

February 21st, Special Owners Meeting

Upon the official Proxy count, it was determined that there were not enough Proxies to conduct an “official” meeting, and as a result, the meeting would be for “informational” purposes only.

- There was a vote passed to reschedule the meeting, which will occur on Saturday, February 27, 2010 at 10:00 AM (PST), in the Valley View room of the DW's Restaurant, at the resort location.
- Assessment Amount – the recommended amount has decreased (*amounts will vary based unit type and building location*):
 - Whole Owner Week - from approximately \$964 to approximately \$629
 - Biennial Owner Week - from approximately \$506 to approximately \$339

Owner FAQs & Answers

- Why was the initial recommended assessment amount so high, and this recommended amount so much lower?
 - The initial amount was to satisfy deficits with the operating and reserves funds, allow provisions for bad debt, as well as rebuild the reserve funds to appropriate levels.
 - The newly recommended special assessment amount will cover minimal operational expenses, allowing the property to remain open. However, without collecting special assessment funds to correct the deficits, the Association may face a second special assessment.
- Will Celebrity Resorts offer any incentive for paying the special assessment?
 - Yes, Celebrity Resorts will offer the following incentives:
 - A free vacation week in Orlando (based on availability) will be offered to all owners that submit their payment on time.
 - The first 350 owners to pay in full will have an option to instead choose a free timeshare week based on availability.
- Where did all of the operating and reserve funds go?
 - Increased bad debt required borrowing from the reserve funds, as well as future operating expenses.
- What will the special assessment funds go towards if the assessment is passed?
 - The assessment will provide resolution to the current operating deficit, eliminate the need to borrow from 2011's budget, as well as allow for various improvements to your property.
- What caused the deficits imposing the special assessment?
 - Ultimately, a poor economy whereby increasing bad debt.
- Why can't the Association get a loan to satisfy the financial needs?
 - Credit is nearly non-existent in today's economy, whereby making the ability to obtain a loan virtually impossible.
- What is being done to increase communication to the owners?

- We are working to provide more frequently updated information on your owner site.
- Why won't Celebrity Resorts send updates in the mail?
 - Mailing information to the entire owner base is extremely costly to the Association.
- What is Celebrity Resorts doing about the delinquent owners?
 - Internal collections
 - External collections
 - And ultimately: foreclosure
- Why hasn't Celebrity Resorts foreclosed on owners yet?
 - Association funds are not available to facilitate the foreclosure process.