Home Resort Reservation Component.

Management Company means DVCMC or any entity engaged to manage the Grand Floridian Villas.

Owner means the owner of a Unit. Unless the context requires otherwise, the term Owner shall include Cotenants but shall not include owners of Ownership Interests at DVC Resorts other than the Grand Floridian Villas.

Ownership Interest means an undivided percentage interest in a Unit and in the Unit's undivided interest in the Common Elements and Common Surplus.

Pedestrian Walkway means the covered pedestrian walkway built or to be built which connects to the Grand Floridian Villas to the Grand Floridian Resort & Spa.

Property Management Agreement means the agreement between the Association and any Management Company pursuant to which the Association assigns its responsibilities and duties relating to the management and operation of the Grand Floridian Villas to the Management Company.

Purchaser means a prospective Owner, but shall not include DVD.

RCID means Reedy Creek Improvement District, a political subdivision of the State of Florida.

Resort Agreement means the DVC Resort Agreement for the Grand Floridian Villas, pursuant to which the Grand Floridian Villas becomes and remains a DVC Resort in accordance with the terms and conditions of the agreement.

The TWDC Companies means TWDC and all subsidiaries of TWDC, including, but not limited to, DVD, DVCMC, WDPR and BVTC.

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

Unit means a condominium unit as that term is defined in Chapter 718 and in Article V of the Declaration and refers to that portion of the Condominium Property which is subject to exclusive ownership by one or more persons. Unless the context requires otherwise and except with respect to the Vacation Ownership Plan, all references to "Unit" shall include the Commercial Units.

Use Day means a twenty-four hour period (or such lesser period as may be designated by DVCMC in the Membership Agreement from time to time) in a Vacation Home subject to use reservation by Owners.

Use Year means, for each Unit, the twelve-month period beginning on the first day of the month designated by DVD in each purchase agreement selling an Ownership Interest to a Purchaser in that Unit and in each deed conveying an Ownership Interest to an Owner in that Unit. The Use Year shall continue for successive twelve-month periods for so long as the Vacation Ownership Plan continues.

Vacation Home means and refers to those portions of a Unit designed and intended for separate use and occupancy.

Vacation Ownership Plan means the arrangement pursuant to Florida law, the Declaration and the Membership Agreement whereby a Cotenant receives an Ownership Interest in a Unit under which the exclusive right of use, possession or occupancy of all Units circulates among the various Cotenants on a recurring basis during the term of the arrangement.

Vacation Point means the symbolic unit of measurement used to gauge the respective rights of an Owner to enjoy the benefits of the Ownership Interest within the Club.

WDPR means WALT DISNEY PARKS AND RESORTS U.S., INC., a Florida corporation, its successors or assigns, and the lessor under the Ground Lease.

II. REQUIRED DISCLOSURES

This public offering statement contains important matters to be considered in acquiring an interest in a Vacation Ownership Plan. The statements contained herein are only summary in nature. A prospective purchaser should refer to all references, exhibits hereto, contract documents, and sales materials. You should not rely upon oral representations as being correct. Refer to this document and accompanying exhibits for correct representations. The seller is prohibited from making any representations other than those contained in the contract and this public offering statement. [Page 1 of this Public Offering Statement]

The right to reserve a timeshare period is subject to rules and regulations of the timeshare plan reservation system. [Paragraph 1.a.(3) of this Public Offering Statement]

The managing entity shall have the right to forecast anticipated reservation and use of the accommodations of the timeshare plan and is authorized to reasonably reserve, deposit, or rent the accommodations for the purpose of facilitating the use or future use of the accommodations or other benefits made available through the timeshare plan. [Paragraph 1.a.(3) and Paragraph 5.a.(1)(b) of this Public Offering Statement]

There is a lien or lien right against each Ownership Interest to secure the payment of assessments or other exactions coming due for the use, maintenance, upkeep, or repair of the recreational or commonly used facilities. A Purchaser's failure to make these payments may result in foreclosure of the lien. [Paragraph 2. of this Public Offering Statement]

The managing entity has a lien against each Ownership interest to secure the payment of assessments, ad valorem assessments, tax assessments, and special assessments. Your failure to make any required payments may result in the judicial or trustee foreclosure of an assessment lien and the loss of your Ownership Interest. If the managing entity initiates a trustee foreclosure procedure, you shall have the option to object to the use of the trustee foreclosure procedure and the managing entity may only proceed by filing a judicial foreclosure action. [Paragraph 7.b(2) of this Public Offering Statement.]

Recreational facilities may be expanded or added without consent of the Purchasers or the Association. [Paragraph 5.c.(5) of this Public Offering Statement]

The developer has the right to retain control of the Association after a majority of the Units have been sold. [Paragraph 5.g. of this Public Offering Statement]

The sale, lease or transfer of Ownership Interests is restricted and controlled. [Paragraph 7.d. of this Public Offering Statement]

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. [Paragraph 7.d. of this Public Offering Statement]

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.
[Paragraph 7.d. of this Public Offering Statement]

A Vacation Ownership Plan will be created with respect to Units in the condominium.
[Article 2.3 of the Declaration of Condominium]

The developer is required to provide the managing entity of the Club a copy of the approved public offering statement text and exhibits filed with the Division and any approved amendments thereto, and any other component site documents as described in Section 721.07 or Section 721.55, Florida Statutes, that are not required to be filed with the Division, to be maintained by the managing entity for inspection as part of the books and records of the plan. [Purchase Agreement]

For the purpose of ad valorem assessment, taxation and special assessments, the managing entity will be considered the taxpayer as your agent pursuant to Section 192.037, Florida Statutes. [Purchase Agreement]

Property tax disclosure summary: Purchaser should not rely on DVD's current property taxes as the amount of property taxes that purchaser may be obligated to pay in the year subsequent to purchase. A change of ownership or property improvements triggers reassessments of the property that could result in higher property taxes. If you have any questions concerning valuation, contact the county property appraiser's office for information. [Purchase Agreement]

Any resale of this Ownership Interest must be accompanied by certain disclosures in accordance with Section 721.065, Florida Statutes. [Purchase Agreement]

You may cancel the purchase contract without any penalty or obligation within 10 calendar days after the date you sign the purchase contract or the date on which you receive the last of all documents required to be given to you pursuant to Section 721.07(6), Florida Statutes, whichever is later. If you decide to cancel the purchase contract, you must notify the developer in writing of your intent to cancel. Your notice of cancellation shall be effective upon the date sent and shall be sent to Disney Vacation Development, Inc., Attention: Membership Administration at 1390 Celebration Blvd., Celebration, Florida 34747. Your notice of cancellation may also be sent via facsimile to 407-938-6586. Any attempt to obtain a waiver of your cancellation rights is void and of no effect. While you may execute all closing documents in advance, the closing, as evidenced by delivery of the deed or other documents, before expiration of your 10-day cancellation period, is prohibited. [Purchase Agreement]

Please refer to the Multi-site Public Offering Statement for a summary of additional required disclosures pertaining to the Vacation Club.

