

The Resort Release

The official newsletter of



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October 2007

"Where good times are shared"

President's Report

The implementation of a requirement to pay the Maintenance Fees in advance for intervals which were being exchanged or "banked" elicited several (four to be exact) angry written responses but much comment from our owners and has been part of a lively, on-going discussion at Board meetings.

We extended our search to other resorts to determine their policy and found that all but one other resort did require the pre-payment. RCI (and II for those who still use them) both confirm that this procedure is universal with well-run resorts.

However, we did hear from loyal owners of many, many years that this imposed a hardship and some pointed out that Cold Spring is NOT your "typical" resort and that our owners represent a different caliber of Timeshare owners.

We further evaluated the number of our owners who use the exchange program and, despite the most recent complaints that RCI exchanges were not as easy or of the same quality as in the past, found that many of our owners still use the exchange program extensively.

The final process was to do a detailed study of the number of exchanges which had been used and then determine how many of the corresponding Maintenance Fees had not been paid to see what kind of problem this really was. Our fear that this was an increasing problem along with our well-known philosophy of fiscal conservatism led us to protect our loyal owners who DO PAY their Maintenance Fees on time. Since any shortfall inevitably leads to spreading the unpaid fees among the rest of us, your Board of Directors believed the decision made to have these fees paid in advance for any owners planning an exchange was the best for the Resort and the owners.

However, with our vigorous pursuit of delinquent fees and the ability to enforce a foreclosure on intervals which are 180 days past due, we have revised the policy to return to the "old" system. Going forward, it will not be necessary to pre-pay before space banking. For those of you who have already prepaid, you have the option of using the funds deposited for your next payment (enclosed with this newsletter) or, should any monies be left after this offset, we will either refund the money to you if you request it or keep it as a credit balance towards your next billing. We hope this settles the matter and we will continue to monitor it to ensure that is working properly.

Treasurer's Report

I hope everyone had a tremendous summer. Labor Day was just glorious with the brilliant sunshine and warmth. In New England, we are hoping to stretch out summer a bit more, enjoying warm days with cool nights before the cold North wind blows and the snow flies.

Of course with the cool nights, there is that ever-present wish of putting winter off as much as possible, and no one wants that more than your Board of Directors.

At our monthly meetings there are always questions on what expenses we incurred during the past month, were the expenses necessary and did we use good judgment in choosing vendors who supply us with these needed goods and services. Obviously, a large part of our budget is devoted to energy usage and what is happening in the Middle East impacts oil prices and all the other petroleum products derived from that, whether it's oil to heat the boilers or hot water heaters or gasoline and motor oil to keep our maintenance department and housekeeping truck fleet in tip-top shape or electricity to power just about everything in the units.

My last Treasurer's Report reported that there was no increase in Operating (Maintenance) Fees because of the approval vote by owners at last November's Annual Meeting, upon the recommendation of the Board of Directors, to use the surplus funds left over from our very cost-efficient air conditioning project to offset any increase for at least the first billing in April, 2007. With our usual intense scrutiny of all expenses for the rest of the year as well, we managed to struggle through without an increase for the second half of the fiscal year but not without cutting it very close and putting off certain expenses.

Your Board has taken a long and hard look at all projected budgetary expenses and what could happen during the upcoming winter, and we have determined that an increase in Operating Fees for the first time in two years is a must. We are talking about an increase that should cover our normal and usual operating expenses. Of course, under normal expenses we are also including normal increases in oil and energy prices. Any unanticipated huge increase will have to be addressed if the need arises as we put the ever brighter spotlight on our expense sheets.

Thus, for this next billing cycle, here are the newly-adjusted Operating Expenses that you will see reflected in your Oct. 1 billing:

<u>Villages</u>	<u>Present + Increase in Operating Fee</u>	<u>Cost of increase per Month</u>
Reach, Ropewalk Springhouse	\$556 + \$22 = \$578	\$1.83
Ropewalk East	\$439 + \$17 = \$456	\$1.41
Reach 4 Lodge	\$388 + \$15 = \$403	\$1.25

Annual Meeting 2007

The CSPTA Annual Meeting will convene at 11 a.m. on Saturday, November 10, in the meeting room at our Administration-Recreation building. Please plan on staying for the festivities after the meeting concludes (usually around 12:30). Our Recreation Director's report in the call to the

Annual Meeting mailing will give specific information on that day's (and evening's) recreational activities.

This will be our 10th anniversary Annual Meeting held in the Recreation/Administration building and, as usual, all Association members in good standing have an opportunity to speak up about what they believe is best for our Resort. Of course, majority rule is the order of the day, so you must be able to convince others of the wisdom of any comment you make on the identified agenda items or any proposal you might make.

