Notice of 2016 Annual Meetings
of the
Board of Directors and Members
Disney Vacation Club® Resorts Condominium Associations

To: Kenneth M. Potrock, President and Director
Leigh Anne Nieman, Director
Mahmud Dhanani, Director
Shannon Sakaske, Director
Yvonne Chang, Director

To: Disney Vacation Development, Inc. ("DVD"), as Authorized Voting Representative for all units ("Units") declared as part of each project (the "DVC Resorts") for the following associations (the "Associations"):

Disney's Old Key West Resort Condominium Association, Inc.
Disney's Vero Beach Condominium Association, Inc.
Disney Vacation Club at Hilton Head Island Owners Association, Inc.
Disney's BoardWalk Villas Condominium Association, Inc.
The Villas at Disney's Wilderness Lodge Condominium Association, Inc.
Disney's Beach Club Villas Condominium Association, Inc.
Disney's Saratoga Springs Resort Condominium Association, Inc.
Disney's Animal Kingdom Villas Condominium Association, Inc.
Bay Lake Tower at Disney's Contemporary Resort Condominium Association, Inc.
Ali`i Nui Vacation Owners Association, Inc.
Ali`i Nui Villas Condominium Association, Inc.
Ali`i Nui Hotel Condominium Association, Inc.
The Villas at Disney's Grand Floridian Resort Condominium Association, Inc.

Under the terms of the Master Cotenancy Agreements (the "Agreements") for each DVC Resort among DVD, Disney Vacation Club Management Corp. or Disney Vacation Club Hawai`i Management Company, LLC, as applicable, and each owner of an Ownership Interest in a Unit (the "Owners"), DVD has been designated as the Authorized Voting Representative for each Unit in each DVC Resort for any meeting of any of the Associations.

Pursuant to the Agreements and to the applicable provisions of the bylaws of each Association (the "Bylaws"), notice is hereby given to DVD, as the Authorized Voting Representative, the Owners and the members of each Board of Directors for each of the Associations (the "Boards") that **the 2016 Annual Meetings of the Board of Directors and the 2016 Annual Meetings of the Members will take place at 2:00 p.m. EST and 2:10 p.m. EST, respectively, on Thursday, December 8, 2016**, at Disney's Coronado Springs Resort Convention Center, located at 1000 West Buena Vista Drive, Lake Buena Vista, Florida 32830. The purposes of the meetings are to conduct all business properly brought before the Boards and the Associations, including to elect the members of the Boards and to review and adopt the proposed 2017 Estimated Annual Budget for each Association (the "Budgets"). The meetings of each of the Boards and Associations will be jointly and simultaneously held.

The following items of business will be conducted at the meetings:

(1) Resolutions to be Adopted. The following resolutions will be presented for adoption for each Association:

(a) Excess Assessments. Any assessments collected by or paid to the Association in excess of operating expenses for the year ended December 31, 2016, shall be set aside for future major repairs and replacements and allocated to capital components as provided by the guidelines established by the Internal Revenue Code under IRC Section 118 and Revenue Rulings 75-370 and 75-371. Such amounts shall be deposited into insured interest-bearing accounts and shall be allocated to the various components at the discretion of the Board.

(b) Use of Reserve Funds. The amounts assessed to fund the Capital Reserves Budget are not payments for yearly Association operating services.

(2) 2017 Estimated Annual Operating and Reserves Budgets. The proposed 2017 Estimated Annual Operating and Reserves Budgets for each of the Associations will be reviewed and presented for adoption.

The resolutions outlined above and the 2017 Estimated Annual and Operating Reserves Budgets will be presented at the Member Annual Meetings. As the authorized Voting Representative for each Unit of each DVC Resort, DVD has reviewed the proposed resolutions and budgets and intends to cast each Unit's vote to approve the resolutions and budgets when presented for approval at the Member Annual Meetings.

In addition to the matters listed above, an election will be held at the Member Annual Meetings to elect directors to each Board. DVD, as the authorized Voting Representative for each Unit of each DVC Resort, intends to elect the following individuals to each Board:

Kenneth M. Potrock
President and Director

Shannon Sakaske
Director

Leigh Anne Nieman
Director

Mahmud Dhanani
Director

Yvonne Chang
Director

Board of Directors Annual Meeting Agenda:

1. Call to Order
2. Declaration of Chairperson of the Meeting
3. Calling of the Roll
4. Verification of Quorum
5. Proof of Notice of Meeting
6. Approval of 2015 Minutes
7. New Business:
    a. Presentation of Budgets
8. Adjournment

Members Annual Meeting Agenda:

1. Call to Order
2. Election of Chairperson of the Meeting
3. Calling of the Roll
4. Verification of Quorum
5. Proof of Notice of Meeting
6. Approval of 2015 Minutes
7. Election of Directors
8. New Business:
    a. Presentation of Resolutions for Approval
    b. Presentation of Budgets
9. Adjournment

November 11, 2016

Disney Vacation Club At Hilton Head Island Owners Association, Inc.