III. DVD DISCLOSURES

Except for those warranties required by Section 718.203, Florida Statutes, none of The TWDC Companies, including, but not limited to, DVD, make any warranty of any kind, express or implied, and each of The TWDC Companies hereby disclaims any and all warranties, including, without limitation, implied warranties of merchantability and fitness for a particular purpose, with respect to the construction of the Units and the Common Elements and with respect to the personal property located within the Units or on the Condominium Property, and the Owners assume all risk and liability resulting from the use of this property. [Paragraph 5.b.(1) of this Public Offering Statement]

Since the Ownership Interest acquired by Purchasers is an interest in real estate under Florida law, Purchasers may be entitled to deduct, for federal income tax purposes: (i) interest paid under a promissory note which is secured by a mortgage encumbering the Ownership Interest, and (ii) the Purchaser's allocable share of Ad Valorem Real Estate Taxes (paid via Annual Dues). Purchasers should understand that DVD intends to report such mortgage interest to Purchasers and to the United States Internal Revenue Service as mortgage interest paid on form 1098. [Paragraph 7.b.(2) of this Public Offering Statement]

Purchasers 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 a Purchaser's particular circumstances (including, without limitation, among other factors, whether or not the Purchaser itemizes deductions on the Purchaser's federal income tax return or whether the Purchaser already owns 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. Each Purchaser should consult his or her 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. [Paragraph 7.b.(2) of this Public Offering Statement]

The budget contained in this public offering statement has been prepared in accordance with the Florida Vacation Plan and Timesharing Act (Chapter 721, Florida Statutes), and is a good faith estimate only and represents an approximation of future expenses based on facts and circumstances existing at the time of its preparation. Actual costs of such items may exceed the estimated costs. Such changes in cost do not constitute material adverse changes. [Paragraph 6 of this Public Offering Statement]

For Ownership Interests owned by Members outside of the United States, the Management Company reserves the right to charge a surcharge in an amount set by the Management Company 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. [Paragraph 7.b.(2) of this Public Offering Statement]

The use of certain services, including without limitation, housekeeping, janitorial, engineering, landscaping, etc., certain utilities, including without limitation, electricity, storm water, sanitary sewer, natural gas, telephone, cable television, etc. and certain facilities, including without limitation, hotel check-in facility, back office facilities, telephone equipment rooms, etc., are being or may be provided to the Grand Floridian Villas pursuant to the terms of either the Property Management Agreement or the Master Declaration as a shared service, shared utility and/or shared area, as applicable, the cost of providing such services and utilities and the cost of operating and maintaining such facilities being equitably apportioned among its users including Owners. If the Grand Floridian Villas were required to provide such services, utilities and/or facilities within the Condominium Property and solely for the use and benefit of the Owners, the cost of operating the Condominium Property would increase. [Paragraph 5.f.(3) of this Public Offering Statement]

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. [Paragraph 7.d. of this Public Offering Statement]

Ownership Interests should also not be purchased with any expectation that any Vacation Home located at the Grand Floridian Villas can be rented, or if it is rented, that any particular rental rate can be obtained for such rental. Owners should be aware that several resort hotels are in operation within and around the Grand Floridian Villas and the other DVC Resorts, including, but not limited to, hotels owned and/or operated by The TWDC Companies, and that DVD will also rent its Ownership Interests to the general public. Accordingly, any Owner who attempted to rent reserved Vacation Homes for his or her own account would compete with these resort hotels and DVD for renters without any assistance from The TWDC Companies, and would be at a substantial competitive disadvantage. Owners should not purchase an Ownership Interest based upon any expectation of deriving any rental or other revenue or profit therefrom. [Paragraph 7.d. of this Public Offering Statement]

DVD has reserved the right to sell Fixed Ownership Interests – Ownership Interests with Fixed Use Periods, meaning that Members with those Ownership Interests have a guaranteed right to use a specific type of Vacation Home (for example a 2 Bedroom Lake View) during any specific time period (for example, the week that includes Christmas day). 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 may adversely affect a Member's ability to make reservations for Vacation

Homes in the Plan during high demand seasons. However, DVD will not sell Fixed Ownership Interests that include more than 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 reservations on a first-come, first served basis in at least 65% of the 2 Bedroom Lake View Vacation Homes. [Paragraph 1.a.(4) of this Public Offering Statement]

The Pedestrian Walkway is part of the Master Declaration Property and connects to the Grand Floridian Resort & Spa. Owners of the Grand Floridian Villas shall be solely responsible for the cost and expense of maintaining, operating, repairing and replacing the Pedestrian Walkway and each Owners' share of such expenses will be included in Annual Dues. [Paragraph 5.f.(1) of this Public Offering Statement]

There is no guaranty that any portion of the Grand Floridian Resort & Spa (including restaurants, bars and other hotel amenities) or the existing monorail system will continue in operation and The TWDC Companies shall be entitled to cease or modify operations of any portion(s) of the Grand Floridian Resort & Spa at any time. Do not purchase an interest in the Grand Floridian Villas in reliance upon the continued operation of the Grand Floridian Resort & Spa. [Paragraph 5.f.(2) of this Public Offering Statement]

Florida law permits a closing prior to the completion of construction in the event the Division of Florida Condominiums, Timeshares and Mobile Homes approves an alternate assurance in lieu of completion of construction. In the event such an alternate assurance is approved and construction of such Units, Vacation Homes, recreational facilities and other commonly used facilities is not completed in accordance with the purchase agreement, the Purchaser shall be entitled to all the rights and remedies set forth in the Purchaser's purchase agreement. [Paragraph 7.e. of this Public Offering Statement]

The closing of the sale of an Ownership Interest located in any phase of the Grand Floridian Villas 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. Because of safety concerns, Owners will be prohibited from accessing many portions of the Condominium Property during the construction process. In the event an Owner's closing takes place prior to completion of construction, DVD has agreed to pay any maintenance fees due on such Owner's behalf to the Association until a certificate of occupancy is obtained for such Owner's Unit. [Paragraph 5.b.(2) of this Public Offering Statement]

If DVD determines, in its sole, absolute and unfettered discretion, that any amendments or additions to the Offering Documents ("Amendments or Additions") are Non-Material Changes, then DVD may, but is not obligated to, deliver the Amendments or Additions to Purchaser prior to or after closing, in which event the Amendments or Additions shall not entitle Purchaser to an additional ten-day cancellation period pursuant to Florida law. If, however, DVD determines, in its sole, absolute and unfettered discretion, that the

Amendments or Additions constitute Material Changes, DVD shall deliver to Purchaser copies of the Amendments or Additions, in which event Purchaser shall be entitled to an additional ten-day cancellation period from the date that DVD delivers the Amendments or Additions with Material Changes to Purchaser.

While the Vacation Ownership Plan for the Grand Floridian Villas continues until January 31, 2064, the vacation ownership plans for all other Disney Vacation Club resorts expire earlier (significantly earlier in most cases). Do not purchase an interest in a Disney Vacation Club Resort in reliance upon the continued existence of any other Disney Vacation Club Resort(s) beyond the express termination dates for those resorts. Each Disney Vacation Club Resort has its own termination date.

Neither DVD nor any of The TWDC Companies have any obligation to build any additional Disney Vacation Club resorts or to add additional component sites to the Disney Vacation Club multi-site timeshare plan. Do not purchase an interest in a Disney Vacation Club resort in reliance upon the addition of new resorts or component sites.

DVD, DVMC and BVTC are affiliates of TWDC; however, DVD, DVCMC and BVTC are separate and distinct entities from TWDC and WDPR. Neither TWDC, WDPR 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, DVCMC or BVTC in connection with this offering or any other DVC Resort or the Club. [Paragraph 4.a.(2) of this Public Offering Statement]

Owners, their guests, invitees, exchangers and lessees do not receive any special access or entry rights to any attraction or recreational facility located with the WALT DISNEY WORLD® Resort, DISNEYLAND® Resort or in any other Disney theme park or other facility or attraction.

Please refer to the Multi-site Public Offering Statement for a summary of additional DVD disclosures pertaining to the Vacation Club.

