

**SCCW MASTER ASSOCIATION
ANNUAL MEETING APRIL 11, 2011
FREQUENTLY ASKED QUESTIONS AND ANSWERS**

WHY DOES THE MASTER ASSOCIATION EXIST?

The Master Association exists to hold title to real property within the Sun City Center West Project and to maintain both owned and designated areas within the Kings Point community. This is the general purpose of the Master Association as stated in Article II of the recorded Articles of Incorporation, as amended: ***“The general purpose of the Master Association is to provide supervision, management, and determination as to the care and maintenance of roads, traffic control, landscaping within the roadway areas, drainage systems, and irrigation systems (including all wells, pumps, pipes, and other facilities or equipment thereof) located throughout the Kings Point Project, as well as other matters determined to be in the best interest of the Master Association by the Board of Directors from time to time....”***

This includes, but is not limited to, the following:

- **roads** (includes ***roadway surfaces*** regardless of location, ***traffic control signs, crossing lights, street signs, and sidewalks*** along main boulevards) - To maximize efficiency, the Master Association has been given the responsibility for maintaining all roadways within the Kings Point Community (estimated to be over 33 miles or over 518,973 square yards of asphalt to-date). The Master Association’s maintenance responsibility does not include individual associations’ carports. As a courtesy, the Master Association notifies associations’ when a paving project is scheduled. The individual associations may take advantage of the contractor’s discount by paving their carports at that time. A fifteen-year program has been developed to schedule and fund timely maintenance of the roadways. This schedule is revised annually to add new streets and update costs. Specifications for maintaining roadways have been written according to American Asphalt Institute recommendations to insure satisfactory results. Legal contracts are entered into for each project, to protect both the residents and contractor. Maintenance also includes refurbishing and replacing traffic control and street signs within Kings Point. In 2011, all street signs were upgraded to decorative posts with hi-reflective sign panels which include block numbers. Matching stop signs are being considered for future installation.
- **landscaping** (includes ***turf, plants, and trees*** within the roadway areas, ***rights-of-way, and other common areas*** deeded to the Master Association),

- **drainage systems** (*includes lakes, weirs, curb drains, storm-water catch basins, and connecting pipes that are not on a golf course*) - The drainage system includes thirty-three Master Association lakes with individual weirs, portions of Cypress Creek, and underground storm drains. An undetermined amount of these older drains are 24" corrugated iron. The average life of the corrugated material is 13 to 15 years. The first units were built in Kings Point in 1972, so drain pipe replacement is an ongoing concern.
- **irrigation systems** (*includes all wells, pumps, supply pipes [above 1" diameter] and other facilities or equipment thereof, located throughout the Sun City Center West Project in Hillsborough County, Florida*) - The irrigation loop systems are composed of four major wells (one 6", one 8", and two 10") with two 75 HP pumps and two 40 HP pumps. The loops can be isolated from each other. The upper (northern) portion serves all associations in Andover, Bedford, Cambridge, Dorchester, Fairfield, Gloucester and Knolls, as well as the Kings Blvd. medians. The lower (southern) loop serves all associations in Highgate, Idlewood, Lancaster and Quail Pass. Additionally, there are sixty-plus pumps ranging from 5 HP to 10 HP serving the other individual associations, irrigating from and refilling designated lakes. There are over two hundred fifty-five (255) irrigation zones timed by sixty-eight controllers, 29 well-pumps, and 35 lake pumps, located throughout Kings Point. An inventory of replacement parts is stocked on-site to expedite repairs. The Master Association receives a discount of 30 %, by ordering directly from our supplier. Inventory control is important and parts are re-ordered quarterly.
- **Other responsibilities:** (*Includes **fences** and **walls** located on Master Association property and **three bridges** that serve the community. The **two gatehouse structures** and **two Kings Point monument signs** are owned, insured, and maintained by the Master Association.*)

The Board of Directors of the Corporation shall be responsible for the determination of the care and maintenance so as to provide efficient and integrated management for same.

WHAT DOES THE MASTER ASSOCIATION OWN?