This year's meeting agenda will be highlighted by the election of two Directors to the Board, for which incumbent veteran Directors George Reilly (Secretary) and Barry Thomas (President) are running for re-election (see related story elsewhere in Newsletter).

Discussion will undoubtedly occur on the Treasurer's report on what's happened over the past year in terms of energy use and conservation. In August the Board of Directors held a highly successful strategic planning session at the MIT Conference Center in Dedham, Mass. The lengthy two-day session analyzed all facets of the resort's current operations under the Baldrige assessment program and what emerged was an exciting vision of what the near future holds for us all as we prepare to take our resort to a higher level of excellence and performance.

Last year at the Annual Meeting, a suggestion was made to modernize and update the Association's web site to reflect our 21st century business approach and attract potential new owners, renters and exchangers to our Ashland location. What has emerged since then is a new effort and commitment to revamp all of our operations to maximize efficiency, improve customer satisfaction and consider new initiatives for improved vacation comfort at the Resort.

Election of two Directors to occur at the 2007 Annual Meeting

According to our Bylaws, any Association member in good standing can advise the Nominating Committee at least 90 days prior to the Annual Meeting of his or her intent to run for election to the Board of Directors, as was announced in the April newsletter. The deadline for notification to the Nominating Committee was met this year with the stated intentions of incumbent Directors George Reilly and Barry Thomas to run for re-election to the Board of Directors for another three-year term for both.

Nominations may also be made from the floor at the Annual Meeting provided that 2/3 of those owners in good standing and entitled to vote at the meeting agree to this procedure.

The Nominating Committee will have already met in mid-September, by the time you read this, as required by the Bylaws and as appointed by the President, to perform its duty and recommend two nominees to the membership in a report to be included with the Annual Meeting mailing later this month.

This year will see an increased push to get qualified owner-members of our Cold Spring family involved in resort operations. For too long we have relied on the same group of loyal volunteers to do the job, and we know that the talent is out there in many fields of expertise that we need to continue to run a smooth operation and take it to an even higher level of performance. We will be asking you at every opportunity to provide data to the Board of Directors so we can reach out to those who may be perfect candidates for committee work

and potential new members of the Board. Please cooperate by giving us your e-mail address and update contact information to facilitate member contact in the future. We will attempt to use increased e-mail contacts in the future on matters of importance to all Association members. Plus, it's a lot faster and cheaper than what snail mail costs when 2000+ mailings have to be sent out to the membership.

Until any new bylaw changes are considered in the next year or two on committee structures or possible new committees or the very composition of the Board of Directors itself, we ask that you consider volunteering to serve on the current committees. They include: Property Oversight, Social/Recreation, Finance, Internal Audit, Nominating or Ballot Committees. You CAN make a difference and the Board of Directors can certainly use your help. We know we cannot do this alone and fresh ideas and new talent is needed to ensure our future success as a well-managed, OWNER-OPERATED timeshare resort.

There is no better way to prepare for becoming a Director than by joining the present committees and learning the inner workings of the Cold Spring Properties Townhouse Association, which we believe operates one of the best timeshare resorts in the area.

Please contact President Barry Thomas c/o the Resort or call the office at (603) 535-4600 and speak to our General Manager Corinne to tell her you want to do your part to maintain the efficient and pleasant atmosphere we have come to expect at our "home away from home." Let's continue to make our Association and Resort bigger and better than ever by working together to enjoy "good times shared."

Update on New Business items from the 2006 Annual Meeting

* A request to professionally overhaul our Web site to more closely mirror other silver and gold crown resort Web sites is still under review. Our Webmaster, Norm Leveillee, has made several changes and we are still fine tuning that effort. Whether a professional Web design company will be brought in to assist in this effort is dependent on available budgetary funds after more pressing and planned needs are met. Anyone expert in this area who wishes to assist Norm in his efforts should come forward now.

* The motion to study the purchase and placement of DVD players in all units when fiscally possible to do so has been completed and units are being equipped now.

* Director Nelson Goldin has undertaken the responsibility of overseeing an ad-hoc committee to study the possible use of solar energy for heat and hot water production at the resort. That effort is still ongoing at this time and no firm cost proposal has been made since initial research has shown that few if any federal or state energy credits are available for our use and the costs appear to be prohibitive unless a separate assessment were to be considered for same.

* The now-traditional approved motion to award holiday bonuses to CSPTA employees as has been done in previous years, was carried out by the General Manager for full or part-time employees based on their status and years of service and award this in time for Christmas.

* The surplus funds from the air conditioning special assessment (approximately \$40,000) were applied to the general fund in order to offset any operating fee increase from the membership in the first billing (April 2007) of the new fiscal year.

* Other suggestions made at the meeting, which have been acted upon by your Board of Directors and management team, include a new computer station outside the General Manager's office for access by the membership to the Internet, the installation of WiFi in the Recreation/Administration building for use by those owners with their own laptops while in the building for Internet access and the installation of a railing at Springhouse to assist in using the steps, especially in icy conditions.