I. PUBLIC OFFERING STATEMENT TEXT

1. The Vacation Ownership Plan.

a. The Plan. The legal name of the condominium is The Villas at Disney's Grand Floridian Resort, a leasehold condominium, and is located at 4501 Floridian Way, Lake Buena Vista, FL 32830.

(1) Ground Lease. The Villas at Disney's Grand Floridian Resort is being created on a Ground Lease, and the portion of DVD's interest in the Ground Lease that will be declared to the condominium form of ownership will be a Common Element of the Grand Floridian Villas.

(2) Ownership Interests. Ownership Interests are fee interests in real property and are defined as "time-share estates" pursuant to Section 721.05(34), Florida Statutes, and Section 721.57, Florida Statutes. Purchasers of an Ownership Interest receive an undivided percentage real property interest in a Unit as a tenant-in-common with other Purchasers of undivided percentage interests in that Unit in accordance with the Declaration. Fee title to an Ownership Interest will be conveyed to the Purchaser until January 31, 2064, unless otherwise extended in accordance with the Condominium Documents, at which time the Ground Lease will expire, the Grand Floridian Villas will terminate and title to the Ownership Interest and the Condominium Property will vest in WDPR as the lessor. Ownership Interests in the Grand Floridian Villas are conveyed by virtue of the delivery of a special warranty deed.

(3) Vacation Ownership Plan and the Disney Vacation Club. Each Purchaser of an Ownership Interest shall be subject to the Vacation Ownership Plan, as set forth in the Declaration and the Membership Agreement. Notwithstanding the specific Unit in which a Purchaser acquires an Ownership Interest, and except for Fixed Ownership Interests, the Vacation Ownership Plan requires that all Vacation Homes at the Grand Floridian Villas be available for use by all Purchasers of Ownership Interests at the Grand Floridian Villas at all times on a first come, first served reservation basis, through the Home Resort Reservation Component and in accordance with the provisions of the Condominium Documents.

The right to reserve a timeshare period is subject to rules and regulations of the timeshare plan reservation system.

The managing entity shall have the right to forecast anticipated reservation and use of the accommodations of the timeshare plan and is authorized to reasonably reserve, deposit, or rent the accommodations for the purpose of facilitating the use or future use of the accommodations or other benefits made available through the timeshare plan.

(4) Reservation Priority for Fixed Ownership Interests. **DVD has reserved the right to sell Fixed Ownership Interests - Ownership Interests with Fixed Use Periods, meaning that Members with those Ownership Interests have a guaranteed right to use a specific type of Vacation Home (for example a 2 Bedroom Lake View) during a specific time period (for example, the week that includes Christmas day). 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 may adversely affect a Member's ability to make reservations for Vacation Homes in the Plan during high demand seasons. However, DVD will not sell Fixed Ownership Interests that include more than 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 reservations on a first-come, first served basis in at least 65% of the 2 Bedroom Lake View Vacation Homes.

(5) Club Membership. In addition to the Vacation Ownership Plan, membership in the Club, being a Common Element, is an appurtenance to each Ownership Interest in accordance with the terms of the Condominium Documents and the DVC Resort Agreement. As an appurtenance, the Club membership, as it is comprised from time to time, may not be partitioned, hypothecated, bought, sold, exchanged, rented or otherwise transferred separately from each Ownership Interest. Provided that the Owner complies with all restrictions on the transfer of an Ownership Interest, any transferee of the Owner's Ownership Interest will automatically become a Club Member, and the transferor will cease to be a Club Member unless he or she has another Ownership Interest. See the Multi-site Public Offering Statement for details regarding a description of the Club's central reservation system, including operation of the Home Resort Reservation Component and the DVC Reservation Component.

Owners do not acquire any legal or beneficial interest in any of The TWDC Companies or their assets, including, but not limited to, the Club, and no right or interest in the property, contract rights or businesses of any of The TWDC Companies. Owners 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.

b. Apportionment of Common Expenses and Ownership of Common Elements. Each residential Unit and each Ownership Interest has appurtenant to it a share of the Common Expenses and Common Surplus and an undivided interest in the Common Elements of the Grand Floridian Villas on a fractional basis as set forth in the Percentage Interest in the Common Elements. Commercial Units shall also have a share of the Common Elements and Common Expenses as set forth in the Percentage Interest in the Common Elements exhibit.

The number of Home Resort Vacation Points available for use by a Purchaser in connection with the Home Resort Reservation Component of the Club's central reservation system is determined using a formula based upon the total square footage relating to the Ownership Interest acquired by the Purchaser, as more particularly described on Exhibit A of the Master Cotenancy Agreement. The total number of Home Resort Vacation Points currently being declared at the Grand Floridian Villas is 2,520,412. The total number of Home Resort Vacation Points will increase if additional accommodations are added by DVD to the resort pursuant to the process described in paragraph 5.b. below or decrease if accommodations are removed from the Grand Floridian Villas due to condemnation as described in the Declaration. Purchasers should refer to their Purchase Agreement and deed for the amount of the undivided percentage interest that they are purchasing and the number of Home Resort Vacation Points that symbolize that Ownership Interest.

2. Club Membership and Recreational Leases. With respect to the Grand Floridian Villas, none of the recreational facilities or other facilities offered by DVD for use by Owners are leased or part of a recreational club.

There is a lien or lien right against each Ownership Interest to secure the payment of assessments or other exactions coming due for the use, maintenance, upkeep, or repair of the recreational or commonly used facilities. A Purchaser's failure to make these payments may result in foreclosure of the lien.

The recreational and other commonly used facilities of the Grand Floridian Villas will be used by Club Members, their guests, exchangers and renters; by renters of Vacation Homes not yet declared as part of the Grand Floridian Villas; and potentially by owners of interests in property common to the Grand Floridian Villas under the Master Declaration or in adjoining resort properties. A portion of the costs of maintenance, repair and replacement of such facilities will be borne by the Owners and shall be assessed to the Owners, pursuant to the terms of the Declaration and the Master Declaration. There is a lien or lien right against each Ownership Interest to secure the payment of these assessments.

3. Duration of the Vacation Ownership Plan. The term of the Vacation Ownership Plan as to the Grand Floridian Villas will continue through January 31, 2064, the expiration date of the Ground Lease and the Grand Floridian Villas, unless the Ground Lease is sooner terminated in accordance with its terms, or unless the Vacation Ownership Plan is sooner terminated in accordance with the Condominium Documents, or unless the term is otherwise extended in accordance with the Condominium Documents.

4. The Grand Floridian Villas Operations; Judgments and Pending Lawsuits.

a. The Grand Floridian Villas Operations.

(1) DVD. The developer of the Grand Floridian Villas is DVD. The General Manager and Senior Vice President of DVD is Kenneth M. Potrock, who has experience in the resort and leisure industries as a result of his tenure at The TWDC Companies. DVD has developed and operated the vacation ownership plan at:

Disney Vacation Club at WALT DISNEY WORLD Resort, a leasehold condominium, since October 1991,
Disney Vacation Club at Vero Beach, a condominium, since September 1995,
Disney Vacation Club at Hilton Head Island Horizontal Property Regime since March 1996,
Disney Vacation Club at Disney's BoardWalk Villas, a leasehold condominium, since June 1996,
The Villas at Disney's Wilderness Lodge, a leasehold condominium, since January 2001,
Disney's Beach Club Villas, a leasehold condominium, since July 2002,
Disney's Saratoga Springs Resort, a leasehold condominium, since May 2004,
Disney's Animal Kingdom Villas, a leasehold condominium, since July 2007,
Bay Lake Tower at Disney's Contemporary Resort, a leasehold condominium, since September 2009,
The Villas at Disney's Grand Californian Hotel, a leasehold condominium, since September 2009,
Aulani, Disney Vacation Club Villas, Ko Olina, Hawaii, a condominium, since Fall 2011,
The Villas at Disney's Grand Floridian Resort and Spa, a leasehold condominium, beginning Fall 2013, and at
Disney's Polynesian Villas & Bungalows, a leasehold condominium, beginning Spring 2015.