The 2017 Budgets were calculated based on the Association's 2016 fiscal year operating experience and anticipated or known changes in costs for 2017. Please direct Annual Dues questions to Member Accounting at 800-800-9800 or 407-566-3800, Option 3.

Estimated Operating Budget For The Year January 1, 2017 Through December 31, 2017

	102 Vacation Homes	
Revenue Components	**2017 Annual Budget**	**2017 Annual Budget (Per Vacation Point)**
Interest Income - Taxes and Operating	$222	$0.0002
Member Late Fees and Interest	174,552	0.1275
Breakage Income	242,875	0.1774
Member Annual Dues Assessment	7,189,149	5.2515
TOTAL REVENUES AND INCOME	**$7,606,798**	**$5.5566**
Cost Components		
Administration and Front Desk	$1,726,135	$1.2609
Annual Audit	14,500	0.0106
Association Dues/Fees	133,803	0.0977
DVC Reservation Component	8,624	0.0063
Housekeeping	1,779,914	1.3003
Income Taxes	38,978	0.0285
Insurance	145,472	0.1063
Legal	1,000	0.0007
Maintenance	1,289,991	0.9423
Management Fee	1,014,869	0.7413
Member Activities	673,162	0.4917
Utilities	625,224	0.4567
Developer Loan Payment (see Budget Note 13)	155,126	0.1133
TOTAL OPERATING EXPENSES	**$7,606,798**	**$5.5566**

Estimated Operating Budget Notes

All capitalized terms not defined in these budget notes will have the same meanings ascribed to such terms in the Component Site Public Offering Statement for Disney Vacation Club at Hilton Head Island Horizontal Property Regime ("Resort"). See also Additional Budget Notes.

Description of Revenue Components:

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

2. Member Late Fees and Interest - All delinquent Annual Dues payments are subject to a late fee of $25 per Ownership Interest, plus interest at the maximum rate permitted by law (currently 18 percent) accrued on the amount outstanding from the original due date.

3. Breakage Income - As stated in the Condominium Documents, Disney Vacation Club Management Corp. ("DVCMC") rents, during the Breakage Period, certain accommodations that have not been reserved by Members. The Association is entitled to receive, as breakage income, the proceeds of such rentals not to exceed 2.5 percent of the aggregate of the Condominium Operating Budget (total operating expenses less the sum of interest income and Member late fees and interest) and Capital Reserve Budget in each calendar year.

4. Member Annual Dues Assessment - The amount assessed to Owners with an Ownership Interest in Disney's Hilton Head Island Resort.

Description of Cost Components:

1. Administration and Front Desk - Cost of front desk operations and resort management, including operating supplies and equipment rental. Also includes costs for operational and administrative support from the WALT DISNEY WORLD® Resort ("WDW").

2. Annual Audit - Fee for the independent audit of the Association's financial statements.

3. Association Dues/Fees - Annual fees paid to master associations that provide security, road maintenance, landscaping and other services for the Palmetto Dunes Resort and Shelter Cove planned developments.

4. DVC Reservation Component - Fee paid to Buena Vista Trading Company for providing the exchange component of the Club central reservation system.

5. Housekeeping - Cost of cleaning Vacation Homes and public areas and replacement of disposable amenities in Vacation Homes. Also includes the purchase, replacement and cleaning of linens and towels.

6. Income Taxes - Federal income taxes and state taxes. Timeshare condominium associations may not claim non-profit status for federal income tax purposes under current regulations.

7. Insurance - Cost of insurance premiums for property coverage, general liability, workers' compensation, crime and Director's and Officer's liability.

8. Legal - Cost of legal counsel regarding Association business.

9. Maintenance - Cost of interior and exterior maintenance and repairs not paid for out of replacement reserves. Also includes landscaping, pest control and fire alarm monitoring.

10. Management Fee - Fee paid to DVCMC for providing management services to the Association according to the Property Management Agreement. The fee is equal to 12 percent of the total Operating and Reserve Budget exclusive of real estate taxes, transportation fees, and the management fee, itself.

