

Frequently Asked Questions
Spectrum Bulk Services Agreement
For On Top of the World Condominium Association
February 27, 2020

Q. Does the Association already have a Bulk Service Agreement to deliver basic cable services to the residents of the community? If so or if not, can you tell me what is available to us currently?

A. No, there is no existing Bulk Service Agreement for cable services within OTOW. Spectrum, formerly Bright house, does provide service to the community that allows access to channels 2-13 and PBS under a master service agreement, without being a customer of Spectrum. This is provided without cost to all residents that wish to receive it. This was essentially a special service provided by the predecessor to Spectrum to the On Top of the World residents. This is NOT the same as Spectrum’s “basic cable” service.

Q. What is the Association getting in return for signing up for a Bulk Service Agreement to Owners?

A. If Option 1 is selected, the owners of condominiums in the community will be receiving hundreds of channels of video programming service, together with 100mps of internet service. In addition to the bulk service, Spectrum will agree to pay a one-time “door fee” of \$375.00 per unit to your Association. Your Board has committed to use this payment of \$375.00, per unit, to phase in the service cost over a one-year period, thus easing the price shock some residents may experience.

Q. Is there a way for me to opt out if I have a substantial visual or hearing impairment, or receive government assistance?

A. A bulk services contract must provide that any hearing-impaired or legally blind unit owner who does not occupy the unit with a non-hearing-impaired or sighted person may discontinue the cable or video service without incurring disconnect fees, penalties, or subsequent service charges, and the unit owner is not required to pay any common expense charges related to such service, Fla. Stat. Sec. 718.115(1)(d)2. Also, any unit owner receiving supplemental security income under Title XVI of the Social Security Act or food assistance as administered by the Department of Children and Families may also discontinue the service without additional fees or expenses.

Q. I am a part-time resident. Would I be able to suspend service while I’m away for the summer months?

A. No, this service continues whether you occupy your condo or not. There are no provisions to suspend service while you are away.

Q. If a majority of the Association Owners vote to approve this Bulk Service Agreement, and I vote against this, am I able to opt out?

A. Should a majority of members in good standing who participate vote in favor of adding this service to the Association's scope of services provided to all residents, the only way to opt out of the service is if you are hearing or sight impaired or are receiving supplemental security income under Title XVI of the Social Security Act or food assistance as administered by the Department of Children and Families, as noted above.

Q. How much would this raise my monthly Community Service Fee/Assessment on the Video portion of the service?

A. The first year of the contract is priced at \$46.50 per month plus taxes and federal charges, if any. There is proposed to be a 4% annual adjustment thereafter. For some residents, this is a monthly increase in their overall expenses. For others who are subscribers to Spectrum currently, this added service may lower their monthly expenses.

Q. What would the savings be if we changed to this Bulk Service arrangement?

A. Without knowing what you currently spend as a Spectrum subscriber, we could not determine the number. You may deduct the proposed charge of \$46.50 from your current bill to determine the savings (if any).

Q. Why did the Association not consider another company such as Comcast or Dish Network?

A. Comcast is not in this service area. DISH Network does not offer this type of combined video, internet, and optional phone service. It is doubtful that another provider would over build an existing system. The economics are against it as the capital cost is prohibitive.

Q. Back in 2009, I recall when then Bright House Networks converted analog to digital service which provided me with access to channels 2-13 and PBS. What if this is all I wish to have, will this still be an option?

A. If the bulk service agreement is voted in by a majority of residents, there will be no way for you to take a reduction in service, unless you qualify for one of the exemptions noted above. However, if not enough residents vote for Option 1 or Option 2, then Option 3 wins, which is leaving everything as it is currently with channels 2-13 and PBS.

- Q. *Spectrum stated that it would increase 4% to Bulk starting after first year, is this just for the first year, or would this 4% continue each and every year of the 7-year term?***
- A.** Yes, the increase would be an annual recurring adjustment through whatever service agreement term is accepted by your Board.
- Q. *How many customers does Spectrum currently serve in OTOW condominiums?***
- A.** I'll rephrase the question to ask, "how many residents subscribe to a higher level of service than currently offered?" According to Spectrum, they currently provide services to all condominiums within the community. Those taking a higher level of service break out as follows: 3,032 video customers; 3,073 internet customers; 2,200 phone customers.
- Q. *What would the proposed services cost if we elect not to vote in favor of this deal and buy these services directly?***
- A.** According to Spectrum, if customers signed up for Platinum video only with two boxes, the service would be \$100 per month. If they signed up for Platinum video, with two boxes, and 100mbps with a modem/router would be \$150 month.
- Q. *Will there be any additional costs such as installation, service calls, etc.?***
- A.** Spectrum has stated that there are no installation or charges for service calls with this Bulk Agreement. If a resident would require extra outlets or outlets moved, there could be a charge. There is no service call charges as long as the issue is Spectrum related (signal, outside wiring, box or model problems).
- Q. *Are there other costs to residents that haven't been disclosed? Example: regional sports fees, broadcast fees and taxes, and are they still covered by a projected 4% annual increase or can they affect the bill outside of any agreed upon cost?***
- A.** Spectrum states that the 4% increase is for Bulk rate and does not include taxes and fees which may change from year to year.
- Q. *Is the Association trying to negotiate with Spectrum on our behalf so that we may choose a bulk rate but pay for services individually? Many of us have expressed that this would be the preferred method rather than add to our monthly fee for a long period.***
- A.** Spectrum confirms that the cost for services offered in Spectrum's bulk rate package is determined by them. Any services outside of what is offered in the "bulk rate" package would be services paid for individually by the unit owner. Those costs are at Spectrum's current rates, which are equal to the cost of those services being offered to other communities in this area.

