

The Resort Release

The official newsletter of



Volume 1 No. 33

April 2008

"Where good times are shared"

President's Report

As I sit at my desk at my full-time job every day and take calls from homeowners who are having difficulty making their mortgage payments, I cannot help but relate their situations to those of our owners at Cold Spring Resort. I think it is critical for all of us to put into perspective the various factors at play in our economy today and rationally plan for our future.

I cringe, shudder and sometimes yell at the television reports of the Federal Reserve having further cut the Fed Funds overnight rate and the (totally incorrect) assertion that it will lead to lower rates. In some instances (if one talks of Prime rate or other very short term rates such as might be used for "revolving" credit), this may actually be true. But in the long run, the effect is exactly the opposite, and, given the declining value of the US dollar, the increase in inflation, which is vastly understated by the monthly government reports, and the rapidly declining tax base, we should and must be conservative in our fiscal responsibilities.

I have no doubt that real estate tax revenues will decline in Ashland, as they will in many other cities and towns and Cold Spring Resort can look forward to future property tax increases. Oil and energy must increase with the "double-whammy" of a declining dollar and rising costs for oil. Insurance, be it for property, liability or health is only headed in one direction – UP – and the only questions are "how far" and "how quickly."

We have always prided ourselves on our cost controls with which we have been able to mitigate many cost increases, particularly in insurance and energy, and have been truly "Yankee frugal" in our borrowing of funds. Unlike many homeowners today who owe more than their home is worth, our available line of credit is less than 10% of our net worth as an Association and less than 5% of the real estate value of our buildings and land.

This strong financial position has been made possible by the continued support of our owners who understand that the budgets reflect the true cost of operations with no "fluff factor." The Board pledges to continue this conservative fiscal philosophy even though it may mean we have to concentrate on our preventive maintenance and forego some upgrades we all would like, such as those suggested at the most recent Annual Meeting (see Meeting Minutes sent with this report). At the same time it is imperative that our owners understand that having based the budget on actual expenses, it is necessary to ensure Maintenance Fees are paid by all Association members on a timely basis.

If you do experience temporary difficulties in making your semi-annual maintenance fee payments, you can set up a monthly plan to have the prorated portion directly charged to your credit card. Do not hesitate to contact Corinne Peltier in a timely fashion to make any deferred payment arrangements. We are always ready to assist to ensure the continued well-being of Cold Spring

Resort. Better economic times will come, as they always do in this cyclical economy of ours, and together we will get through these lean times.

Nominations and Elections - 2008

Owners interested in running for election to the Board of Directors must notify the NOMINATING COMMITTEE at least 90 days prior to the Annual Meeting of their intent to run for election. Since the Annual Meeting is scheduled for November 8 this year, notification to the Nominating Committee c/o the Resort's N.H. address should be postmarked by August 10, 2008.

The Association bylaws require that the notification of your intent to run for election to the Board of Directors should include: 1) a short biographical outline; 2) qualifications for office; 3) a listing of volunteer and/or committee service for the Association; and, 4) reasons for seeking election to the Board of Directors.

The Nominating Committee will meet in mid-September and select the slate for the Annual Meeting ballot. It will advise each nominee to the Board in writing of its decision as quickly as possible. Those not chosen for the slate presented by the Committee may choose to submit their names (with a biography, qualifications, past Association service and reasons for seeking office) so they may be included in the notice sent out with the agenda for the Annual Meeting. That notice is sent out no later than 15 days before the meeting. Those interested owners may then run from the floor of the meeting if their nomination receives approval by two-thirds of the owners present and able to vote at the meeting.

This year's election will have two (2) positions on the Board of Directors open for consideration for a three-year term of office. The terms for current Director and Association Vice President, Olga Packard, and current Director and Association Vice President and Annual Meeting Moderator, Nelson Goldin, will expire at the Annual Meeting on November 8. Newly-elected or re-elected Directors will take office immediately following the Annual Meeting.

Special Note...