11. Member Activities - Cost of recreation operations, certain Member activities and events at the Resort. Cost of quarterly Member newsletter, annual Association meetings and printing and postage for Association legal mailings.

12. Utilities - Cost of electricity, gas, water, sewer, solid waste disposal, cable television and telephone service at the Resort.

13. Developer Loan - DVD has made a loan to the Association to fund repairs related to Hurricane Matthew in the amount of $750,000, which is the estimated amount not covered under its insurance policy due to the deductible. This loan will accrue interest at 1.33% per year compounded monthly and will be repaid by the Association in monthly installments over the next five years beginning January 1, 2017. The Association will make approximately $155,126 in payments on this loan in 2017.

General Notes:

1. Developer Subsidy - DVD has agreed that each Purchaser and Owner will only be required to pay an assessment for operating expenses of $5.2515 per Vacation Point through December 31, 2017, exclusive of ad valorem taxes which are billed separately. The actual amount of the developer contributed subsidy to be paid by DVD will be equal to the amount necessary to pay the difference between the actual expenses less the sum of the amount of operating assessments collected from all Owners and income from other sources. However, any expenses incurred during the subsidy 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, their successors or assigns, including DVD, provided that during any period of time DVD controls the Association and the Association maintains all insurance coverage required by the Resort Documents and applicable law. The obligation of DVD to provide this subsidy is a matter of private contract among DVD, current Purchasers and the Association (as to existing Owners). DVD reserves the right to discontinue offering this subsidized operating assessment in the future.

   As a consequence of this subsidized assessment, existing Owners and current Purchasers will not be specially assessed with regard to expenses during the subsidy period if the expenses exceed the subsidized per Vacation Point amount, except in the event of a natural disaster or an act of God as outlined above. DVD shall pay any amount of expenses incurred during the subsidy period in excess of the total revenue of the vacation ownership plan, including subsidized assessments collected from Owners and current Purchasers and Association income from other sources, except in the event of a natural disaster or an act of God as outlined above.

See also Additional Budget Notes.

Estimated Capital Reserves Budget For January 1, 2017 Through December 31, 2017

	102 Vacation Homes	
Replacement Fund Components	**2017 Annual Budget**	**2017 Annual Budget (Per Vacation Point)**
Capital Reserves	$2,288,619	$1.6718
Interest Income	(5,658)	(0.0041)
TOTAL CAPITAL RESERVES BUDGET	**$2,282,961**	**$1.6677**

Capital Reserve Analysis For The Year Ended December 31, 2016

Replacement Fund Components	**Estimated Fund Balance as of December 31, 2016**	**Estimated Useful Lives (Years)**	**Estimated Remaining Useful Lives (Years)**	**Estimated Current Replacement Costs (102 Vacation Homes)**
Roof Replacement/Repair		10 - 26	1 - 20	$3,506,024
Interior Refurbishment		5 - 25	1 - 17	18,137,893
External Building Painting		2 - 10	1 - 6	2,555,690
Common Element Renovation		1 - 40	1 - 19	7,235,133
Pavement Resurfacing		2 - 25	1 - 19	784,343
Capital Reserves	$6,479,373			
TOTAL	**$6,479,373**			**$32,219,083**

Estimated Capital Reserves Budget Notes

All capitalized terms not defined in these budget notes will have the same meanings ascribed to such terms in the Component Site Public Offering Statement for Disney Vacation Club at Hilton Head Island Horizontal Property Regime. See also Additional Budget Notes.

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

2. Developer Subsidy - DVD has agreed that each Purchaser and Owner will only be required to pay an assessment for reserves expenses of $1.6677 per Vacation Point through December 31, 2017, exclusive

of ad valorem taxes which are billed separately. The actual amount of the developer contributed subsidy to be paid by DVD will be equal to the amount necessary to pay the difference between the actual expenses less the sum of the amount of reserves assessments collected from all Owners and income from other sources. However, any expenses incurred during the subsidy 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, their successors or assigns, including DVD, provided that during any period of time DVD controls the Association and the Association maintains all insurance coverage required by the Resort Documents and applicable law. The obligation of DVD to provide this subsidy is a matter of private contract among DVD, current Purchasers and the Association (as to existing Owners). DVD reserves the right to discontinue offering this subsidized reserves assessment in the future.

As a consequence of this subsidized assessment, existing Owners and current Purchasers will not be specially assessed with regard to expenses during the subsidy period if the expenses exceed the subsidized per Vacation Point amount, except in the event of a natural disaster or an act of God as outlined above. DVD shall pay any amount of expenses incurred during the subsidy period in excess of the total revenue of the Vacation Ownership Plan, including subsidized assessments collected from Owners and current Purchasers and Association income from other sources, except in the event of a natural disaster or an act of God as outlined above.