* Also, Resort employees have been reminded to wear their name tags so you will know who is serving you so cheerfully and efficiently when you vacation at the resort, 3-way energy efficient light bulbs are installed where appropriate and outdoor steps were installed for use in the outdoor jacuzzi.

Thanks to all who raised their concerns and rest assured that these matters are always seriously considered. If you have any concerns about any aspect of how things work at the Resort, or possibly a suggestion to improve things, put your ideas in writing and send them to the Board of Directors in an e-mail (cspta@roadrunner.com) or snail mail message and send it to the Manager at the Resort's address.

General Manager's Report TIMESHARES AND TAXES:

The following is an article recently featured in Redweek.com and written by David H. McClintock, CPA, for "Timesharing Today." This article covers donating your timeshare to a charity. The article does not cover all possible circumstances associated with timeshare-related expenses and any tax results suggested may not be applicable in all circumstances. Always consult your tax advisor for specific advice based on your tax situation.

Donating your Timeshare to Charity –

You have decided it's time to get rid of that timeshare you never use or can no longer afford. Should you sell it? Or should you donate it to a charity?

If you have a charity that you would like to help, by all means, donate your timeshare to that organization. However, if you want to maximize your proceeds from the disposition of your week, it will almost never make sense to donate a timeshare week.

The Economics –

If you sell the unit, you would recover 100% of the value as sales proceeds, less any selling costs. However, if you donate the unit, your proceeds will come from the tax savings association with your tax deduction. If you are in a 28% tax bracket, your tax savings will be approximately 28% of the value of the unit. This, if you could sell your week for \$5,000, you would net \$5,000 before considering selling costs. But your tax savings from a donation would be only \$1,400 (28% of \$5,000). The price at which you can sell the unit is normally about the same "fair market value" as what your charitable deduction should be for a donation of the week.

Fair Market Value –

Your tax deduction for a donation is limited to "fair market value" of the week. Fair market value is not what you paid for the week. Nor is it what the developer is currently selling weeks for. The tax concept of fair market value is the price that a willing buyer and a willing seller would normally agree to in the marketplace. Since your marketplace is the resale market, that value should be equal to or close to what you could actually sell

the week for. The prices of other resales are normally the best evidence of the approximate fair market value of your week.

If you value the week (alone or combined with other non-cash donations) at more than \$500, you must file form 8283 with your tax return, putting the IRS on notice that there might be a valuation issue for them to scrutinize. If you value the donated week at more than \$5,000, you must get formal appraisal. Further, if you donate more than a week a year, you must get an appraisal if the total value of the donated weeks exceeds \$5,000.

If required, the appraisal must be performed by someone who is "qualified" to do the appraisal, based on requirements set forth in the federal income tax regulations. Many charities state that they will provide a valuation statement for the donor. Beware of such an offer. If the value is over \$5,000, you need a formal appraisal. Whatever the value is, you are responsible for the valuation shown on your tax return. If you significantly overstate the value of your week, there are some stiff tax penalties that can apply.

The IRS –

If the charitable organization of the week within two years after your donation, it must file Form 8282 with the IRS and send a copy to you, disclosing the amount realized from the disposition. If the IRS doesn't examine your return based on your required disclosures, it has another alarm that goes off if the Form 8282 shows a significant discrepancy between the donation deduction you claim and the amount realized from the charity's disposition of the property.

We are not naïve enough to believe that taxpayers don't sometimes try to inflate the donation value used for tax purposes. However, to inflate the value enough to break even versus a sale may border on (if it doesn't actually constitute) outright tax fraud, which can carry some significant criminal penalties. Example calculation: Assume that a week will sell for \$5,000, its fair market value. In order to save taxes of \$5,000 on a donation, a person in a 28% tax bracket would have to list the tax return value for that timeshare week at \$17,857!

Donating the Use of a Week –

Someone contemplating a timeshare donation with a resulting tax benefit should ensure that it's with **ownership** of the week that is to be donated. The tax law specifically prohibits a tax deduction for donating the **use** of a week (e.g., donating this year's week) to charity.

Some Final Thoughts –

Sell the week if you are trying to maximize your profit (or minimize your loss). Donate the week only if you truly have a charitable motive or if the selling costs and headaches of selling exceed the anticipated gross sales price.

You will likely see advertisements or hear or read stories that suggest using valuations for tax purposes for donated timeshares that are much higher than the expected selling price or that are based on developer prices. Some charities tout such valuation methodology. Beware of playing roulette with high tax valuations. The stakes for you can be very high.

Whatever you do, don't make a final decision based solely on this article. If you are considering a donation of your timeshare week, discuss it with your tax advisor. Take a copy of this article with you and ask how it applies. It's particularly important to do so, since this article does not cover all possible circumstances association with a donation.

