



Dear Point Sebago Friend,

Greetings from Point Sebago Resort on the scenic shores of Sebago Lake. Enclosed is the **Point Sebago Home Ownership** information you requested. We appreciate your interest in Point Sebago Resort. Mother Nature blessed us with one of those rare natural settings. Our entire resort staff has worked hard over the past 34 years to be the Northeast's "#1 family friendly" resort (a ranking recently bestowed upon us by Woman's Day Magazine).

Our owners and their families enjoy the best of all worlds...55 square miles of crystal clear Sebago lake, award-winning children's and adult activities programs, an 18-hole championship golf course considered the finest in Southern Maine by Golf Digest, 10 tennis courts, a marina and much more. Our growing list of owners tells us our activities and facilities provide every member of the family with all the conveniences and amenities they deserve.

An investment in our ownership program is an investment in a **"lifetime of vacations."** We offer a variety of ownership options to complement your Vacation Home including the option to own or lease your lot. Many of our owners take advantage of our rental program and enjoy the tax savings available. We believe the Point Sebago ownership program offers the best value and the greatest benefits in a second home in the Northeast.

I look forward to seeing you at Point Sebago soon and allowing you and your family the opportunity to view all the facilities we have to offer. Please call us at **1-800-769-9805**, or visit our web site at **www.pointsebago.com**, if you have any questions or to arrange a tour.

Sincerely,

Don Toms
General Manager



Ownership at Point Sebago Resort

Why Buy Now?

- **Start building equity in the Maine's #1 Family Resort**
- **Receive a priority right for any future lot in areas to be developed**
- **Marina slips available to owners**
- **Receive priority right for use of the golf facility**
- **Attractive interest rates**
- **Point Sebago's rental program helps make ownership affordable**
- **Expand your vacation opportunities with your own vacation home and lot**
- **Winter use available with a 4-season vacation home**
- **Special annual Club Sebago Association Golf Membership Fees with priority tee times**
- **Refer a new owner and receive \$500 credit towards services at the Beach or Golf Club facilities**



OWNERSHIP AT POINT SEBAGO RESORT

What are you buying?

- **Gated resort community**
- **18-hole championship golf (#1 in Southern Maine – Golf Digest)**
- **Sebago Lake access and 55 square miles of waterways**
- **10 tennis courts**
- **Extensive golf practice facility**
- **Large sandy beaches**
- **Marina with dock slips available**
- **Restaurant and general store**
- **Some of the country's finest fishing**
- **Summer activities program for all ages**
- **Deeded wooded lot with paved driveway**
- **Four season vacation home with outside deck**
- **Local alpine skiing, cross country skiing, tubing, and miles of snowmobiling**

Very affordable with great opportunities for rental income



VACATION HOME OWNERSHIP PROGRAM

When you purchase a Vacation Home Package at Point Sebago Resort, it includes the following:

- Ownership of your Vacation Home
- A right to use the amenities at Point Sebago Resort
- Ownership of your Private Lot

Your lot will be a minimum of 6,000 – 10,000 square feet and comes complete with hook-ups for water, electric, sewer, telephone and cable television.

Vacation Homes include air-conditioning, refrigerator, stove & microwave.

Estimated annual expenses of Vacation Home Ownership with Deeded Lot:

Property Tax (est.)	\$1,500 - \$2,000
Utilities (est.)	\$ 900
Insurance (est.)	\$ 450
CSA Maintenance Fee	\$1,200

CSA Maintenance Fee Includes: Water, Septic, Trash Pickup, Road Maintenance, and use of Beach Facilities and Activities.

Typical Vacation Home Package with Deeded Lot - \$198,500 - \$249,500



POINT SEBAGO VACATION HOME RENTAL PROGRAM

The Point Sebago rental program is available for any Vacation Home Owner. Before reservations can be taken for any rental, the Vacation Home must be fully furnished (to resort standards) and prepared for rental complete with specified supplies. For prospective owners who wish to rent their home, we recommend that your unit be purchased and prepped by the fall. This will enable your unit to be in our reservations computer in October so that we can start accepting bookings on your Vacation Home well in advance of the beginning of the season.

