



Winter 2014

Pond Place Press

THANKS TO ALL WHO ATTENDED our reception in September for State Senator Kevin Witkos (R-8); a successful evening, by all accounts! He will be helping us with issues regarding our pond, as mentioned in our fall addition of the Press. Thanks to all who organized and brought the refreshments!

Now, it's that time of year to hunker down and enjoy the beautiful winter wonderland that Pond Place can be; with snow dusting our trees, the pond a serene blanket and sunlight sparkling all around! As you know, your editor loves this season!

REPEAT MESSAGE: Of course, safety is our #1 priority! So it's always a good reminder to stock up on essentials and safety supplies! Don't forget those D batteries, water and flashlights; and now that it's winter, "ice melt" and/or sand to keep those walks safe! Sand can be obtained from The Department of Public Works yard on Arch Road, for free. Simply drive up and put some in your own container - empty gallon beverage containers, with the narrow top cut off, a regular bucket or a plastic bin work well, remembering not to fill too large a container or you won't be able to lift it out of your trunk! Keeping a small supply IN the trunk, with a bottle of water, a "protein or power" bar, a blanket, flares and an emergency kit is also a smart idea. The time to get these items is BEFORE a big storm hits. You may also want to stock up on canned goods and non-perishable items, just in case it's not safe to drive for a few days.

ALSO:

Also, Fall Clean-up is now over. Everyone did an excellent job of cleaning up!

Our goal, as always, is to beautify our grounds, both exclusive use and common areas. In the past, many residents used common areas as dumping grounds for their debris. We ask again that you do not dump your yard debris in these areas. Since Fall Clean-up deadline has now passed, nothing should be put out to the street for pick-up. Please dispose of your own left over debris

yourself. If you don't know your exclusive use area, please contact the Property Manager, Richard Markham. There are no "common" or "unassigned" areas behind or between houses, so someone may be raking leaves into your EUA, which you will be cited to remove. Conversely, do not rake your leaves into areas that may belong to someone else. Materials need to be removed from Pond Place, they cannot accumulate forever. They become harborage for pests and rodents, as well as a fire hazard. Should something ignite, fire could easily spread to our cedar-clad homes and sheds.

If you have concerns about dead trees that may be on common ground near your home, please contact the Property Manager, Richard Markham.

Let's have positive thoughts for a lovely, safe and damage-free winter season!

FOR YOUR ADDITIONAL INFORMATION:

LAND LEASE INFORMATION:

POND PLACE LAND LEASES EXPLAINED

By Joseph Barry, Treasurer, Dom Zacchio, President and Christopher Rossetti, Esq.

Some of our newer unit owners have asked for information about their land leases.

Background:

When Pond Place was created in 1978, it was planned to be affordable single family housing. To assist in accomplishing this objective, the developers, FIP Homes, Inc., provided additional financing to purchasers by offering to sell them the land on which their unit would be built through a 50 year lease rather than requiring it to be purchased outright. It was believed this would make the units even more affordable. The lease operates as a 50 year installment contract with the unit owner receiving title to a full 1/210 interest in the entire parcel of land on which Pond Place was built when his final lease payment is made. (Pond Place has 210 homes in it all together.) We have been informed by the developer's attorney that at the time the houses were built the portion of the sale price associated with the land was \$9,450 and the monthly lease payments mimicked the annual amortization of a loan of that amount at 6.00% interest to the unit purchaser. The length of each unit owner's land lease is 50 years but because the commencement date varied based on the month in which the unit was first sold each unit owner's remaining number of payments will be between 13 and 15 years. To reduce administrative costs associated with servicing these loans (leases) the developer offered unit owners the option of making an annual payment of \$519.11 in advance, instead of monthly payments of \$50. Homeowners will appreciate the discount making an annual rather than a monthly payment affords both in time and money.

Current Status

Several years ago the Pond Place Association, Inc. purchased the land lease (loan) portfolio from the developer and currently unit owners make their lease payments to our association.

According to our records as of October 3, 2014, 29 unit owners have paid off their leases (loans) in full.

Should I Pay Off My Land Loan Now?

As indicated some of our unit owners have prepaid their land loans. In most cases the unit owner has decided to stay in Pond Place for the long term and is earning a low interest rate on his or her savings. Prepaying the land loan will eliminate the possibility its existence might complicate the resale of your unit as some mortgage lenders will not grant a residential first mortgage on a house burdened with a land lease. (If you do pay off your land lease early be sure to make that fact known to your real estate agent when you list your house. Otherwise prospective buyers and bank appraisers may undervalue your property.)

A financial analyst might attempt to answer this question by reviewing the prepayment chart which is available to unit owners by going to PondPlace.org, hitting the Land Lease tab and scrolling to the last page and then consulting present value tables online.