Email & WiFi

Please note: Our email address has changed. Our new address is cspta@roadrunner.com. Our email service will forward any emails to cspta@adelphia.net only until the end of the year.

We are also trying to build our email database of all our owners. Please submit your email address on the return slip of the enclosed bill or just email us at the above email address along with your name and account number. You can also give it to anyone at the front office when you are checking in.

Speaking of email, all our owners will be pleased to know that we now have a computer at the recreation office that can be used to check emails. For those of you who prefer to take their laptop, we also have WiFi at the recreation building. It is accessible throughout the building and in the pool area.

Maintenance Report

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

1. The amount of \$45,186.00 was spent on repairs to the following buildings: East 3, East 4, East 5, East 1 and Lodge. It included new dormers for the Lodge, siding, flashing, roofing, chimney caps, sills and installation of new skylights to some of these buildings. R1B had the decking replaced with a roof and framing for the porch.
2. A total of 6 - 3 panel slider windows, 11 - 2 panel slider windows and 9 - 5 foot patio doors were installed in East 2, East 3, East 4 and East 5 for a total of \$22,650.00
3. New carpet in Springhouse building 1 & 2 - \$19,942.00
4. Painting of hallways in East 1, East 2, East 3 and East 4 - \$7,382.00
5. Inside Jacuzzi plastered - \$2,000.00
6. Power Venter for chimney at Lodge (needed due to new fire codes) - \$2,525.00
7. Tennis courts ready for use (Spring) - \$1,895.00
8. Spring cleanup of grounds (sweeping roadways & parking lots; removal of leaves, sticks & debris, etc; weeding; edging; pruning) - \$8,164.00
9. Queen mattress sets (E1B, S2B, S2A, W1C, W1A) - \$2,200.00
10. Refrigerator (L1D) - \$525.00
11. New dining room chairs (E8B & E1E) - \$870.00

Sales

We're closing out a number of two bedroom high demand (RED) weeks at \$2,500.00. Although the price includes closing costs, the referral program does not apply.

Let me know if you or your friends are interested and I'll discuss it with you. Since we do not send out lists, you can email me with a good time to call you and I will let you know what our inventory is.

I can be reached at the following:

Email - HerbertFeldman@hotmail.com

Home - 603-434-1922

Tuesday & Thursdays at Cold Spring Resort - 603-536-4600

Regards, Herb Feldman

Oversight Committee Report

Spring 2007 maintenance week went very well!! All seventy seven units were inspected with no major issues to be

reported. Minor issues related to Housekeeping / Maintenance were indicated on our consolidated report and forwarded to Corinne Peltier for her review. My sincere thanks to the Nally's, Paladino's, and the Sigouin's in making our Spring inspection a success! We were also able to complete some miscellaneous tasks around the resort, such as re staining various chairs throughout the units, touch up painting, removing and labeling all the outside air conditioner covers, including cleaning around the cement pads that the a/c's sit on, as well as installing all the necessary screen doors where needed. We even had time during the week for an evening social of drinks and homemade appetizers!

Now we can look forward to Fall 2007 maintenance week, which will be fast approaching. If you would like to join the Oversight Committee and help out for a few days, or even a week, please contact Sharmaine at 1-603-536-4600. Let her know when you will be coming up, so that she can reserve a unit for you. Fall maintenance week will take place from Friday, November 09th - Friday 16th. Our unit inspections will be limited on the 10th, and 11th, since this is the weekend for the annual meeting. Think about coming up and meeting some great people, as well as doing a little work. Remember, Cold Spring Resort is **"Where good times are shared!"**

Sincerely, Paul E. Tousignant

Recreation Report

The bad news is that Linda Marrer went into the hospital on July 9th to have knee replacement surgery and was not here to do the summer recreation program. The good news is that her recovery is coming along great and she will probably be back before you get this newsletter. We teased her about having the summer off, but we all knew that it certainly wasn't the way we would want to spend our summer.

We were fortunate to have Paula White return this summer to do the craft classes. She added some new crafts and her classes were pretty much full all summer long. It is always wonderful to see the children (and the parents also) beam when they have made a new creation that they can take home with them.

Ann McCormack took care of the van trips and did North Country tours and the ever favorite "On Golden Pond" tour. We thank her so much for her time and her enthusiasm!

Linda will be working on her fall schedule as soon as she gets back. We will also start planning for the annual meeting which is on November 10th. Please mark your calendar for this event. Last year's attendance was the biggest ever for our bonfire and we hope to continue this trend! Our rental rates and activities schedule will go out with the call to the annual meeting.

Again we would love to hear from any of our owners on ideas for activities. We will certainly consider any suggestions as long as they can fit into the program.

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