DVD may or may not be the developer of future DVC Resorts, if any.

(2) The TWDC Companies. **DVD, DVCMC and BVTC are affiliates of TWDC; however, DVD, DVCMC and BVTC are separate and distinct entities from TWDC and WDPR. Neither TWDC, WDPR, 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, DVCMC or BVTC in connection with this offering or any other DVC Resort or the Club.**

(3) The Association and DVCMC. The Villas at Disney's Grand Floridian Resort Condominium Association, Inc., a Florida not-for-profit corporation, is the entity responsible for the maintenance and operation of the Grand Floridian Villas. Pursuant to the Property Management Agreement, the Association has delegated its management, maintenance and operation duties for the Grand Floridian Villas to DVCMC.

DVCMC, whose address is 1390 Celebration Blvd., Celebration, Florida 34747, is responsible for providing for the operation of the Home Resort Reservation Component and for providing for the site management of the Grand Floridian Villas. DVCMC has acted as the management company for:

Disney Vacation Club at WALT DISNEY WORLD Resort, a leasehold condominium, since October 1991,
Disney Vacation Club at Vero Beach, a condominium, since September 1995,
Disney Vacation Club at Hilton Head Island Horizontal Property Regime since March 1996,
Disney Vacation Club at Disney's BoardWalk Villas, a leasehold condominium, since June 1996,
The Villas at Disney's Wilderness Lodge, a leasehold condominium, since January 2001
Disney's Beach Club Villas, a leasehold condominium, since July 2002,
Disney's Saratoga Springs Resort, a leasehold condominium, since May 2004,
Disney's Animal Kingdom Villas, a leasehold condominium, since July 2007,
Bay Lake Tower at Disney's Contemporary Resort, a leasehold condominium, since September 2009,
The Villas at Disney's Grand Californian Hotel, a leasehold condominium, since September 2009
The Villas at Disney's Grand Floridian Resort, a leasehold condominium, beginning Fall 2013, and at
Disney's Polynesian Villas & Bungalows, a leasehold condominium, beginning Spring 2015.

There are no service, maintenance, management or recreational contracts or leases with a term in excess of one (1) year that may be canceled by the Owners, except for the Property Management Agreement. The Property Management Agreement has an initial term of three (3) years, and shall automatically renew itself for successive three (3) year periods, unless either party gives notice of non-renewal pursuant to the terms of the Property Management Agreement, or unless sooner terminated in accordance with its provisions. DVD may not change the managing entity or its control without the approval of the Board of Directors or the Association; however, the Board of Directors and the Association are subject to the control of DVD as set forth in paragraph 5.g. of this Public Offering Statement.

As set forth in the Property Management Agreement, DVCMC will be compensated for its site management services by receiving an annual management fee equal to a percentage of the Dues Assessment Revenue plus the total Capital Reserves Budget contained in the

Estimated Budgets exclusive of the management fee itself and transportation fees (if applicable). It is anticipated that, for the first year of operation at the Grand Floridian Villas, DVCMC will receive an annual management fee equal to twelve percent (12%) of the Estimated Budgets, which is equal to the sum of \$-81,292 per month or \$-975,510 per year. This percentage level for compensation may not be increased without the approval of the Board of Directors controlled by DVD; however, the actual compensation received by DVCMC for these services will increase as the Estimated Budgets increase.

In addition, pursuant to the Membership Agreement, the Association has assigned its rights and obligations to operate the Vacation Ownership Plan to DVCMC. 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 Association has assigned to DVCMC any and all rights of the 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 two and one-half percent (2 1/2%) of the Estimated Budgets shall be remitted by DVCMC to the Association; and (ii) the rental proceeds, if any, in an amount equal to BVTC's costs for providing those services as set forth in the DVC Resort Agreement plus five percent (5%) of such costs.

b. Judgments and Pending Lawsuits. There are no judgments or pending litigation against DVD, DVCMC, BVTC, or the Association that are material to the Vacation Ownership Plan at the Grand Floridian Villas.

5. Description of the Grand Floridian Villas.

a. Resort Accommodations and Facilities. DVD has currently **declared** Ownership Interests in the Grand Floridian Villas as follows:

Number of Residential Buildings:	1
Number of Vacation Homes in Each Building:	100
Number of Seven (7) Use Day Availability Periods in Each Vacation Home:	51
Total Number of Vacation Homes Declared:	100
Total Number of Each Type of Vacation Home:	
Grand Villa Vacation Home (3 Bedroom/4 Bath)	6
Two-Bedroom Vacation Home - can be locked-off into One-Bedroom and Studio Vacation Homes (2 Bedroom/2Bath)	47
Two-Bedroom Vacation Home – can not be locked-off into One-Bedroom and Studio Vacation Homes (2 Bedroom/2Bath)	47
Total Number of Seven (7) Use Day Availability Periods:	5,100

The Vacation Ownership Plan uses a flexible Vacation Point system. Under the Vacation Point system, the Ownership Interest purchased by an individual will vary from that purchased by another individual depending upon his or her respective vacation needs. Therefore, it is impossible to anticipate the exact number of undivided Ownership Interests that will be sold in each Unit; however, it is anticipated that individuals will generally purchase an Ownership Interest equal to the right to reserve seven (7) Use Days. In all events, DVD will not sell a number of Ownership Interests that would result in a greater than “one-to-one use right to use night requirement ratio” as that term is defined in Section 721.05(25), Florida Statutes.

(1) Restrictions on Use of Units and Vacation Homes.

(a) Grand Floridian Villas Restrictions. Purchase of an Ownership Interest or use of the Vacation Homes and facilities of the Grand Floridian Villas for commercial purposes (excluding use by the TWDC Companies) or for any purpose other than the personal use described in this Public Offering 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. For specific restrictions on the use of the Vacation Homes and facilities of the Grand Floridian Villas, Owners should refer to the Condominium Rules and Regulations promulgated by the Board of Directors. There are no restrictions upon children, but pets are prohibited at the Grand Floridian Villas. The provisions of this paragraph shall not apply to service animals, as defined by the Americans With Disabilities Act.

(b) Use of the Central Reservation System. As previously noted, the services provided through the Club include the operation of the central reservation system which consists of the Home Resort Reservation Component for the Grand Floridian Villas and the DVC Reservation Component. Owners' rights to reserve Vacation Homes at the Grand Floridian Villas through the Home Resort Reservation Component are set forth in the Membership Agreement and the Home Resort Rules and Regulations for the Grand Floridian Villas. See the Multi-site Public Offering Statement for a detailed explanation of Owners' rights to reserve Vacation Homes at the Grand Floridian Villas through the Home Resort Reservation Component or at DVC Resorts through the DVC Reservation Component, including the beginning and ending dates for the period during which a purchaser must make a reservation and any contingencies which may result in a purchaser's loss of occupancy rights.

The managing entity shall have the right to forecast anticipated reservation and use of the accommodations of the timeshare plan and is authorized to reasonably reserve, deposit, or rent the accommodations for the purpose of facilitating the use or future use of the accommodations or other benefits made available through the timeshare plan.

