Notice of 2026 Annual Meetings
of the
Board of Directors and Members
Disney Vacation Club at Hilton Head Island Owners Association, Inc.

To: William C. Diercksen, President and Director
Allison Choate, Director
Kelly Blakely, Director
Shannon Sakaske, Director
Yvonne Chang, Director

To: Disney Vacation Development, LLC ("DVD"), as Authorized Voting Representative for all units ("Units") declared as part of each project (the "DVC Resort") for Disney Vacation Club at Hilton Head Island Owners Association, Inc. (the "Association")

Under the terms of the Master Cotenancy Agreement (the "Agreement") among DVD, Disney Vacation Club Management, LLC and each owner of an Ownership Interest in a Unit (the "Owner"), DVD has been designated as the Authorized Voting Representative for each Unit in the DVC Resort for any meeting of the Association.

Pursuant to the Agreement and to the applicable provisions of the bylaws of the Association (the "Bylaws"), notice is hereby given to DVD, as the Authorized Voting Representative, the Owners and the members of the Board of Directors for the Association (the "Board") that the **2026 Annual Meeting of the Board of Directors and the 2026 Annual Meeting of the Members will take place beginning at 2:30 p.m. EST on Wednesday, December 9, 2026, at Disney's Contemporary Resort Convention Center**, located at 4600 North World Drive, Lake Buena Vista, Florida 32830. The purposes of the meetings are to conduct all business properly brought before the Board and the Association, including to elect the members of the Board and to review and adopt the proposed 2027 Estimated Annual Budget for the Association (the "Budget").

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

(1) Resolution to be Adopted. The following resolution will be presented for adoption for the Association:

> (a) Excess Assessments. Any assessments collected by or paid to the Association in excess of operating expenses for the year ended December 31, 2026, 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.

(2) 2027 Estimated Annual Operating and Reserves Budget. The proposed 2027 Estimated Annual Operating and Reserves Budget for the Association will be reviewed and presented for adoption.

The resolution outlined above and the 2027 Estimated Annual Operating and Reserves Budget will be presented at the Annual Member Meeting. As the authorized Voting Representative for each Unit of the DVC Resort, DVD has reviewed the proposed resolution and budget and intends to cast each Unit's vote to approve the resolution and budget when presented for approval at the Annual Member Meeting.

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

William C. Diercksen
President and Director

Shannon Sakaske
Director

Yvonne Chang
Director

Allison Choate
Director

Kelly Blakely
Director

Annual Board of Directors 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 December 10, 2025, Board of Directors Meeting Minutes
7. New Business:
    a. Presentation of Budget
8. Adjournment

Annual Member 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 December 10, 2025, Owners' Annual Meeting Minutes
7. Election of Directors
8. New Business:
    a. Presentation of Resolution for Approval
    b. Presentation of Budget
9. Resort Updates
10. Question and Answer Session
11. Adjournment

November 20, 2026

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

The 2027 Budgets were calculated based on the Association's 2026 fiscal year operating experience and anticipated or known changes in costs for 2027. 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, 2027 Through December 31, 2027

	102 Vacation Homes	
Revenue Components	**2027 Annual Budget**	**2027 Annual Budget (Per Vacation Point)**
Member Late Fees and Interest	$70,119	$0.05
Breakage Income	443,279	0.32
Member Annual Dues Assessment	13,428,919	9.81
TOTAL REVENUES AND INCOME	**$13,942,317**	**$10.18**
Cost Components		
Administration and Front Desk	$3,297,879	$2.41
Annual Audit	15,800	0.01
Association Dues/Fees	195,255	0.14
Bad Debt Expense	5,863	0.00
DVC Reservation Component	9,059	0.01
Housekeeping	3,920,866	2.88
Income Taxes	140,904	0.10
Insurance	647,230	0.47
Legal	1,000	0.00
Maintenance	1,798,465	1.31
Management Fee	1,852,273	1.35
Member Activities	1,176,703	0.86
Utilities	881,020	0.64
TOTAL OPERATING EXPENSES	**$13,942,317**	**$10.18**

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. 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.

2. Breakage Income - As stated in the Condominium Documents, Disney Vacation Club Management, LLC ("DVCM") 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 Member late fees and interest) and Capital Reserve Budget in each calendar year.

3. 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. Bad Debt Expense - Estimate of member annual dues assessments that will not be collected during the year.

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

6. 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.

7. 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.

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

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

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

11. Management Fee - Fee paid to DVCM 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 and the management fee, itself.

12. 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.

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

General Notes:

1. Developer Guarantee - DVD has agreed that each Purchaser and Owner will only be required to pay an assessment for operating expenses of $9.81 per Vacation Point through December 31, 2027, exclusive of ad valorem taxes which are billed separately. The actual amount of the developer guarantee 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 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, 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 guarantee 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 guaranteed operating assessment in the future.