For those members not interested in running for the Board of Directors, but who would still like to volunteer their efforts in some way as part of this process, please contact President Barry Thomas c/o the Resort's N.H. address. Please indicate if you would like to have Barry consider you as a volunteer for the Nominating Committee (composed of at least three owners including one Director not up for election) or the Ballot Committee (minimum of three members to prepare, validate and tabulate the proxy ballot with all agenda items and supervise any balloting that occurs at the Annual Meeting).

Since the Nominating Committee and the Ballot Committee will be named by President Thomas very soon, please let Barry know of your intentions as soon as possible by e-mailing or writing us (see newsletter for contact info.) at the Resort or calling the office directly (603-536-4600).

Volunteers are also needed for the Finance Committee, which is taking an increasingly active role under new Chairman Daniel Barkowitz, and any owners with experience or a background in financial matters would be most welcome on the Finance Committee.

For those wishing to take a direct hands-on role in volunteering at the Resort, the Oversight Committee under the direction of Chairman Paul Tousignant could use your expertise and help, especially during the two maintenance week periods in April and November when all 77 units are visited and checked with a fine tooth comb. This Committee provides a very valuable service to all owners to keep out home away from home in tip-top shape.

Thanks in advance for your assistance in volunteering for any of these important committees that truly make Cold Spring Resort a place where good times are shared by all.

General Manager's Report

TAXES:

For those of you who deduct real estate taxes on your Federal and/or State income taxes, the following payments are applicable for the 2007 tax year:

Unit	Amount Paid
Townhouse (Reach 1, 2 & 3)	
Springhouse 1 & 2 and Ropewalk	\$54.82
Duplex (Ropewalk East 1, 2, 3, 4, 5, & 8 and Reach 4)	\$55.39
Lodge	\$52.95

For anyone who needs these amounts prior to the April newsletter, they are posted on our website (www.coldspringresort.net) in December. They can also be obtained by calling our office.

Timeshares and Tax Deductions

The following is an article recently featured in Redweek.com and written by David H. McClintock, CPA, for "Timesharing Today." This article covers timeshares and tax deductions. The article does not cover all possible circumstances associated with timeshare-related expenses. Further, the tax results suggested herein may not be applicable in all circumstances (for example, if you take a standard deduction rather than itemizing deductions). So always consult a tax advisor before deciding how to treat an item discussed in this article.

Interest Expense -

Interest paid on a loan to buy a timeshare week is often deductible. The tax law allows deductions for most interest expense that an individual pays on a primary home and one other home, such as a timeshare or other vacation home.

If you have loans on more than two eligible homes, you may choose which two homes (one of which must be your primary home) you will treat as qualifying for interest deduction purposes. You may change your choice of qualifying properties from year to year.

Example: If you have a primary home, a vacation home, and a timeshare week, you may deduct interest expense related to your primary home. In addition, you may deduct interest expense on only one of the other two properties. Even if you do not incur interest expense for your primary home, you are still limited to deducting interest expense on only one of the other two properties.

If you finance the purchase of timeshare weeks at different resorts, only the interest expense on one of those purchases will be deductible. However, if you own multiple weeks at one resort and have financed their purchase, we believe there is a reasonable position to take that the multiple weeks at that one resort constitute a single home for those rules. If the weeks are fixed rather than floating, we believe a stronger case would exist if the weeks owned are contiguous.

Secured Loan Requirement

For the interest expense to be deductible, the loan must be secured by the financed property. Thus, if you charge part or all of the purchase to a credit card, the credit card interest would not be deductible, since the credit card debt is not secured by the timeshare week. Similarly, the interest on many loans provided by timeshare developers would not be deductible, as they are often not secured by the deeded weeks.

Example: If you borrow \$8,000 to finance a timeshare purchase, the loan documents must clearly show the deeded timeshare week as security for the loan, just as the mortgage documents on your primary home loan do. Otherwise the interest is not deductible.

How can you ensure that the interest will be deductible?

- One way is to use a home equity loan on your primary residence to finance the acquisition.
- Another way is to refinance the mortgage on your primary home for a higher loan amount, especially if interest rates are as low as or lower than on your current mortgage. Use the additional proceeds to pay cash for your timeshare week.
- A third way is to ask the seller to make the loan in a form that shows the timeshare week as security.