(2) Lock-Out Provisions. Should an Owner fail to pay an assessment (with respect to any of Owner's Ownership Interests) as provided in the Condominium Documents, DVCMC is authorized to deny to the Owner or the authorized user, the use and enjoyment of the Vacation Homes and facilities of the Vacation Ownership Plan in accordance with the provisions of Chapter 721 and the Master Cotenancy Agreement entered into by DVCMC, the Cotenants in each Unit and the Association. In addition, DVCMC is authorized, in accordance with Section 721.13(6)(f), Florida Statutes, to rent out 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 managing entity in securing rentals, to the delinquent

Owner's account.

b. Phasing and Completion of Construction.

(1) Phasing Plan. The Grand Floridian Villas are being developed as a phase condominium, and additional land or Units may be added to the Grand Floridian Villas from time to time. The overall boundary of the property which DVD contemplates adding to the Grand Floridian Villas is described in the Survey, Floor and Plot Plan; however, DVD reserves the right to add additional property which may not be included within the overall boundary. DVD further reserves the right not to add any additional property or all of the property included within the overall boundary. DVD specifically reserves the right to declare one or more phases that contain only residential Units, Commercial Units or Common Elements. In addition, DVD specifically reserves the right to declare one or more phases that contain any combination of residential Units, Commercial Units and Common Elements. The Condominium Documents for a particular phase will be recorded prior to the closing of the purchase of any Ownership Interest in that phase. The Common Expense, Common Surplus and Common Element ownership reallocation caused by the addition of any proposed phase is set forth in the Percentage Interest in the Common Elements.

DVD is under no obligation to submit phases to the Grand Floridian Villas in any sequence or to construct, develop or add any phase other than those phases that DVD may initially declare as part of the Grand Floridian Villas. DVD may, from time to time, file phases for sale under Florida law without selling Ownership Interests in those phases or ultimately adding such phases to the Grand Floridian Villas. Pursuant to Chapter 721, and where permitted, DVD specifically reserves the right to vary DVD's phasing plans as to phase boundaries, plot plans and floor plans, Unit types, Unit sizes and Unit type mixes, numbers of Units, and recreational areas and facilities with respect to each subsequent phase. DVD also specifically reserves the right to amend the Condominium Documents, without the approval of the Owners or Purchasers, as may be necessary in DVD's sole, absolute and unfettered discretion to conform to applicable government requirements, to expedite the sale of Ownership Interests, or as permitted under Florida law and which DVD determines in its sole, absolute and unfettered discretion would be beneficial to the use of the declared property to its fullest and best use and which would not prejudice or impair to any material extent the rights of the Owners or any mortgagee of record.

Except for those warranties required by Section 718.203, Florida Statutes, none of The TWDC Companies, including, but not limited to, DVD, make any warranty of any kind, express or implied, and each of The TWDC Companies hereby disclaims any and all warranties, including, without limitation, implied warranties of merchantability and fitness for a particular purpose, with respect to the construction of the Units and the Common Elements and with respect to the personal property located within the Units or on the Condominium Property, and the Owners assume all risk and liability resulting from the use of this property.

(2) Completion of Construction. The construction, equipping and finishing of phases of the Grand Floridian Villas that are currently being offered for sale is expected to be complete beginning Fall 2013.

As described in paragraph 7.b., the closing of the sale of an Ownership Interest located in any phase of the Grand Floridian Villas, 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. Because of safety concerns, Owners will be prohibited from accessing many portions of the Condominium Property during the construction process. In the event an Owner's closing takes place prior to completion of construction, DVD has agreed to pay any maintenance fees due on such Owner's behalf to the Association until a certificate of occupancy is obtained for such Owner's Unit.

c. Recreational Facilities. The construction, equipping and finishing of the phases containing the recreational facilities of the Grand Floridian Villas is expected to be complete beginning Fall 2013.

(1) Maximum Number of Vacation Ownership Periods that will Use the Accommodations and Facilities. The maximum number of vacation ownership periods that will use the accommodations and facilities of the Grand Floridian Villas will vary. The Vacation Ownership Plan uses a flexible Vacation Point system, under which the Ownership Interest purchased by an individual will vary from that purchased by another individual depending on his or her vacation needs. Therefore, it is impossible to anticipate the exact number of undivided Ownership Interests in a Unit that will be sold; however, it is anticipated that individuals will generally purchase an Ownership Interest equal to the right to reserve seven (7) use days.

(2) Description of Recreational and Other Commonly Used Facilities Used Only by Owners. There are no recreational or other commonly used facilities that will be used only by Owners.

(3) Description of Recreational and Other Commonly Used Facilities that will not be Used Only by Owners. The following recreational facilities and other commonly used facilities will be used by Owners, Club Members and others as more particularly described below:

(a) Recreational and other Commonly Used Facilities located on the Condominium Property. The following recreational and other commonly used facilities that will be declared as part of and located at the Grand Floridian Villas will be used by Owners, Club Members, their guests, exchangers and renters; and by renters of Vacation Homes. If WDPR exercises its rights under the Master Declaration to declare these facilities to be Shared Areas as defined in the Master Declaration, then these facilities will also be used by owners of interests in property common to the Grand Floridian Villas under the Master Declaration and their guests (including guests staying at the Grand Floridian Resort & Spa) or in adjoining resort properties. The following recreational and other commonly used facilities will be declared as part of the Grand Floridian Villas:

(i) Barbeque Area. One (1) Barbeque area with two (2) gas grills and with tables and umbrella style seating will be located near the Sports Court and available for use.

(b) Recreational and other Commonly Used Facilities located outside the Condominium Property. Pursuant to the Master Declaration, Owners and Club Members will have access to certain recreational facilities and other commonly used facilities of the Grand Floridian Resort & Spa to the same extent that guests of Grand Floridian Resort & Spa have access to such recreational facilities. Those facilities will be used by renters and guests staying at the Grand Floridian Resort & Spa, Owners and Club Members, their guests, exchangers and renters; by renters of Vacation Homes; and by owners of interests in property common to Grand Floridian Villas under the Master Declaration or in adjoining resort properties. A portion of the costs of maintenance, repair and replacement of any such additional recreational facilities will be borne by the Owners and shall be assessed to the Owners, pursuant to the terms of the Declaration and the Master Declaration. Access to and use of these recreational and other commonly used facilities may cease at any time. The recreational and other commonly used facilities located at the Grand Floridian Resort and Spa and available to Owners, but which are not part of the Condominium Property, are described as follows:

(i) Feature Swimming Pool and Sunbathing Deck. One (1) feature swimming pool and one (1) sun/bathing deck will be available for use. The sun/bathing deck will be approximately 14,893 square feet in size and the feature swimming pool will be approximately 4,832 square feet in size and range in depth from zero (0) inches to 4 feet, 11 inches. The feature swimming pool is heated and will have a capacity of 119 persons.

(ii) Courtyard Swimming Pool and Sunbathing Deck. One (1) Zero Entry swimming pool and one (1) sun/bathing deck will be available for use. The sun/bathing deck will be approximately 27,170 square feet in size and the courtyard swimming pool will be approximately 8,060 square feet in size and range in depth from zero (0) inches to 4 feet, 11 inches. The Courtyard swimming pool is heated and will have a capacity of 244 persons

(iii) Children's Wading Pool. One (1) children's wading pool will be located near the courtyard swimming pool and will be available for use. The children's wading pool will be approximately 201 square feet in size and is 18 inches deep.

(iv) Hot Tubs at Courtyard Swimming Pool. One hot tub, located near the courtyard swimming pool will be available for use. The hot tub will be approximately 184 square feet in size and will have a capacity of 18 persons. The hot tub will be approximately 42 inches in depth and will be heated.