   As a consequence of this guaranteed assessment, existing Owners and current Purchasers will not be specially assessed with regard to expenses during the guarantee period if the expenses exceed the guaranteed 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 guarantee period in excess of the total revenue of the vacation ownership plan, including guaranteed 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, 2027 Through December 31, 2027

Replacement Fund Components	102 Vacation Homes 2027 Annual Budget	2027 Annual Budget (Per Vacation Point)
Capital Reserves	$4,184,977	$3.06
Interest Income	(326,018)	(0.24)
TOTAL CAPITAL RESERVES BUDGET	**$3,858,959**	**$2.82**

Capital Reserve Analysis For The Year Ended December 31, 2026

Replacement Fund Components	Estimated Fund Balance as of December 31, 2026	Estimated Useful Lives (Years)	Estimated Remaining Useful Lives (Years)	Estimated Current Replacement Costs (102 Vacation Homes)
Roof Replacement/Repair		10 - 40	1 - 13	$4,974,404
Interior Refurbishment		1 - 28	1 - 13	26,803,648
External Building Painting		1 - 8	1 - 7	3,041,386
Common Element Renovation		1 - 30	1 - 14	11,945,104
Pavement Resurfacing		2 - 25	1 - 9	1,038,798
Capital Reserves	$8,351,994			
TOTAL	**$8,351,994**			**$47,803,340**

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 Guarantee - DVD has agreed that each Purchaser and Owner will only be required to pay an assessment for reserves expenses of $2.82 per Vacation Point through December 31, 2027, exclusive of ad valorem taxes which are billed separately. The actual amount of the developer guarantee 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 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, 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 guarantee 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 guaranteed reserves assessment in the future.

As a consequence of this guaranteed assessment, existing Owners and current Purchasers will not be specially assessed with regard to expenses during the subsidy period if the expenses exceed the guaranteed 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 guarantee period in excess of the total revenue of the Vacation Ownership Plan, including guaranteed 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. 2027 Dollars - All costs are stated in 2027 dollars unless otherwise indicated.

2. Books and Records - The books and records for the Association are maintained at: 215 Celebration Place, Suite 300, 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) 566-3800.

3. Related Party Transactions - DVD is a Florida limited liability company 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 Disney Vacation Club Management, LLC ("DVCM") serve on the Board or as officers of the Association. Certain directors or officers of the Association are also employees of TWDC or its affiliates.

   DVD retains no less than 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 54,770 vacation points. In addition, DVD had unsold ownership interests equivalent to 7,432 vacation points as of December 31, 2025. During the year ended December 31, 2025, DVD annual dues paid to the Association were $729,462.

   As of December 31, 2025, the amount due to DVD of $950,533 is primarily related to real estate taxes paid on behalf of the Association by DVD.

   DVCM, a Florida limited liability company, is the manager of the Association and is also a subsidiary of TWDC. DVCM provides goods and services for the resort and the Association itself and procures goods and services for the resort and the Association from affiliates, including DVD and TWDC.

Management fees payable to DVCM are 12 percent of the total annual operating and reserve budget exclusive of real estate taxes, and the management fee, itself. Management fees incurred during the year ended December 31, 2025, were $1,686,786.

DVCM has an agreement with the Association whereby DVCM may operate a resort hotel with respect to the rental of unreserved accommodations in the Condominium. Proceeds, resulting from the rental of unreserved accommodations, are retained by the Association up to an amount equal to 2.5 percent of the adjusted operating and capital reserves budget, as defined, in each calendar year, as breakage revenue. During the year ended December 31, 2025, the Association received $403,675 in breakage revenue.

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

Amounts due to or from DVCM are payable in full and due on demand. As of December 31, 2025, the amount due to DVCM of $529,723 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 15, 2028 with DVCM. Thereafter, the management agreement automatically renews for successive periods of three (3) years each, upon its scheduled expiration, unless either party gives the other written notice of nonrenewal, as stipulated in the agreement. DVCM provides on-site management and maintenance services, and off-site administrative and accounting services.

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

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, 2027 through December 31, 2027

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 2027 Annual Dues billing statement will be $0.60 per Vacation Point. This is DVCM's best estimate of the actual taxes which will be assessed for the tax year 2027. DVCM does not certify this ad valorem tax estimate. Each Owner is responsible for his or her per Vacation Point share of the actual tax bill received each year from the 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.

2027 Estimated Annual Dues Assessment

The estimated Annual Dues for the year January 1, 2027 through December 31, 2027 are $13.23 per Vacation Point which is comprised of the estimated Annual Operating Budget ($9.81 per Vacation Point), the estimated Annual Capital Reserves Budget ($2.82 per Vacation Point) and the estimated ad valorem taxes ($0.60 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 $13.23. For example, if the Ownership Interest is represented by 230 Vacation Points, the estimated Annual Dues would be $3,042.90.