If you have a timeshare week on a long-term lease (a Right-to-Use or "RTU" timeshare), the interest on a loan secured by that week will normally not be deductible. To be entitled to a tax deduction for interest expense in connection with such a purchase, you should finance it with a mortgage or home equity loan on your primary home.

Your interest expense deduction may be limited based on the amount of debt on the two properties. Generally, for interest to be fully deductible, total debt cannot exceed \$1,000,000 of mortgage (property acquisition/improvement) debt and \$100,000 of home-equity type debt. There are some further limitations if total debt exceeds the fair market value of the properties.

Property Taxes

The manner in which property tax is assessed and billed by local taxing authorities varies from state to state. Thus, some jurisdictions (such as in California) bill timeshare owners directly. In other cases (such as in Florida), the weeks are assessed individually and the tax is normally identified separately on your timeshare maintenance fee billings. In either case, the tax should be deductible, because the property tax has likely been assessed against your individually owned week.

However, if the property taxes are neither directly billed to you nor separately stated on your maintenance fee billing, you may not be entitled to a deduction for the tax. In such a case, it is likely that the entire timeshare resort has been assessed and billed for property tax purposes as one tax parcel or as parcels bigger than just your individually owned week. The tax in such a case is not assessed against your individual ownership, thus negating the opportunity for a tax deduction.

There is no limit to the number of properties for which you may deduct property taxes. Thus, if you own ten timeshare weeks, and six of them have property taxes billed or stated separately, you should be able to deduct the taxes on all six timeshare weeks.

Maintenance Fees

Your annual fees are for the purpose of maintaining and improving the timeshare resort, just as you spend money for maintaining and improving your primary home. Such fees are not deductible.

Special Assessments

Normally, special assessments by your timeshare association are not deductible. They almost always represent special fees for improvements, major repairs or unexpected expenses. Usually, the

assessments are for something other than taxes paid to a state or local government. Even if the assessment is for a one-time local tax, such as to finance a new sewer system in the neighborhood of the resort, such payments are not deductible.

Other Expenditures

Closing costs on your timeshare purchase are generally not deductible. Those expenditures, along with any related legal expenses and other costs incurred to purchase your week, should be added to the purchase price to determine the total cost of your week for tax purposes.

Any apportioned property tax on your purchase (or selling) closing statement should be deductible. Similarly, interest expense shown on the statement should be deductible, if it meets the requirements for interest expense as stated above.

Exchange fees, membership fees or dues paid to exchange companies and expenditures paid in connection with your annual occupancy are treated as personal expenditures. Thus, they are not deductible.

Employee Update:

Shirley Bickford retired on December 1, 2007. She decided it was time to relax and is currently living in Tennessee with her daughter. She is coming back in the spring for a "visit", so we will be glad to see her. She will be missed by many of our owners and exchangers. Susan McLaughlin was hired in November. Make sure you say hi to her when you check in. Thanks to the office staff who makes our RCI check-in scores some of the highest in the industry!

Maintenance Report

The following is a list of some of the maintenance and refurbishing done since the October 2007 newsletter:

1. New couch sets for Reach 1, 2 & 3 - \$12,657.60
2. 9 new TV carts for various units - \$1,864.80
3. Four large pine trees were taken down at Springhouse - \$4,000.00
4. New coffee tables and end tables for East 1 - \$4,232.00
5. New carpet for Reach 3, East 1 (4 downstairs units) & East 5 (4 downstairs units) - \$36,311.00
6. New curtains and bedspreads for East 1, Reach 2 (Master bedroom), East 3 & 4 (Master bedroom) and East 4 (twin bedroom) - \$26,500.00
7. Staining and painting of various buildings, hallways and kitchen cabinets - \$4,975.00
8. New slider doors for East 3, East 4 and windows for East 1 & East 5 - \$22,000.00
9. New refrigerator for W1A - \$500.00
10. The record breaking snowfall which called for ongoing clean up (roadways, sidewalks, decks and roofs) – Priceless! Thank you, maintenance crew, for a job well done!