(v) Fire Pit. A fire pit is available for use.

(vi) Multi-Purpose Sport Court. A multi-purpose sport court including ½ basketball court and other activities will be available for use. The sport court will be approximately 50 square feet in size and have a capacity of 12 persons.

(vii) Beaches. The beach areas along Seven Seas Lagoon will be available for use by Owners, subject to and limited by the terms of the Master Declaration. A portion of the costs of maintenance, repair and replacement of the beaches will be borne by the Owners and shall be assessed to the Owners pursuant to the terms of the Master Declaration and the Declaration.

(viii) The Pedestrian Walkway. A Pedestrian Walkway between Grand Floridian Villas to the Grand Floridian Resort & Spa will be available for use by the Owners. Owners

shall be solely responsible for the costs of maintenance, repair and replacement of the Pedestrian Walkway and shall be assessed for such costs pursuant to the terms of the Master Declaration.

(4) Leases and Options to Purchase. There are no leases or options to purchase associated with the facilities available for use by Owners as described herein.

(5) Additions to Recreational Facilities.

Recreational facilities may be expanded or added without consent of the Purchasers or the Association.

DVD is not required to construct or declare as part of the Grand Floridian Villas any recreational or other commonly used facilities other than those facilities, if any, contained in the phases of the Grand Floridian Villas initially declared to the condominium form of ownership. However, DVD has reserved the right to add recreational facilities to the Grand Floridian Villas without the consent of the Owners, Club Members, or the Association, provided that all costs of construction of such additional recreational facilities shall be borne exclusively by DVD.

At such time as DVD does add recreational or other commonly used facilities to the Grand Floridian Villas, those facilities will be included as part of the Common Elements of the Grand Floridian Villas. All costs of maintenance, repair and replacement of any such additional recreational facilities will be borne by the Owners and shall be assessed to the Owners as a part of their Annual Dues subject to the limitation in the increase of the Estimated Budgets under Florida law. Any increase in Annual Dues resulting from adding additional recreational facilities will be limited to an amount that will not result in an increase in the Estimated Budgets in excess of one hundred fifteen percent (115%) of the previous year's Estimated Budgets, excluding capital reserves, except as permitted under Florida law.

d. Financial Arrangements for Promised Improvements. DVD has sufficient cash reserves or other internal financial resources so that it will not be required to borrow money from any other source in order to complete construction of all promised improvements.

e. Insurance Coverage. The Association will obtain and maintain casualty and public liability insurance as to all buildings, Units, Vacation Homes, facilities and furnishings located upon the Condominium Property in an amount as required by Florida law. The cost of such insurance is a Common Expense and will be included in the Estimated Budgets.

f. Unusual and Material Features of the Condominium Property.

(1) Pedestrian Walkway. **The Pedestrian Walkway is part of the Master Declaration Property and is a covered path from the Grand Floridian Villas connecting to the existing Grand Floridian Resort & Spa. Owners of the Grand Floridian Villas shall be solely responsible for the cost and expense of maintaining, operating, repairing and replacing the Pedestrian Bridge and each Owners' share of such expenses will be included in Annual Dues.**

(2) Grand Floridian Resort & Spa and Existing Monorail System. The Grand Floridian Resort & Spa is located next to the Grand Floridian Villas. The Grand Floridian Resort & Spa is not a

part of the Condominium Property. An existing monorail system is located nearby to the Grand Floridian Resort & Spa. The existing monorail system is not part of the Condominium Property. Operation of the existing monorail system may result in noise or light levels in excess of that typically occurring in areas consisting solely of residential accommodations and may result in an obstruction of views.

There is no guaranty that any portion of the Grand Floridian Resort & Spa (including restaurants, bars and other hotel amenities) or the existing monorail system will continue in operation and The TWDC Companies shall be entitled to cease operations of any portion(s) of the Grand Floridian Resort & Spa at any time. Do not purchase an interest in the Grand Floridian Villas in reliance upon the continued operation of the Grand Floridian Resort & Spa.

(3) Master Declaration of Covenants, Conditions and Restrictions. The Grand Floridian Villas is subject to the Master Declaration of Covenants, Conditions and Restrictions, which govern the use of the Condominium Property and the property in the surrounding area not declared as part of the Grand Floridian Villas. Pursuant to the Master Declaration, Owners have easements to certain of the Shared Areas (as defined in the Master Declaration) of the Master Property (as defined in the Master Declaration) as provided under the Master Declaration.

The use of certain services, including without limitation, housekeeping, janitorial, engineering, landscaping, etc., certain utilities, including without limitation, electricity, storm water, sanitary sewer, natural gas, telephone, cable television, etc. and certain facilities, including without limitation, hotel check-in facility, back office facilities, telephone equipment rooms, etc., are being or may be provided to the Grand Floridian Villas pursuant to the terms of either the Property Management Agreement or the Master Declaration as a shared service, shared utility and/or shared area, as applicable, the cost of providing such services and utilities and the cost of operating and maintaining such facilities being equitably apportioned among its users including Owners. If the Grand Floridian Villas was required to provide such services, utilities and/or facilities within the Condominium Property and solely for the use and benefit of the Owners, the cost of operating the Condominium Property would increase.

(4) RCID Jurisdiction. The Grand Floridian Villas is located within the Reedy Creek Improvement District ("RCID"), a political subdivision of the State of Florida. RCID provides substantially all of the governmental services to the WALT DISNEY WORLD® Resort area and its affiliated properties, including the Grand Floridian Villas. Owners of real property interests within RCID, including Owners of Ownership Interests, are subject to ad valorem taxation by both RCID and Orange County, Florida.

(5) Ground Lease. The Grand Floridian Villas is subject to the terms and conditions of the Ground Lease.

(6) Commercial Units; Commercial Uses; Light and Noise. It is expressly contemplated that Commercial Units, Commercial Unit LCEs, portions of the adjacent Master Declaration Property, and nearby properties owned by The TWDC Companies may be operated as commercial spaces containing stores, restaurants, entertainment areas and other public establishments which may have nighttime hours of operation and which may result in noise or light levels in excess of levels typically occurring in areas consisting solely of residential accommodations, including, without limitation, fireworks and concerts.

(7) Description of Land Available for Use by Owners, but not Owned or Leased by the Owners or the Association. There is no land that will be made available for use by Owners, but not owned or leased by the Owners or the Association except as set forth in the Condominium Documents or the Master Declaration.

g. Control of the Association.

The developer has the right to retain control of the Association after a majority of the Units have been sold.

As set forth in the Declaration, DVD will control the Association through the appointment of a majority of the Board of Directors until such time as transfer of control of the Association occurs pursuant to the Condominium Documents or is required under Florida law. Unless DVD ceases to continue an on-going sales operation, the earliest that Owners would be entitled to elect a majority of the Board of Directors is three (3) years after fifty percent (50%) of the Units that will ultimately be operated by the Association have been sold; three (3) months after ninety percent (90%) have been sold; or seven (7) years after the Declaration has been recorded, whichever occurs first.