To-date, Kings Point community includes 110 individual condominium associations and one property owners' association representing 5,227 closed units, with an expected 5665 units at build out. There are over 675 acres of developed land. Within the Kings Point community, the Master Association already owns most of those areas that are not located within an individual association's site-plan or on a golf course.

Property maintenance includes, but is not limited to: roadways, parks, median strips, roadway rights-of-way, banks of Cypress Creek, irrigation equipment, irrigation lines in excess of one inch (1" diameter), underground storm drain systems, lakes, and related weir structures. There are two lakes still located within the site lines of Manchester II and IV which those associations will be trying to obtain 100% approval to deed to the Master Association.

The Developer (as defined in the Articles of Incorporation) has the right to deed real property over to the Master Association at any time. So far, seventy-seven (77) deeds have been recorded at the Hillsborough County Recorder's Office, transferring 311.39+ acres from the Developer to the Master Association. This equates to about 77 acres of roadway, 113 acres of lakes, and 129 acres of drainage areas, preserves, and green space. Also, included in the property maintained by the Master Association are the bridges over Cypress Creek and boundary-fence along 36th Street.

HOW DOES THE MASTER ASSOCIATION OPERATE?

- **Incorporation:** The Master Association is a duly formed Corporation that came into existence on May 1, 1973. The Master Association does not have a Declaration of Covenants and Restrictions. The Corporation operates under its own Articles of Incorporation and Bylaws and follows Florida Statute 617. Where applicable, the Master Association follows the guidelines for homeowner associations found in Florida Statute 720.
- **The Board of Directors:** The officers are President, Vice President, Secretary, Treasurer, and any other officer deemed necessary. *The current board has three Directors.* At this time, the Developer holds the majority on the board, but has traditionally allowed the membership to select the third Director, since 1990. Directors serve one-year terms. The Directors elect the officers. The Directors may appoint to fill any vacancy.
- **Duties of the Officers:** The President of Master Association presides over the meetings. The Vice-President acts during the absence or disability of the President. The Secretary keeps the records, notices, agenda, and minutes of the Master Association meetings. The Treasurer has the care and custody and keeps full and accurate accounts of all monies and signs instruments when required.
- **Board of Directors Meetings:** Board of Directors meetings occur as needed. The Directors may consent to an action, in writing, in lieu of holding a meeting. A quorum for a board meeting is a simple majority of the Directors. Directors may be notified by mail, e-mail, or phone, with a three-day notice. Meetings may only be called with the approval of an officer or any two or more board members. However, 10% of the members may petition the Board to request a meeting be held. The

members of the Master Association are each Kings Point association. Membership in the Master Association is mandatory.

- Membership Meetings: The annual meeting must take place between April 1 and April 15. A quorum for a membership meeting is 25% with a six-day advance notice.
- Voting Member: The condominium or homeowner association president is the Voting Member at Master Association meetings. In lieu of the president, the association may designate another officer or director as the voting member for the Association. Additionally, only Officers or Directors are eligible to be a Proxy for the Voting Member. The Voting Member of the association is entitled to one vote, regardless of the number of units in their association.
- Notices of Meetings: All notices of meeting are mailed to the president. Notices are also posted on the Master Association web page at www.kpscc.com.

WHERE ARE THE RECORDS OF THE MASTER ASSOCIATION KEPT?

The entire operation for the Master Association, including financial and administrative records are kept at the management office under the guardianship of The Continental Group. Financial and administrative records covering the past seven years are available for inspection by any Voting Member, upon request, during business hours.

HOW IS THE MASTER ASSOCIATION BUDGET DETERMINED?

The Master Association sets its own budget annually, to cover the maintenance needs of the Association, based upon at least six months' real expenditures, past expense history, known increases, planned projects, contract prices, and a buffer is included for unknown increases. The Developer includes Kings Point representatives in a review process, prior to the Board adopting the budget. The Board tries to develop a budget that closely matches anticipated expenses. The monthly assessment, beginning April 1, 2011, equals \$23.94 per unit, monthly (*an increase of \$2.48 from the 2010-2011 budget.*).

HOW ARE MASTER ASSOCIATION'S OPERATING FUND AND RESERVE FUNDS HANDLED?