See also Additional Budget Notes.

Additional Budget Notes

1. 2017 Dollars - All costs are stated in 2017 dollars unless otherwise indicated.

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

3. Related Party Transactions - DVD is a Florida corporation and a related entity of The Walt Disney Company ("TWDC"), a Delaware corporation. DVD acquired a term-for-years interest in certain property, located in Beaufort County, South Carolina. DVD developed the Condominium on the property, and sells ownership interests in Condominium units, as part of the vacation ownership plan. Unless otherwise extended, the term-for-years interest will expire on January 31, 2042, and vest to the benefit of Walt Disney Parks and Resorts U.S., Inc. ("WDPR"), a Florida corporation (formerly Walt Disney World Co.), its successors and assigns, as successor by merger to Walt Disney World Hospitality & Recreation Corporation ("WDWHRC") formerly known as and sometimes identified herein and in DVC Resort Documents as Lake Buena Vista Communities, Inc. WDPR is also a subsidiary of TWDC.

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

   DVD retains no less than 4 percent of the total ownership interests in each unit declared in the Condominium, and is responsible for annual dues with respect to its retained or unsold ownership interests. DVD has retained ownership interests equivalent to approximately 54,770 vacation points. In addition, DVD had unsold ownership interests equivalent to approximately 5,701 vacation points as of December 31, 2015. During the year ended December 31, 2015, DVD annual dues paid to the Association were $341,335.

   As of December 31, 2015, the amount due to DVD of $421,748 is primarily related to real estate taxes paid on behalf of the Association by DVD.

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

Management fees payable to DVCMC are 12 percent of the total operating and reserve budget exclusive of real estate taxes, transportation fees, and the management fee, itself. Management fees incurred during the year ended December 31, 2015, were $914,118.

DVCMC has an agreement with the Association whereby DVCMC may operate a resort hotel with respect to the rental of unreserved accommodations in the Condominium. Proceeds, resulting from the rental of unreserved accommodations, are retained by the Association up to an amount equal to 2.5 percent of the adjusted operating and reserve budget, as defined, in each calendar year, as breakage revenue. During the year ended December 31, 2015, the Association received $218,763 in breakage revenue.

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

Amounts due to or from DVCMC are payable in full and due on demand. As of December 31, 2015, the amount due to DVCMC of $396,240 related to allocable expenses, net of annual dues collected but not yet remitted to the Association.

4. Management Agreement - The Association currently has a three-year management agreement ending September 14, 2019 with DVCMC. Thereafter, the management agreement automatically renews for successive periods of three (3) years each, upon its scheduled expiration, unless either party gives the other written notice of nonrenewal, as stipulated in the agreement. DVCMC provides on-site management and maintenance services, and off-site administrative and accounting services.

   Pursuant to the management agreement, DVCMC has been delegated the authority by the Association to provide all services, through employees and experts retained by it, incidental to the management and operation of the Condominium. In connection therewith, substantially all operating expenses have been allocated to the Association from DVCMC. However, certain operating expenses may be incurred through other TWDC entities.

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

Estimated Ad Valorem Taxes for January 1, 2017 through December 31, 2017

The amount of ad valorem taxes assessed against each Unit will be determined each year by the Beaufort County Property Tax Appraiser's Office. The estimated ad valorem tax assessments to be included on your 2017 Annual Dues billing statement will be $0.3536 per Vacation Point. This is DVCMCs best estimate of the actual taxes which will be assessed for the tax year 2017. DVCMC does not certify this ad valorem tax estimate. Each Owner is responsible for his or her per Vacation Point share of the actual tax bill received each year from the Beaufort County Tax Collector's Office. Any difference between the tax estimate and actual taxes paid on the Owner's behalf will be applied towards the Owner's subsequent year's tax assessment.

2017 Estimated Annual Dues Assessment

The estimated Annual Dues for the year January 1, 2017 through December 31, 2017 are $7.2728 per Vacation Point which is comprised of the estimated Annual Operating Budget ($5.2515 per Vacation Point), the estimated Annual Capital Reserves Budget ($1.6677 per Vacation Point) and the estimated ad valorem taxes ($0.3536 per Vacation Point). Total amount of Annual Dues paid by a Purchaser or Owner is determined by multiplying the total number of Vacation Points represented by the Ownership Interest purchased by $7.2728. For example, if the Ownership Interest is represented by 230 Vacation Points, the estimated Annual Dues would be $1,672.74.