Oversight Committee Report

First of all, I would like to extend my sincere thanks to Pat & Martha Barry, Ellen Little, Tom & Carrie Nally, John & Mary Kay Paladino, Barry & Ginnie Rickert, and David & Sandy Whitman for making the Fall 2007 oversight inspection a huge success!!

We were able to complete the inspection of all 77 units as well as accomplish the following tasks for our Maintenance Supervisor, Neil MacDonald. All outside air conditioners were cleaned and vinyl covers for protection from the winter weather were installed. All inside and outside moldings on windows and sliders that were replaced were either painted or stained as needed. Missing corner

wall strips were replaced in all units in RopeWalk East 1, 2, 3, 4, 5, and 8, and all existing strips were secured with brads. Decking in front of Lodge 1A was stained. All necessary screen doors were removed and stored for the winter. All porch furniture in Lodge and Reach 4 units were removed from the porches and stored away for the winter.

Hard to believe that Spring 2008 is just around the corner! This is a beautiful time of the year to get out doors and enjoy the fresh country air, and the many different sounds of nature here at our Resort. If this sounds great to you, think about coming up for Spring 2008 maintenance week that begins on Friday, April 18th, 2008, and concludes on Friday, April 25th, 2008. We will be completing our annual Spring inspection of all our resort units, as well as performing some small projects that Neil MacDonald, our Maintenance Manager might have for us.

If you are interested in coming up for several days, or even the whole week to help out, please contact Sharmaine at 1-603-536-4600. Let her know what days you will be coming up to help out, for she can reserve a unit for you to stay over. Looking forward to seeing our past volunteers, and any new volunteers that would like to come up and join the Oversight Committee. Don't forget, whether it is vacation time or a little volunteer work, "**Cold Spring Resort is Where Good Times Are Shared!!**"

Sincerely,

Paul E. Tousignant

Committee Chairperson

Owners Only Inventory Sale

We've been running a sale since the latter part of last year offering, as an example, 2 bedroom Prime Time weeks for \$2,500.00. This represented a reduction from the previous price of \$3,990.00. Obviously, lesser demanded weeks were priced accordingly.

The sale has worked rather well, especially with RCI and IIX exchangers coming to our resort from outside the US and taking advantage of the weak dollar.

Since your participation in various referral programs we have run during previous years has resulted in a reduction of our inventory, we'd like to thank you by continuing this sale and topping it off with an extra for our owners.

If you are interested in an additional week, please let me know. If it's a two bedroom Red week you may purchase it for \$2,000.00. The price includes closing costs.

As with any of our offers, it is first come first served.

Regards,

Herb Feldman

Home – 603-434-1922

Email – herbertfeldman@hotmail.com

Recreation Report - Winter 2008

Well, who would have known! Last year we had three snow storms, the first one we got was on Valentine's Day, the next was St. Patrick's Day and then another one in April! This year, we broke the all time record for snowfall in December. Go figure!

The cross country skiing and snowshoeing have been very popular this year at the resort.

Last year we hardly fired up the groomer because of the lack of snow. Not the case this year. Actually, with all the snow removal involved in sidewalks, decks and plowing the guys have a hard

time keeping up. When it rains it pours, in this case when it snows it SNOWS!

Again this year we are taking advantage of the two for one ski days at the mountains. We travel to Cannon Mountain on Tuesdays and Bretton Woods on Wednesdays with the Recreation van. At the resort, we offer a \$5.00 off coupon to Tenney Mountain and discounted tickets to Waterville Valley. Last year Loon Mountain and Waterville Valley were owned by the same company and we could offer a universal ticket to either mountain. This year Loon Mountain was bought by another company. We chose to offer the Waterville Valley tickets since they offered us a much larger discount. Our owners and guests were very pleased since on a weekend or holiday, they could save as much as \$26.00 per ticket.