Each Member association's (condominium or HOA) assessment is proportionately equal to the number of units in the association. Each Member association forwards its total monthly assessment to the Master Association which are deposited to its operating fund at CNL Bank. A portion of the total assessments is designated as Reserve Funds and is deposited to investment accounts.

All regular expenses are paid from the operating fund. Unusual expenses for maintaining or replacing Master Association assets are paid from reserve funds. Occasionally, the Board may use reserve funds to fund special projects, for instance the recent "Street Sign project" was paid from Road Reserves. Or, the Board may vote to use reserves for a major expenditure, such as insurance premiums, and then reimburse the reserve, monthly, from the expense-line of the budget.

WHAT DOES THE 2011-2012 BUDGET COVER?

- Administrative costs
 - professional fees (*engineering, surveying, consulting, etc.*)
 - taxes (*association interest income tax; property tax, if any*)
 - holiday decorations (*seasonal décor at gate house entries*)
- insurance (*property & liability insurance - 4.75% increase*)
- utilities (*increases for electricity for street lighting and added irrigation pumps*)
- contracted services (*management services; lake maintenance; lawn/landscape/irrigation maintenance [included additional property]*)
- inventory supplies (*on-hand irrigation pipes and equipment*)
- repairs and maintenance includes:
 - buildings (*two gatehouses*)
 - sidewalks (*on main roads*)
 - roadways (*patching*)
 - irrigation equipment (*wiring, solenoids, controllers, motors, etc.*)
 - irrigation pipes (*all pvc pipe and valve repairs*)
 - landscape replacement (*plants & trees*)
 - signs/lights/benches
 - drainage (*catch basins, storm pipes, grates, weirs, etc.*)
 - and five new accounting categories:
 - fence (*chain link, board-on-board, pvc*)
 - lakes (*debris & dead fish cleanup*)
 - irrigation inspection services (*preventive maintenance*)
 - landscape sod replacement (*main road rights-of-way*)
 - landscape 36th Street (*jasmine/viburnum hedge; upland ditch*)
- reserve funds:
 - Buildings (*two gate houses*)
 - Drainage (*community has corrugated pipes in the older areas; weirs; etc.*)
 - Fence (*chain link; board-on-board; pvc*)
 - Bridge (*one timber bridge; one steel bridge; one concrete bridge*)
 - Irrigation (*pumps & VFD's*)
 - Paving (*the 15-year paving & road refurbishment plan is under review*)

WHEN CAN THE MASTER ASSOCIATION SPECIAL ASSESS ITS MEMBERS?

Special assessments may occur whenever there is a special project that is required to be done where funds are not available, or if there is a year-end deficit.

Special Assessments are apportioned equally and assessed to each condominium or HOA based on its number of units.

WHAT HAPPENS TO ANY EXCESS RECEIPTS OVER DISBURSEMENTS (*such as “year-end surplus” or “Special Assessment surplus”?*)

This collection of funds remains with the Master Association with any surplus becoming Equity of the Master Association. This Equity is not refundable to the Master Associations members (*unit owners*), Board of Directors, or officers however, it can at the Corporation’s discretion be applied to future expenses or, at the determination of the Corporation, refunded to the Condominium Associations that contract with the Corporation.

HOW OFTEN ARE FINANCIAL AUDITS PERFORMED?

The last full audit was performed on the balance sheet for month ending 3/31/09 and for the entire fiscal year ending 3/31/10. Audits will now be scheduled every three years. The next audit will be for fiscal year-ending 3/31/2013.

WHY DOES THE DEVELOPER STILL RETAIN CONTROL OF THE MASTER ASSOCIATION?

This is probably for the “convenience factor.” By keeping control of decisions regarding the common areas within the Sun City Center West Project, the Developer can ensure that the common property is continually maintained in such a way as to make the community attractive to new customers. The Developer can judge the need and approve repairs and maintenance to be done quickly. The Developer may also be amenable to contribute to major improvements when such would be of benefit to the community-at-large and help to sell homes. For instance, Minto Communities has generously offered to update the main gate entry features in late Spring, to include replacing the landscaping and remodeling the main gate roof.