There are two rental program options available:

PROGRAM A: Point Sebago will rent your vacation home and will take responsibility for marketing, linen service, and cleaning. For this service, Point Sebago will split the income with 60% for the owner and 40% for Point Sebago.

PROGRAM B: The owner rents the vacation home on his own and assumes all responsibility for the entire rental process including marketing, cleaning, linen, security deposit, etc. In case of a service call by the guest, Point Sebago will respond and charge the owner the following:

Response to call fee:	\$30.00
Labor at hourly rate:	\$40.00
Cost of parts plus 20%	
Cost of registration material that must be given to each guest:	\$10.00

Important Note: If an owner is planning to rent their vacation home directly to a guest and not through the Point Sebago reservation office, Point Sebago needs to receive, in writing, an agreement between the owner and the renter at least 10 days prior to their arrival which specifies the renter's individual names and ages, address, and phone number in addition to the renter's compliance with all the Point Sebago's guest policies. Point Sebago reserves the right to deny entry to unregistered renters.



TAX ADVANTAGES OF VACATION HOME OWNERSHIP

According to the IRS Tax Code, a Vacation Home may be considered as either Rental Property or as a Vacation Home depending on the usage.

AS RENTAL PROPERTY

If the primary purpose of ownership is to generate rental income, then the following conditions may apply:

- a) The owner can use the property for 14 days or less or no more than 10% of the number of days rented for personal use. Additional usage days can be for repair, maintenance, marketing, etc. Personal use is defined to occur if a relative uses the property. The owner is actually involved in the rental of the property.
- b) All expenses including depreciation are an allowable deduction offset by the rental income on Schedule E.

AS A VACATION HOME

- a) If the Owner uses the Vacation Home with no restrictions.
- b) Owner may take as deductions the property tax. Owner may take as a deduction any interest on loans on Schedule A provided the Vacation Home is considered a second home.
- c) Owner can take up to two weeks of rental income without reporting it as taxable income.
- d) Owner can take more than two weeks of rental income as taxable income. Expenses as deductions can be taken prorated between personal and rental use. Rental income can be offset by the following prorated deductions: interest, property tax, maintenance expenses and depreciation. No net losses are allowed on Schedule E but any interest or property tax may be taken as a deduction on Schedule A. Excess rental losses can be considered as excess carry forward losses for future years.

Please consult your tax advisor for further details regarding your tax situation.



Vacation Home Ownership Questions and Answers

- 1. Q: How many people can stay on my homesite?**
A: You may have up to six people with a maximum of four adults occupying your Homesite. Seven people are allowed for 48 hours. The Board of Directors can authorize additional occupancy.
- 2. Q: Can I own my own golf car?**
A: Yes. Your golf car must be four cycle, maximum 2 seater on golf course and 4 seater on resort. It must not be more than eight years old or electric. You may use the golf car on the golf course if you have a golf membership. There will be a discounted "Trail Fee" for the use of your own golf car on the golf course.
- 3. Q: May I have visitors?**
A: You may have up to ten (10) people, including visitors, on your site for day use.
- 4. Q: How do I know what the annual Club Sebago Association (CSA) dues will be in the future?**
A: The annual CSA dues cover the cost of maintaining the roads, utilities, security, common area property taxes, insurance and use of the beach facilities. Annual dues increases (if any) will be kept to a minimum. We do not anticipate any increases in excess of the Consumer Price Index.
- 5. Q: Will I be responsible for property taxes on my lot and Vacation Home?**
A: Vacation Homeowners will be responsible for property taxes on their Vacation Home and Lot.
- 6. Q: Can I build my own deck?**
A: Yes, detailed specifications must be supplied to the Association for approval.
- 7. Q: What is the process of purchasing a site package?**
A: You can hold a site for ten days with a \$5,000 refundable deposit. During this time, we will give you the information booklet with all the pertinent information regarding the homesite package program. After the ten-day period, an additional \$13,000 deposit is required.



