

Amended, Restated, and Consolidated Declaration FAQs:

1. Why is it important to amend the Declaration now?

On Top of the World (Central) Owners Association has seven different Declarations and soon to be eight with the new Crescent Ridge. Over the years, many changes have occurred and community development and standards of operation have evolved. A number of revisions have been made to Florida Statutes and Agency rules and these alone present a large enough volume to justify substantial changes. And, the timing is critical due to potential new legislation. HB 841, if enacted, may impact provisions proposed with respect to occupancy if Declaration is not adopted prior to July 1, 2018. The Board feels it is important to maintain the residential nature of the community as well as its values. The Board's goal is to govern with one consolidated Declaration for all Central owners.

2. What are the key benefits that impact me?

All of the changes are intended to benefit the owners. Some changes owners may find valuable are increasing the mortgage financing limitation to 80% from 70% of the purchase price of the home. Defining single family and family relationships and how many people may reside in the home allows owners to care for parents within the rules of the community.

3. Why is it necessary to add Section 5. Safety and Security since we are a 24 hour gated community?

The gates and surveillance cameras are certainly a deterrent to crime. However, the gates and cameras do not control who is allowed in as a guest of an owner. Nor do the gates prevent a neighbor or owner from driving someone inside the community who may not be approved to be in the community. The mechanical systems in place limit access; however, these systems can be circumvented and compromised. Every resident has to be responsible for their own safety and property. It is not the responsibility or liability of the Association if an owner fails to lock a car or secure a door, and later discovers property missing.

Having a gated community is an essential part of On Top of the World Communities for existing owners and one of the many reasons new buyers are attracted to the community. This proposed revision in no way changes the commitment to a gated community nor creates an obligation on behalf of the Association to provide additional measures beyond what is currently existing.

4. Why is it necessary to add Section 6. Indemnification of Officers and Directors?

Indemnification of officers and directors from damages and expenses for actions taken in the lawful discharge of their duties is standard practice for directors serving on Boards. It does not relieve individual willful misfeasance, malfeasance, misconduct or bad faith. It can be very difficult to fill volunteer Board seats without indemnification.

5. Why would the developer need to designate Limited Common Properties or Special Benefit areas?

If at some point in the future the developer were to develop a gated community within the On Top of the World (Central) Owners Association, Limited Common Properties would need to be designated so that the costs subject to that property is not passed to all owners. Special benefit areas would be limited to areas that receive the special or unique benefit created specifically for that neighborhood.

6. Why does the Association need to point out that utilities to a home is each owner's responsibility?

Clarifying the responsibility for utilities, be it water, gas, electric, etc. eliminates any confusion as to responsible party for obtaining and paying.

7. By pointing out that utilities is the owners' responsibility, does this mean you will be going to individual billings for all residents?

The decision to go to an individual water billing is yet to be decided and the decision is not impacted by this Amended Restated and Consolidated Declaration. If there could be a savings passed through to most residents in the villas whose water is included in the CSF, individual metering would be well worth considering. Those who conserve water wisely would reap the benefit and those who are water wasters would be the only ones paying for their waste. If this were to be considered at some future date, the CSF would be reduced by the amount of the water portion of the bill.

8. Why does the leasehold payment need to be mentioned in the Declaration?

Since the payment is collected along with the community service fee, adding it to the declaration clarifies the collection of that portion of the community service fee and allows the convenience to continue. Additionally, the Uniform Lease references the Declaration, so this closes the loop so to speak.

9. Why would the Board want to delegate its Architectural Review Board function to a manager?

Delegating the day to day review, inspection, and enforcement activities to the management company is an efficient way to carry out these duties. The management company may only take action already approved by the governing documents.

10. Under The Association's Limited Dwelling Maintenance, why does the Association not paint interior walls and maintain solar panels or skylights?

Walls that are accessed through a doorway or gate are considered interior walls and are the responsibility of an owner. Solar panels and skylights, are modifications to the original construction and these items are typically added by the owner and therefore, the owner is responsible for the insurance coverage and replacement of.

11. What are the changes to the Owner's Dwelling Maintenance?

Maintenance and replacement of solar panels, skylights, solar tubes and owner installed landscaping were added under owner's dwelling maintenance for better clarification.

