



Special Assessment FAQs

Q: What is a special assessment?

A: A special assessment is an amount levied on all Members of the association when the association is operating at a loss due to deficits. Unfortunately, both the operating and reserve funds of Walley's Property Owners Association, Inc. are depleted and this special assessment is necessary in order to continue operations.

Q: Why is the special assessment necessary?

A: A special assessment is considered when a property is operating at a loss, due to a deficit. This is the case with the Walley's Property Owners Association, Inc. The operating funds are depleted, and in order to continue operations, a special assessment is necessary. The property is unable to continue to operate without levying this special assessment. In addition, the Association's reserve funds have been exhausted and the special assessment will allow the Association to begin rebuilding these funds for necessary capital improvements in the future.

Q: How long has Celebrity Resorts known about the need for a special assessment? Why was nothing done before now?

A: Celebrity Resorts has known that the financial circumstances of the Association were less than ideal, and that a special assessment would be an eventuality, since the fourth quarter of 2008. However, the full amount of the special assessment was unknown until now. In order to accurately identify the amount necessary to correct the deficit and replenish the reserve and operating funds, measures were first taken to reduce operating expenses and correct the operating budget. With a positive collection of the special assessment, the Association can eliminate the deficit and move forward with operations.

Q: What if the special assessment does not get approved?

A: Ultimately, if the special assessment does not get approved, it is anticipated that the 2010 operating expenses will deplete your Association's assets within the first quarter of 2010. The property is unable to continue to operate without levying this assessment and will therefore be forced to cease operations.

Q: Who must approve this special assessment?

A: Because this proposed special assessment is greater than 5% of the Gross Maintenance Expense for the current fiscal year, it must be approved by the owners. The Board of Directors, which consists of volunteers who were elected by the Association of owners, has unanimously agreed to recommend to the owners this special assessment plan proposed by the Management Company.

Q: Can I vote for or against this Special Assessment and how?

A: Yes, you can vote for or against the special assessment by attending a special meeting on February 21, 2010 at 10:00 a.m. The meeting will be held at Celebrity Resorts Carson Valley - David Walley's Hot Springs & Spa in the Valley View Room. The address is: 2001 Foothill Road; Genoa, Nevada 89411.

Q: What if I cannot attend the meeting, how can I vote?



A: If you cannot attend the meeting, you may choose to appoint your Management Company (Celebrity Resorts of Nevada Genoa Management Company, LLC) to vote on your behalf by signing and returning the Proxy that was mailed out to all Members with the notice of the special meeting.

Q: Who will be hosting the meeting? Are all the members of the Board going to be present?

A: The Management Company will have a representative at the meeting and many Board members are attempting to attend in person as well.

Q: Why did C. Craig Lewis sign the special meeting notice if he is no longer with Celebrity Resorts?

A: According to your Association's Bylaws, the secretary of the Association must sign meeting notifications. C. Craig Lewis is the secretary of the Board of Walley's Property Owners Association, Inc. and an owner of timeshare interests.

Q: Where in the Bylaws does it state that attendance is mandatory for my vote to be counted?

A: Amended Bylaws of Walley's Property Owners Association, Article V, and Section 8:

Every Member entitled to vote or execute consents shall have the right to do so either in person or by an Agent or Agents authorized by a written proxy executed by such Member or his duly authorized Agent and filed with the Secretary of the Association prior to the commencement of the meeting or at the meeting at which the proxy is to be exercised.

Q: Who are the members of the Board?

A: The Board members are as follows:

- Marlena Forst – President, Director
- Irvine Phillips - Vice President, Director
- Gary Grottke - Treasurer, Director
- C. Craig Lewis - Secretary, Director
- Jared M. Meyers - Director