Q. *Could we get a bulk rate on services broken out? Not both cable and Internet bundled, but able to choose just cable or just internet?*

A. Spectrum states that the Bulk offer is for VIDEO/INTERNET or Internet only (unit owners would pay full retail for video). If they go Bulk Video/Internet residents would not be able to choose between the two, everyone would receive both.

Current Individual costs charged by Spectrum are as follows:

- If residents choose Internet only they would pay around \$80 for video (varies by tier)
- If residents choose video only they would pay around \$75 for internet
- If they choose to do nothing they would pay full retail for any services; they may choose once the current agreement ends

Q. *Many of us have expressed the need for additional speed beyond 100, is the 400 speed also being negotiated as bulk service, or will it just be an add-on? If it is an add-on, will there be a bulk add on price rather than the standard add-on price?*

A. No, Spectrum states that they offer 100mbps with the proposed package. Unit owners may increase this speed at their own expense. Spectrum stated they will be increasing speeds to 200mbps but the timeframe is TBD.

Spectrum also provided costs for upgraded internet speeds of 400mbps. If residents would like to upgrade speed from the 100mbps to 400mbps it is an additional cost of \$25 per month, at this time.

Q. *If the membership does not approve the proposal, then will we still be provided with basic network channels we currently receive for free?*

A. Spectrum states that until that agreement ends in October 2021, residents can receive the off-air network channels. After the Agreement ends, residents would be charged the full retail cost for the “select” line up; as Spectrum will no longer offer basic line up.

Q. *What happens after 7 years? Could we opt out of Spectrum?*

A. This question is hypothetical. Hypothetically, if the Association were not able to negotiate an extension of contract conditions, the Agreement would terminate. No video or internet service would be provided on a bulk basis. Residents could then subscribe individually directly with Spectrum and pay their current rates.

Q. *Why lock us into a 7-year commitment, when new technology is being introduced all the time? Example: LOW ORBIT SATELLITE. It will make Internet access available to everyone on earth. And there will be plenty of competition to drive down prices.*

A. Spectrum has indicated that they are open to negotiating new technology options as they acquire it, as it is in their best interest to work to retain those bulk customers. They have also said they are considering early termination verbiage in the contract.

- Q. Why should people who don't have computers and only watch basic TV have to subsidize the other residents by paying a higher fee for something they don't want or use?**
- A. Residents could vote for the internet only option (Option 2), but the savings between video + internet and internet only work out to only \$0.13/day saved.
- Q. Why is OTOW involved in this? I want to make my own decisions in how I spend my money. Why is the Board acting as an agent for Spectrum?**
- A. This question of offering a Bulk Service Agreement has been asked of your Board by the unit owners at annual meetings in the past. You will have the opportunity to express your wishes when asked to place your vote. The proposed services are bulk services provided to the community as a whole, are at a negotiated reduced rate, and paid through your Community Service Fees (CSF). The Board is acting on the desire for some residents for a bulk service. It is not acting on behalf of Spectrum. The final decision for adopting a bulk service, will be made by the Board, based on the outcome of a vote by a majority of residents.
- Q. How about antennas on the roof?**
- A. Dish or DirecTV are an option but the location of the receiver must be determined by the Association. Neither provider offers internet service. Both programs are very costly per month. The Board will not consider reversion to a master antennae system.
- Q. Why does the whole complex have to commit to this?**
- A. Spectrum has confirmed that is the only way to receive the bulk rate. If the community votes "No" to the agreement each resident would pay Spectrum's market rate for their service, which would be at a higher rate than the proposed bulk rate.
- Q. If a vote is taken with the same kind of ballot as other votes are done, is there any requirement to not just get more than 50% of the ballots returned, but more than 50% of the population in OTOW? If 1,000 votes are cast but there are 4,970 units that could vote, will the 51% of yays or nays be based on the 20% that actually voted?**
- A. The decision will be made by a majority of the voting interests that participate. However at least 20% of owner interests must vote to meet the required 20% quorum.

Q. If we selected the internet option (Option 2) only at \$42.00 each month what costs/equipment/services are included?

A. Spectrum indicates that the standard internet speed, modem and wireless router are included. Everything else would be charged to resident on retail basis. If residents choose the internet only, Option 2, the cost would be \$42.00 per month, plus fees and taxes, and would include a modem and router. Residents would then pay an estimated \$80/month for video service if they wish to subscribe.

Q. When will this happen?

A. If Option One or Option Two are voted on by a majority of residents, the effect date of change would become effective July 1, 2020.

Q. Does part of our management fee currently go to Spectrum to cover the Spectrum access? If so, would the fee be reduced if the Spectrum deal goes through?

A. No part of the community service fee is currently paid to Spectrum.

Q. If service deteriorates and the majority of residents are unhappy, will there be a mechanism in place to address that and possibly terminate the contract?

A. That would depend on the language written into the contract in regards to service performance standards and remedies for failure to consistently meet those standards. It is anticipated that a contract would have service standards.

Q. Why can't this be done without putting it in the condo fee?

A. It is the nature of structuring a bulk rate, that all units receive the service. If Option 3 is adopted, you would have nothing added to the CSF, neither would you receive a bulk level of service.

Q. If Option 1 or 2 are adopted, what must I do to get additional services or components, or repair service?

A. If you wish to obtain any of the other service Spectrum offers, you must contact Spectrum directly. If there is a service outage, you must contact Spectrum directly.