Pursuant to paragraph 4 of the Master Cotenancy Agreement, DVD is the authorized voting representative of the Owners who own Ownership Interests in each Unit at meetings of the Association and will cast all votes for such Owners at such meetings. Pursuant to paragraph 5 of the Master Cotenancy Agreement, DVD will notify the Owners in each Unit in advance of those Association meetings at which the Owners are entitled to elect directors. DVD will be authorized to cast the vote of a given Unit at Association meetings in whatever manner it deems appropriate unless it is otherwise instructed in writing in advance of such meetings by the Owners who own sixty percent (60%) of the Ownership Interests in that Unit. In this regard, DVD has agreed in the Master Cotenancy Agreement that it will not cast the 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 Unit:

(1) waiver of any material rights of the Association or of the Cotenants against DVD or any of its affiliates;

(2) waiver or reduction of required replacement reserves;

(3) any increase in the Association's annual operating budget in excess of one hundred fifteen percent (115%) of the previous year's budget, excluding capital reserves and Ad Valorem Real Estate Taxes;

(4) any increase in the calculation of compensation paid to DVCMC under the Property Management Agreement;

(5) reallocation of the undivided interests in the Common Elements appurtenant to each Unit other than the reallocation that results from the addition of phases to the Grand Floridian Villas;

(6) amendment of the Declaration, the Articles of Incorporation or the Bylaws in any manner that is materially adverse to the Owners as a whole; or

(7) voluntary termination of the Grand Floridian Villas, or any proposition not to reconstruct, repair or replace any portion of any Unit or Common Element after casualty.

In addition, 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 those Ownership Interests owned by DVD, may instruct DVD as to the manner in which the Unit's vote will be cast.

6. Estimated Budgets and Schedule of Purchasers' Expenses; Developer Subsidy.

The budget contained in this public offering statement has been prepared in accordance with the Florida Vacation Plan and Timesharing Act (Chapter 721, Florida Statutes), and is a good faith estimate only and represents an approximation of future expenses based on facts and circumstances existing at the time of its preparation. Actual costs of such items may exceed the estimated costs. Such changes in cost do not constitute material adverse changes.

a. Estimated Budgets and Schedule of Purchasers' Expenses. The Estimated Budgets are comprised of the Common Expenses and reserve requirements of the Grand Floridian Villas, as set forth in the Condominium Documents, and the Ad Valorem Real Estate Taxes assessed against Ownership Interests. DVCMC will assess the Estimated Budgets and Ad Valorem Real Estate Taxes to each Ownership Interest each year in the ratio that the number of Home Resort Vacation Points assigned to that Ownership Interest bears to the total number of Home Resort Vacation Points in the Grand Floridian Villas at that time.

As set forth in paragraph 4 of the Master Cotenancy Agreement, DVD as the voting representative of a Unit may not cast the Unit's vote at a meeting of the Association to increase the Estimated Budgets in excess of one hundred fifteen percent (115%) of the previous year's Estimated Budgets, excluding capital reserves, without the prior concurrence in writing of the Owners who own sixty percent (60%) of the Ownership Interests in that Unit. In the event that the requisite approval to increase the budgets beyond the fifteen percent (15%) cap is not obtained, DVCMC as the Management Company would be forced to reduce services to keep expenses within the approved budgeted amount. Owners are only responsible for the expenses and taxes assessed against them at the Grand Floridian Villas, and Owners are not liable for the cost of maintenance or repair of DVC Resorts other than the Grand Floridian Villas. Pursuant to the Resort Agreement and the Declaration, all Owners are required to pay Annual Dues which include their share of the cost and expenses of the Club attributed to the Grand Floridian Villas.

As set forth in the Declaration, the Association has a lien right against each Unit and each undivided Ownership Interest in each Unit to secure the payment of assessments for Common

Expenses and assessed Ad Valorem Real Estate Taxes, including interest, costs of collection and reasonable attorneys' fees. Pursuant to the Master Cotenancy Agreement, DVD also has the option but not the obligation to acquire a lien against the Ownership Interest of any Cotenant who fails to timely pay all assessments due by paying the delinquent amounts due by the Cotenant. If DVD does not exercise its option to acquire the lien, any other Cotenant may pay the delinquent amounts and acquire the lien. If no Cotenant pays the delinquent assessments of another Cotenant, the Association has the right to collect the delinquency through foreclosure of its lien against the Ownership Interest of the delinquent Cotenant.

Under Florida law, Ad Valorem Real Estate Taxes are assessed against the Grand Floridian Villas as a whole. If one hundred percent (100%) of the taxes so assessed are not timely paid to the appropriate county tax collector, a tax lien will attach to the entire Grand Floridian Villas, which lien can be sold at public auction. Consequently, a tax lien can be placed on all of the Grand Floridian Villas for the failure of any Cotenant to pay his or her portion of the Unit's portion of the Ad Valorem Real Estate Taxes assessed against all of the Grand Floridian Villas.

Certain of the variable and semi-variable expenses related to the provision of hospitality services to the Grand Floridian Villas as set forth in the Estimated Annual Operating Budget, including expenses for housekeeping, maintenance and front desk operations, may be lower than they otherwise would be if such services were being provided by independent third parties, because such services are being provided by WDPR through a property management subcontract that takes into account that the services are also being provided to adjacent accommodations that are not part of the Grand Floridian Villas.

b. Basis for Assessments.

DVD has agreed to guarantee to each Purchaser and Owner that they will only be required to pay an assessment for operating and reserves expenses of \$-4.0431 per Vacation Point through December 31, -2015, exclusive of ad valorem taxes which are billed separately. In consideration of this guarantee and pursuant to Florida law, DVD will be excused from the payment of its share of the expenses which otherwise would have been assessed against its unsold Ownership Interests during the term of the guarantee. As a consequence of this exemption, during the term of this guarantee, existing Owners and current Purchasers will not be specially assessed with regard to Common Expenses, except as hereinafter provided, if Common Expenses exceed the guarantee per Vacation Point amount and DVD will pay any difference between actual expenses and assessments collected from all Owners and income from other sources. Amounts expended for any insurance coverage required by law or the Condominium Documents to be maintained by the Association and depreciation expense related to real property shall be excluded from the calculation of the Developer obligation except that for real property used for the production of fees, revenue or other income depreciation expense shall be excluded only to the extent they exceed the net income from the production of such fees, revenue or other income. DVD will pay such expenses as needed to meet expenses as they are incurred. However, any expenses incurred during the guarantee period resulting from a natural disaster or an act of God, which are not covered by insurance proceeds from the insurance maintained by the Association, will be assessed against all Owners owning Ownership Interests on the date of such natural disaster or act of God, or their successors or assigns, including

DVD, provided that during any period of time DVD controls the Association pursuant to Section 718.301, Florida Statutes, the Association maintains all insurance coverages required by Section 721.165, Florida Statutes. Any special assessment imposed for amounts excluded from the guarantee pursuant to this paragraph shall be paid proportionately by all Owners, including DVD with respect to the Ownership Interests owned by DVD, in accordance with the Condominium Documents. DVD reserves the right, but is under no obligation, to extend and/or increase the amount of this guarantee for one (1) or more periods of one (1) year each after the expiration of this guarantee period on December 31, -2015, as permitted by Florida law.

The -2015 annual assessment (exclusive of Ad Valorem Real Estate Taxes) will be calculated by multiplying the number of Vacation Points associated with your Ownership Interest by \$-4.0431 per Vacation Point.