At the time of this report, it is pouring rain out and ground hogs day is Saturday. Here's wishing for an early spring! Some of us would love to catch a break from the oil heat bills.

Let's recap on the fall and the annual meeting. The foliage this fall lasted much longer than we anticipated. It was nice for our guests to get a colorful view of our State. We did some foliage tours, fairs, lake tours etc. The annual meeting went off well. It is so nice to see all the owners enjoying themselves, happy to be here with family and friends. It is such a pleasant atmosphere. This year, we had an accordion player for the Annual Meeting turkey dinner train ride, who did a great job getting everyone involved and singing.

I would like to thank Annie and Paula for keeping the summer recreation program going while I was out getting a knee replacement. I am happy to report that the surgery was a success and I am glad that I finally got it done.

Hope to see you soon! Stay well.

Linda Marrer,
Recreation Director

Golf Report For The 2008 Season

NOTE: Due to a slight increase in White Mountain Country Club's golf rates, we have increased our subsidized rates accordingly.

Golf Voucher Policy For 2008

1. Vouchers will be available for purchase during normal reception hours. If you are teeing off early in the morning, (before 9 AM Mon-Sat, and before 10 AM on Sundays) please purchase your vouchers the evening before.

2. Interval owners and exchangers may purchase golf vouchers in accordance with the following schedule while staying at the resort.

	PLAY	HOURS	PRICE
Weekdays	18 holes	Until 2:00 pm	\$22.00
	9 holes	Until 2:00 pm	\$16.00
	18 holes	After 2:00 pm	\$14.00
Weekends &	18 holes	Until 2:00 pm	\$33.00
Holidays	18 holes	After 2:00 pm	\$21.00

3. The combined total of weekday plus weekend golf vouchers purchased at the above prices by any interval owner or exchanger during his/her interval at the resort SHALL NOT EXCEED 14 PER INTERVAL.

4. Interval owners who are not occupying their interval or who have exceeded the 14 round per interval maximum and owner renters may purchase vouchers in the accordance with the following schedule.

	PLAY	HOURS	PRICE
Weekdays	18 holes	Until 2:00 pm	\$28.00
	9 holes	Until 2:00 pm	\$20.00
	18 holes	After 2:00 pm	\$18.00
Weekends &	18 holes	Until 2:00 pm	\$43.00
Holidays	18 holes	After 2:00 pm	\$25.00

5. Golf vouchers shall be valid only during the interval which they are purchased.

6. Golf vouchers are not transferable and may not be resold. Interval owners guilty of breaching this rule may have their golf privileges revoked for a period of up to two (2) years.

7. Refunds will not be issued for unused vouchers.

8. Positive identification of the purchaser is required. If the purchaser is occupying a unit, the key to that unit must be shown. A valid driver's license is required for the purchase of vouchers by an owner at a time other than during his/her interval.

9. Voucher users shall be subject to all rules and regulations of White Mountain Country Club.

Just a reminder: White Mountain Country Club will continue to book tee time reservations up to seven days in advance for all seven days of the week. You can do so by calling 603-536-2227.

The following rates are for golf carts, pull carts, range balls, demo sets and for club rentals. You must purchase these at WMCC.

Golf Carts: 18 holes ~ \$16.00 per person
9 holes ~ \$9.00 per person

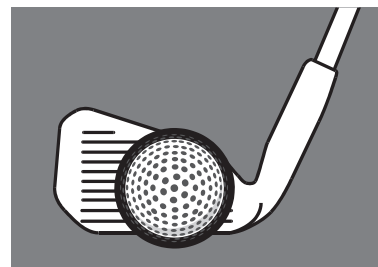
Pull Carts: \$3.00

Range Balls: Sm. Bucket ~ \$3.50; Lg. Bucket ~ \$7.00

Demo Sets: 18 holes ~ \$25.00; 9 holes ~ \$15.00

Club Rentals: 18 holes ~ \$20.00; 9 holes ~ \$10.00

10 Play (Weekday) Book - \$260.00 (Can be used at Country Club of NH, Pheasant Ridge & White Mountain Country Club)



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