Here is an example of this analysis with reference to a home which first closed in October 1978 with its first lease payment due on November 1, 1978. Assuming all prior lease payments have been made as due, the lease obligation may now (in October 2014) be prepaid for \$5,634.00. Alternatively one could continue to make annual payments of \$519.11 for 14 years. Review of financial tables discloses that the imputed annual interest rate on the \$5,634.00 is 3.59%. Or one might alternatively say that the present value of an annuity of \$519.11 for 14 years at a discount rate of 3.59% is \$5,634. Alternatively one could accurately say that in order to pay \$519.11 annually for 14 years one would have to earn 3.59% annum after taxes on \$5,634.00. All of these calculations are done without taking either the taxability or deductibility of interest into account and presume fixed interest rates. (According to IRS, the imputed interest portion of land lease payments (as determined according to IRS rules) may be treated as deductible home mortgage interest on the Schedule A of one's federal income tax return.)

Unit owners who expect to earn less than 3% a year after taxes on their investments over the next 14 years and who have the funds with which to do so, may be better off by prepaying their land lease. On the other hand, those who are carrying credit card debt with interest rates in excess of 3.59%, may be better off paying down their debt before pre-paying on their land lease.

So it appears the decision whether or not to prepay is one which will vary with each unit owner's personal and financial situation and view of the future.

Capstone Property Services will send you a statement at year end that among other things will show you the remaining balance of your loan.

The Board of the Pond Place Association recommends homeowners consult their tax, legal and/or financial advisor(s) with respect to the matter and views expressed herein before taking any action as homeowners' situations and circumstances differ, and interest rates and IRS rules do change.

Remember we now have a "Community Bulletin Board", where residents can post offers of help, such as: **snow shoveling**, dog walking, baby-sitting, etc., and items for sale/free. These offers should be sent to kimlazich@aol.com.

Also, please visit **pondplace.org** frequently, to be up to date on all notices and happenings!

REMINDER: POND PLACE ASSOCIATION & TAX DISTRICT MEETINGS

All meetings are held in the Avon Room at Town Hall, Town of Avon. They are held on the fourth Monday of each month and begin at 7:00 pm.

A reminder board will be placed at the entrance to Pond Place the evening of the meeting.

All questions, comments or emergencies should be reported to our Property Manager, Richard Markham, Capstone Property Services, 860-278-6525 or by faxing a note to 860-278-5808. Please state your name, address and phone number and specify that you are a Pond Place resident.

In the case of fire or police emergency, always call 911 first.

Pond Place Boards

Tax District

Domenic A. Zacchio, President
Charles Wall, Vice President
Joseph Barry, Treasurer
John Williams, Clerk
Kimberly Lazich, Director
Nancy Bancroft, Director
Carol Glider, Director
Christopher Rossetti, Director
Susan Jansen, Director

Association

Domenic A. Zacchio, President
Charles Wall, Vice President
Joseph Barry, Treasurer
Kimberly Lazich, Secretary
John Williams, Governor
Carol Glider, Governor
Christopher Rossetti, Governor

**Real Estate Activity at Pond Place from September 1, 2014 to
November 30, 2014**

CURRENTLY FOR SALE

	List Date	Original Price	Current List Price
COUNTRY HOUSE 3 Pond Circle	10/16/14	\$ 259,950	\$ 249,950
FIELD HOUSE 2 September Way	12/05/13	\$ 184,900	\$ 152,500

UNDER DEPOSIT

COUNTRY HOUSE

1 Pond Circle	06/16/14	\$ 242,900	\$ 229,900
8 Dove Circle	10/14/14	\$ 214,900	\$ 214,900

CLOSED

	Close Date	Close Price	List Date	Original Price	Day on Market
COUNTRY HOUSE 14 Finch Run	10/31/14	\$ 198,453	03/04/14	\$ 225,000	191

Real Estate Information courtesy of:

THE M.A. GALLINOTO CO. REALTORS

- Specializing in the Farmington Valley & West Hartford Area
- Consultation services for buyers and sellers
- Pre-listing advice including home staging
- Referral location assistance
- Sell & buy packages
- Since 1985

If you're looking for a Real Estate Company small enough to offer personal service, yet large enough to compete, look no further. We pride ourselves on our professionalism, honesty and excellent customer service. Call us for a free property market value analysis.

**11 Dale Drive, West Hartford, CT 06107
860-236-6039**

DESIGN REVIEW:

Due to the layout of Pond Place, the proximity of homes to one another, and the designed architectural consistency of dwellings, activities involving the exterior appearance of dwellings and the landscaping of exclusive use areas are strictly regulated. Permission is required for re-staining a structure, tree removal, walkway/step replacement and repair, and any type of additions or alterations to structures (ie: decks, exterior doors and windows, etc.). The Building Guide has been distributed to all home owners, and is also readily available on the website. The exterior modification Form is included on the last page of this newsletter and on the website. Make yourself a few copies to have on hand.

COMMUNITY BULLETIN BOARD

12/14

I have a large quantity of broken concrete blocks from our front yard available. Many are broken in half (about 2' by 14"), and the rest are in pieces. Someone could use those for something- perhaps a patio, or around a garden.

Contact Zach Jones, 5 Keystone Circle

860-378-9640

zachpjones@gmail.com