WHEN WILL THE MASTER ASSOCIATION TRANSFER CONTROL TO THE MEMBERS (“also known as TURNOVER”)?

The time to turn over control of the Master Association will be decided by the Developer. As long as the Sun City Center West Project continues to have a development plan, then the Developer has the right to elect the majority of Directors on the Board. If the development plan is abandoned or if the Project is completed or if the Developer decides to relinquish control sooner than completion, then the Master Association can hold an election for the Voting Members to elect the majority of Directors.

WHAT WILL BE THE EFFECT OF TURNOVER?)

Prior to turnover, the Developer, (via the Management Firm) is responsible for keeping track of the Corporation records of the Master Association.

After turnover: The Developer will officially relinquish to the new Board of Directors, all Master Association records. In addition, the Developer should work with the Board of Directors to ensure all miscellaneous parcels of land within the Sun City Center West Project have been deeded to the Master Association. Unless decided differently by the new Board of Directors, the administrative and financial records of the Master Association will continue to be kept at the Management Company offices for as long as the Management Agreement is in effect. The day-to-day operations will continue to be carried out by the Master Association Manager, within the terms of the Management Agreement. The Board of Directors will give input, direction, and approval as needed.

Prior to turnover, the Board of Directors has three directors serving as President, Vice President, and Secretary/Treasurer. The control vested in the Developer shall entitle it to elect all Officers and Directors of the Master Association during the period of such control. These directors are appointed employees of the Developer. (Note: *The Developer currently allows the Voting Members to elect one of three directors from among the Voting Members.*)

After turnover, there can be from three to seven directors and all Directors will be elected from among the members.

Prior to turnover, the Developer has all of the voting rights, but the Developer may occasionally ask for a vote of the members on important matters.

After turnover, each Voting Member will have one vote on any matter coming before the membership.

Prior to turnover, the Developer has the exclusive right to amend the Master Association documents (Articles of Incorporation and Bylaws), as needed.

After turnover, proposals to alter, amend, or rescind the **Articles of Incorporation** may be made by the holder of twenty (20%) percent of all the membership votes and the wording of the proposed amendment must be delivered to the President not less than twenty (20) days prior to the membership meeting where it will be voted. [These requirements may be waived at or after the meeting]. To pass an amendment, the majority of the Board of Directors must approve, along with 60% of the membership. The **Bylaws** can be altered, amended, or rescinded, at any duly called meeting of the membership, as long as the notice of meeting contains a full statement off the proposed amendment, a quorum is 1 attendance, and there is an affirmative vote of 60% of the holders of all the qualified voting rights present and voting at the meeting, and the proposed amendment has been approved by a majority of the Board of Directors.

HOW IS THE MASTER ASSOCIATION MANAGED?

The Master Association has had a management company oversee its operations for at least 30 years. In the past, the management company was always a subsidiary company owned by the Developer. This policy changed after WCI's bankruptcy. In February, 2009, the Master Association Board of Directors engaged The Continental Group (f/k/a Sterling Management) to manage the day-to-day operations of the Master Association.

Sun City Center West Master Association contracted separately with The Continental Group to hire an experienced professional property manager to work exclusively for the Master Association. The manager's office is located at 1904 Clubhouse Drive, Sun City Center.

WHO SHOULD I CONTACT IF I HAVE A QUESTION OR CONCERN REGARDING THE MASTER ASSOCIATION?

Dana Lin Phillips, Master Association Manager

Direct Phone: 813-633-6291

dphillips@thecontinentalgroupinc.com

The Continental Group

1904 Clubhouse Drive

Sun City Center, FL 33573

Office: 813-642-8990 x 223

Fax: 813-642-8790

WHERE CAN I FIND FURTHER INFORMATION AND DOCUMENTS PERTAINING TO THE MASTER ASSOCIATION?

Meeting notices, announcements, association documents, financial information, etc. are all available for viewing on-line. Visit our web page at:

http://www.kpscc.com/master_association.aspx

Also included on this web page are documents pertaining to Kings Point Garden Club and the Kings Point Vehicle Storage Club, both of which lease land from the Master Association to conduct the activities of their clubs.