

Reply to comments of the Community Associations Institute (CAI)
of Feb. 6,2008

In their comments the CAI opposes all Commission regulation of the exclusive contracts by MDU's.

They suggest that "Community Associations are democratically governed organizations" and "are governed by and responsible to their members". I live in Live Oak Preserve (LOP) in Tampa,Fl. The HOA was set up by the original developer, Transeastern Homes. Transeastern Homes established, NOT THE RESIDENTS, a long term exclusive contract of 15 years with Century Communications for cable TV, internet and home security monitoring services. Those services are still part of the HOA fees which are now administered by Engle Homes. The HOA is still controlled by the developer NOT by the residents. With the current market conditions and the fact that LOP is only partially "built out", the HOA will be controlled by the developer for many years. IT IS IN NO WAY A DEMOCRATICALLY GOVERNED ORGANIZATION. I would imagine there are many such situations across the country.

CAI also states "Community Associations make conscious decisions in entering into bulk agreements." The bulk agreement with Century was entered into by the Falcone family, primary owners of Transeastern Homes and Century Communications, to secure a steady stream of income for their great grandchildren not for the benefit of the residents.

Furthermore CAI states " If a majority of owners decides an error has been made they can alter association policy and replace any exclusive agreement at the time of renewal or seek grounds for termination." So the majority ownership is supposed to wait until the end of the contract to solve an untenable situation. The LOP contract is for 15 years but other posts for 07-51 state contracts of as much as 75 years. How are you supposed to put up with bad service for 75 years? As a result LOP IS SEEKING grounds for termination of this and all exclusive contracts with MDU's by 07-51.

Lastly, the CAI states "The presence of a bulk agreement may discourage a competitor from entering and if a competitor is present

the inclusion of bulk rates in association fees may discourage some residents from taking service from the competitor because of the additional cost."

OH, DO YOU THINK???? Ask Verizon if they are discouraged that after wiring LOP with fiber at great expense they find that only the richest of residents have subscribed to their services. Ask the majority of residents who suffer with inferior cable TV service and slow, unreliable internet service if the additional cost discourage us from taking competitor's better service. Of course it does!!!

Someone needs to help residents who do not have democratically governed HOA's and currently have no way out of long-term contracts not of their doing. Hopefully 07-51 and the Commission will provide that help.