8. **Q:** **If I purchase my homesite with the right to have a choice of a marina slip will I be able to sell that lot and the right of the marina slip?**
A: No. The priority of a marina slip will be based on the seniority of the member and is not transferable.
9. **Q:** **If I rent out my unit, will the renters be able to use the day and programming amenities?**
A: Yes, but you, as owner, will not be able to use the day and evening programming and amenities at the same time as the renters.
10. **Q:** **Can I have a pet?**
A: Yes. One regular pet or two small pets are allowed with the approval of the Club Sebago Association.
11. **Q:** **What constitutes “small” when referring to the pet policy?**
A: For two dogs, 25 pounds would be considered “small”. For one regular dog, up to 75 pounds would be allowed. You must clean up after your pets. At no time are pets allowed in campground areas, beach area, or golf course.
12. **Q:** **Who is responsible for enforcing the resort’s policies?**
A: Point Sebago Enterprises, as the management company, will be responsible.
13. **Q:** **How many cars can I have on a site?**
A: Up to two cars are allowed on a site.
14. **Q:** **What if I need service for my Vacation Home?**
A: Point Sebago will provide service for your Vacation Home, including winterizing at an hourly rate. Winterizing and spring opening of your unit currently cost about \$110.00. If outside contractors are used by Point Sebago, a 20% service charge will be added to the contractors invoice.
15. **Q:** **What are the tax rules surrounding Vacation Homes?**
A: The following guidelines have been prepared by Macdonald, Page & Co, a CPA firm in South Portland...



Use of a Vacation Home as Rental Property.

A vacation home is considered rental property if personal use does not exceed 14 days. Income and deductions from rental use are considered passive. Thus if deductions exceed income, then net loss may not be deductible except against other passive income. If the owner's adjusted gross income does not exceed \$100,000, then up to \$25,000 of the rental loss may offset other non-passive income assuming that the owner actively participates in the vacation home rental. The \$25,000 loss allowance phases out for owners with adjusted gross income levels between \$100,000 and \$150,000.

Active participation typically is present when the owner approves new tenants, negotiates rental terms, and oversees capital and rental expenditure decisions.

Use of a Vacation Home as a Residence.

If personal use of the vacation home exceeds 14 days, then it is considered to be a residence. Although a residence, expenses may be allocated between rental and personal use. The owner may claim expenses attributable to the rental use equal to the rental income received. An allocated portion of real estate taxes and mortgage interest are deductible in excess of rental income as itemized deductions on Schedule A. Other excess expense will be carried forward as an offset to future rental income.

Vacation Home Income excluded from Taxable Income.

If a vacation home is rented for less than 15 days during the year, then the rental income will not be included in the owners taxable income. Of course, no allocable rental deductions are available either. Real Estate taxes and mortgage interest are deductible as itemized deductions on Schedule A.

Please check with your tax advisor for details on your specific tax situation.

16. Q: As an owner, what Point Sebago activities may I participate in?

A: A part of your Annual CSA dues covers access for you, your family, and guests to enjoy the five star summer activities program at all times. In fact, we encourage participation as this is one of the features which makes Point Sebago such a unique vacation destination.

17. Q: Can I rent my Vacation Home?

A: Yes, you can rent your unit on you own or have Point Sebago rent it for you. If Point Sebago rents your unit, the service fee is 40% of the rental price, which includes marketing, maintenance, cleaning of your resort cottage, and linen service.



- 18. Q: Can I have a washer and dryer or dishwasher at my site?**
A: Yes. You must obtain permission from the CSA Board of Directors and may be subject to an extra charge for water usage.
- 19. Q: When does my CSA maintenance fee start and when are the payments due?**
A: The effective annual dates are November 1 through October 31. 100% of the annual maintenance payment is due March 1. Dues are pro-rated based on the number of days remaining in the association's fiscal year, November 1st to October 31st.
- 20. Q: Can I use my Vacation Home in the winter?**
A: Yes, you may use your Vacation Home from November 1st to April 30th for up to 60 days per Town of Casco zoning. From May 1st through October 31st you may have unlimited use.
- 21. Q: What will be the security provisions to protect my Vacation Home over the winter?**
A: There is periodic drive by patrols by Point Sebago personnel. You may want to purchase the winter snow removal and security package for additional protection. Winter service options are mailed to homeowners in the fall.

All rates and policies in this document are subject to change without notice.