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Jupiter Bay Condominium Association New Comcast Contract

The Association spends a significant amount (11.2%) of its operating budget on cable TV. Under our current Comcast seven-year contract for TV services, annual cost increases can be as high as 5%, and other services including internet, DVR's and voice remote are not included. Most of our owners are paying extra for these services. 80% have separately contracted for internet at a cost of \$29 to over \$65 per month, and many are paying extra for additional cable boxes, DVR's or the X1 platform.

For these reasons, and since our current contract allows for its replacement with a new contract after the fifth year, the Board has researched the various bulk service (multiunit) cable providers in our area with the goals of reducing cost, improving quality and enhancing services.

After a thorough review of potential suppliers' costs and capabilities, the Board feels that staying with Comcast and renegotiating a new contract with them may be the best alternative. Other vendors including Hotwire and AT&T (who would not quote) cannot offer similar TV and Internet services at less cost. We believe that a 10-year contract with Comcast, with a renegotiation provision at the end of the eighth year, would provide significant total cost savings to most owners while improving quality and services. The longer contract period allows Comcast to upgrade our cable infrastructure and offer greater savings to Jupiter Bay owners.

Following are the major components of the new contract:

1. Property-wide service assessment by Comcast (Xfinity), and rewiring where necessary at no charge, even though we own the wiring from the wiring closets to the units.
2. Upgrading of service and equipment to HD Digital Starter, including two X1 boxes with voice remote, one of which is an Any-room Digital Voice Recorder (DVR), and one HD Digital Adapter with remote.
3. Installing the X1 platform, Comcast's most advanced system available.
4. Providing Performance Level High-speed Internet, with Wireless Gateway Modem. (Anyone can upgrade to faster speeds if needed, up to 1Gb this year and up to 10Gb later).
5. Cutting the annual escalation cost from 5% to 4% for all services, including the Broadcast TV Fee, over the life of the contract.
6. Free Home Health Check, and one-time install of the X1 system in each unit.
7. Monthly rate of \$62.95 per unit (overall discount of 65% off retail rate) for equipment & service, video & internet.
8. A one-time credit of \$17,950 applied to the first quarter billing.

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A Board Meeting will be held on August 4th, 2017 at the Association Office for a Board vote to approve this proposal, which reduces the total cost for almost all owners while improving reliability and adding additional services.

The following charts 1) compare current and proposed contracts and 2) illustrate the value.

1) Contract Comparison Overview	
Current	Proposed
One High Definition Box Two Digital Transport Adapters	Three High Definition Boxes (all sharing Digital Video Recording), 2 with voice remotes.
Owner pays from \$29.95 up to \$64.95 extra for Internet	<ul style="list-style-type: none"> • 30 Mbs Internet included • \$62.95 discount on Blast & Extreme Internet
Owner pays \$10.00 extra for wireless modem	Wireless Gateway Modem included
Owner pays \$9.95 extra for a Digital Video Recorder (DVR)	DVR included
Some are experiencing quality problems due to old wiring	Property rewired at no cost to JBCA
We are in year 5 of a 7-year contract	10-year contract renegotiable after 8 years
JBCA cost is \$44.48 per month or \$133.45 per quarter	JBCA fee would increase \$27.28 per month (\$81.84 per quarter), with a one-time credit to JBCA of \$17,950.

2) Contract Value		
Component	Cost Under New Contract	Retail Cost
Cable TV	Included	\$65.95
Performance High-Speed Internet	Included	\$64.95
X1 Operating System	Included	Bundled w/options
X1 Any-Room DVR w/Voice Remote	Included	\$19.95
X1 Companion Box w/Voice Remote	Included	\$9.95
HD Digital Adapter	Included	\$5.99
Wireless Gateway Modem	Included	\$10.00
Rewire Property & Home Check	Included	Billed Separately
TOTAL MONTHLY COST	\$62.95	\$176.79+

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Frequently asked questions:

1. How does this change affect my costs?

- If you are like most owners who are separately paying for internet, your TOTAL cost will go down. For example, if you have the lowest level of internet, then you are probably paying at least \$29 per month for this service. Since the new Comcast contract will include internet at no extra charge, your quarterly increase will more than offset this charge.
- Other examples:
 - If you are one of estimated 3 owners (that we know of) who currently have and don't want any additional service, then your cost will increase by \$27.28 per month.
 - If you have the lowest cost and slowest internet, then you will have minimal saving of \$2.67 a month, but will receive extra services and equipment, including a much faster internet.
 - If you are like many who currently only have performance internet, then your savings will be \$37.67 a month and you will receive extra services and equipment.
 - If you currently have Blast Internet, a DVR, rent a modem and have X1, then your savings will be \$72.57 a month, and you will receive additional equipment.
 - Under the new contract's terms, Blast and Extreme Internet will be discounted \$62.95.
- This contract saves an estimated \$383 a year to the average owner or \$137,497 a year to all owners combined, when factoring the increase offset by the included services.

2. How does this affect my equipment?

- The current basic service includes one High Definition box and two digital transport adapters (DTA's). Owners now pay extra for an additional HD box or Digital Video Recorder (DVR).
- The new Comcast service will include two High Definition Boxes, that share Digital Video Recording capability, one HD Digital Adapter, and a Wireless Gateway Modem.

3. Will a special assessment be required?

- No. The new cable wiring, equipment and services will be rolled out during the remainder of 2017. The 2018 budget will be adjusted, and Quarterly maintenance fees will increase by about \$81.84. But remember, you will not be required to pay extra for basic or Performance Internet, extra HD box, DVR, Wireless Modem, or X1 Service.

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4. We have experienced an increase in quality problems with Comcast's TV and internet services. Will this new contract provide improved quality?
 - In delivering these new services, Comcast will rewire our entire property at no cost to us. This will take several months, and the wiring will continue to be the property of JBCA.

5. Which other Suppliers have been considered?
 - AT&T was unwilling to provide a quote for our community unless another association was willing to participate with us.
 - Hotwire
 - Cost – We requested and received a quote from Hotwire. Their 10-year cost is higher than the proposed Comcast quote for the same period.
 - Quality – There are a significant number of negative reviews regarding Hotwire's installation and service.
<https://www.yelp.com/biz/hotwire-communications-fort-lauderdale-2>

6. How does this affect what channels we get?
 - There should be no change. No more, no less.

7. How does this affect the contract term?
 - We are currently in year five of a 7-year contract. Comcast will allow us to terminate this contract two years early and replace it with a new contract.
 - The new contract will be ten years with the ability to renegotiate in 8 years.

8. What if I currently have AT&T as an internet provider?
 - When the installation is complete, you should cancel your AT&T service (and avoid that cost) and use Comcast Internet which will be part of our new basic service.

9. How will this affect my phone service?
 - Any phone service that you had previously set up with Comcast or AT&T will not change.

10. How long will it take for me to get this new service?
 - Comcast will begin detailed review, and then start rewiring and deploying the equipment. We have been told this will take as long as 9 months to complete. Interruptions to owners should be minimal during the change. A detailed implementation schedule will be provided.

Please contact the office or a Board member with any further questions.

Thank You,
Jupiter Bay Board of Directors