7. Purchase of a Vacation Ownership Interest.

a. Purchasers' Right of Cancellation. Purchasers may cancel their Purchase Agreement without any penalty or obligation within ten (10) days after the date of execution of their Purchase Agreement or the date on which they receive the last of all documents required to be provided pursuant to Section 721.07(6), Florida Statutes, whichever is later. If Purchasers decide to cancel their Purchase Agreement, then the Purchasers must notify DVD in writing of their intent to cancel. The notice of cancellation shall be sent to DVD, Attention: Membership Administration at 1390 Celebration Blvd., Celebration, Florida 34747. Any attempt to obtain a waiver of Purchasers' cancellation rights is void and of no effect. While Purchasers may execute all closing documents in advance, the closing, as evidenced by delivery of the Purchasers' deed to the appropriate recording office, before expiration of the 10 day cancellation period is prohibited. If your notice of cancellation is sent more than ten (10) days after the date you sign the Purchase Agreement, DVD shall have the right to retain the total of all funds and property received under the Purchase Agreement. The notice of cancellation shall be considered given on the date postmarked if mailed, or the date transmitted, so long as the notice is actually received by DVD. If given by means other than by mail or telegraph, the notice of cancellation shall be considered given at the time delivered to DVD at its address stated above.

In addition, Chapter 721 provides that you have the right to cancel your Purchase Agreement until midnight of the tenth (10th) calendar day following whichever of the following occurs later: (a) the execution date; or (b) the day on which you received the last of all documents required to be provided to you pursuant to Section 721.07(6), Florida Statutes. Because DVD is providing you with all of the documents required to be delivered to you, your cancellation right will expire on midnight of the tenth (10th) calendar day following the date on which you executed your Purchase Agreement. You may receive a separate and distinct cancellation right in the event that DVD makes amendments or additions which are material changes (as explained below and in your Purchase Agreement), but you should not rely on that possibility.

Amendments, additions, or changes to the Condominium Documents may be made after closing in accordance with the terms of the Condominium Documents and Florida law. DVD may make changes to the documents comprising the offering, including the component site public offering statement, multi-site public offering statement, and the exhibits thereto, including the Condominium Documents (collectively, "Offering Documents") prior to closing. If, in DVD's sole, absolute and

unfettered discretion, these changes do not materially alter or modify the offering in a manner adverse to Purchaser, they shall be considered "Non-Material Changes." Non-Material Changes may include changes set forth in the previous paragraph; an increase in the component site budget of no more than 115% of such budget for the previous year; changes to update component site or Club disclosure information as required by Florida law (including changes in the officers or directors of DVD, DVCMC or BVTC; any action taken pursuant to any reserved and previously disclosed right; completion of improvements; and transfer of control of the Association); correction of grammatical or typographical errors; formatting changes; any change to or addition of a document affecting prospective purchaser only; any substitution of an executed, filed, or recorded document for the same unexecuted, filed, or recorded copy; or any increase in insurance coverage. If, in DVD's sole, absolute and unfettered discretion, a change materially alters or modifies the offering in a manner adverse to Purchaser, it shall be considered a "Material Change."

b. Total Financial Obligation of the Purchaser.

(1) Schedule of Estimated Closing Costs. As set forth in the Purchase Agreement, Purchaser shall pay (i) a document preparation fee; (ii) the cost of recording the special warranty deed; (iii) the documentary stamp tax due on the deed as required under Florida law; and (iv) the premium cost for an owner's policy of title insurance. In addition, if any portion of the purchase price is financed through DVD, Purchaser shall pay the documentary stamp tax due on the mortgage as required under Florida law, the intangible tax due on the promissory note secured by the mortgage as required under Florida law, and the cost of recording the mortgage. DVD shall pay the premium for a mortgagee policy of title insurance if it elects to obtain a mortgagee policy.

(2) Total Obligation. A Purchaser's total financial obligation includes the purchase price paid for the Ownership Interest, closing costs, county and special district Ad Valorem Real Estate Taxes, External Exchange Company use fees, Annual Dues, all finance charges, and the following additional charge:

(a) International Members Surcharge. **For Ownership Interests owned by Members outside of the United States, the Management Company reserves the right to charge a surcharge in an amount set by the Management Company 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.**

Since the Ownership Interest acquired by Purchasers is an interest in real estate under Florida law, Purchasers may be entitled to deduct, for federal income tax purposes: (i) interest paid under a promissory note which is secured by a mortgage encumbering the Ownership Interest, and (ii) the Purchaser's allocable share of Ad Valorem Real Estate Taxes (paid via Annual Dues). Purchasers should understand that DVD intends to report such mortgage interest to Purchasers and to the United States Internal Revenue Service as mortgage interest paid on form 1098.

Purchasers 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 a Purchaser's particular circumstances (including, but not limited to, among other factors, whether or not the Purchaser itemizes deductions on the Purchaser's federal income tax return or whether the Purchaser already owns 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. Each Purchaser should consult his or her 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.

The managing entity has a lien against each Ownership interest to secure the payment of assessments, ad valorem assessments, tax assessments, and special assessments. Your failure to make any required payments may result in the judicial or trustee foreclosure of an assessment lien and the loss of your Ownership Interest. If the managing entity initiates a trustee foreclosure procedure, you shall have the option to object to the use of the trustee foreclosure procedure and the managing entity may only proceed by filing a judicial foreclosure action.

(3) Charges by Other Entities. The following entities may alter the charges to which the Purchaser may be subject: the Board of Directors, any applicable governmental entities including, without limitation, the county tax assessor, DVD as the assignee of WDPR's assessment rights for shared services and facilities pursuant to the terms of the Master Declaration, any External Exchange Company, DVCMC, WDPR and BVTC. The owners of the Commercial Units and surrounding commercial areas may also increase or decrease the user fees for the use of any service or enterprise conducted on such Commercial Units or surrounding commercial areas.

c. Status of Title to Property Underlying the Grand Floridian Villas. Each Purchaser's Ownership Interest in a Unit shall be free and clear of all liens, encumbrances, defects, judgments and mortgages, except that each such Ownership Interest shall be subject to the following matters of title: the Condominium Documents; the Master Declaration; the Master Cotenancy Agreement; membership in the Club, which is an appurtenance to each Ownership Interest pursuant to the Declaration, the Membership Agreement and the Resort Agreement; any mortgage placed upon the Purchaser's Ownership Interest in connection with purchase-money or third-party financing; taxes and assessments for the year of purchase and subsequent years; and restrictions, reservations, conditions, limitations, and easements of record prior to purchase or imposed by governmental authorities having jurisdiction or control over the subject property. In addition, Ownership Interests shall be subject to the Ground Lease.

The right to reserve a timeshare period is subject to rules and regulations of the timeshare plan reservation system.

Please refer to the Multi-site Public Offering Statement for more details.

d. Restrictions Upon the Sale, Transfer, Conveyance or Leasing of Units or Ownership Interests.

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 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.

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.

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

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 Grand Floridian Villas 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 permitted sale

between an Owner and a bona fide third party shall be 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. Any lease or rental agreement shall be deemed to contain a provision requiring that any sums due to the Association as assessments must be deducted from the gross rentals and paid directly to the Association. Resale of an Ownership Interest is also subject to a right of first refusal in favor of DVD as set forth in the Declaration and in the Purchase Agreement.

e. Pre-completion of Construction Closing. The purchase of an Ownership Interest may be closed prior to completion of construction of the Units, Vacation Homes, recreational facilities and other commonly used facilities contained in a phase of the Grand Floridian Villas, as permitted by applicable law.

Florida law permits a closing prior to the completion of construction in the event the Division of Florida Condominiums, Timeshares and Mobile Homes approves an alternate assurance in lieu of completion of construction. In the event such an alternate assurance is approved and construction of such Units, Vacation Homes, recreational facilities and other commonly used facilities is not completed in accordance with the purchase agreement, the Purchaser shall be entitled to all the rights and remedies set forth in the Purchaser's purchase agreement.

8. Exchange Program Opportunities. See the Multi-site Public Offering Statement Text for details regarding exchange program opportunities.