12. The Association's General Liability and Property Insurance sections state that the amount of coverage will be based on what the Board deems necessary or desirable. How will the Board determine needed amounts?

For property insurance, the Board relies on a number of inputs including Risk Management Solutions (RMS) and insurance consultants. RMS is the world's leading catastrophe risk modeling company, and they assist financial institutions, insurance companies and public agencies to understand, quantify, and manage risk. Models take into consideration previous storm information and analyze storm surge, wind speeds, and how far inland the storm progressed. Insurance Companies use this information and also understand the construction, roof truss systems, and location of the property. With this data, they look forward based on what they know has happened in the past and set coverages and premiums accordingly.

For liability insurance, the Board relies on a number of inputs—benchmark other similar communities, number of homes, number of claims, history and insurance company experience.

13. The Association's General Liability and Property Insurance sections also state that the deductible has been changed from \$2500 to \$10,000. For example: "I currently carry \$2,000 to cover the Association assessment, however my insurance agent says they cannot write this additional \$8,000 in coverage."

The deductible referred to is the Association's insurance deductible and has no affect on your HO 6 Policy. If the \$10,000 deductible were to be assessed to all owners, it would be about \$2.50 per owner. Please refer to Individual Responsibility of the Individual Homeowner on www.otowinfo.com which explains deductibles and owner's responsibility. The typical homeowner's HO 6 policy provides for a limit of \$2,000 for Association assessments.

14. If I wish to Deed my property to my children, does that mean I must state that the Home is subject to this Amended, Restated and Consolidated Declaration and a reference to its recorded book and page in the public records of Marion County, Florida on this Quit Claim Deed? If so, why?

Yes, pursuant to Article XIII, Section 1, all deeds or other instruments of conveyance shall state that the Home is subject to this Amended, Restated and Consolidated Declaration, listing a reference to the recorded book and page in the Marion County, Florida official public records. Chapter 712, Florida Statutes, Marketable Record Titles to Real Property, states that in this way, the Association's Declaration is preserved.

15. Subleasing a fraction of the home is not allowed. "Would this negatively impact my ability to move my Mother in with me as she is no longer capable of living on her own?"

No, with preapproval by Association, a parent may move in with an owner. This is addressed under the definition of a "single family" which allows for up to four related persons to live in a home as long as no more than two persons per bedroom. The sublease section addresses room rentals in an effort to avoid becoming a transient community with no controls.

16. Will I be able to finance up to 80% of the purchase price of my home?

Yes, once the Amended, Restated, and Consolidated Declaration is approved by the membership and recorded in the Official Records of Marion County, Florida.

17. Why do I need to fill out the Mortgage Questionnaire?

As part of approving a new declaration, your lender will receive notification of this process.

18. What exactly is the Joinder and Consent and why do I have to fill that out in addition to the Proxy?

The Joinder and Consent is the document that means you approve of these proposed changes and thereby joins your home to the revised declaration. This document requires the signature of all persons on the deed to the home. (If you happen to be a POA, on behalf of an owner, please bring the Durable POA with you and present to a Notary)

19. Since we are already an age restricted community, why does that language need to change?

The community is designated for persons age 55 and older and the language was inserted to match the Federal Fair Housing Act (42 U.S.C. 3601.et.seq.) and verification requirements of the U. S. Department of Housing and Urban Development (24 C.F.R.100.307) and the Florida Fair Housing Act (Chapter 760 of F.S.)

20. Why does the Board want to change the required number of votes from 66% to a simple majority of all voting interest?

This change is intended to be a benefit to the community by insuring it remain manageable and if it becomes necessary to amend the documents, it can be done with a majority.

21. Why is the Guarantee of Assessments being removed?

The guarantee of assessments by the developer is deleted in its entirety because this is a mature, self-sustaining association. The assessment was intended to be a temporary provision for the first three years. The developer does pay community services fees on completed properties until transferred, and does pay for the upkeep of developed but unsold lots on its behalf and without cost to the Association.

22. Why can't the Board include language about the gates in the Declaration?

The gates are considered Common Properties along with roadways, walkways, landscaping, fences and buildings, etc., located on portions of the community not contained within individual lots. The Association has a Management Agreement with Parkway Maintenance & Management Co. to maintain the Common Properties. Individual components of the Common Properties are not specified in the Declaration in order to allow flexibility to meet the needs and desires of the Association now and in the future.