

Both sides distant on park fees

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WILDWOOD

Continental Country Club management and residents met with a state hearing officer this morning, but both sides say there was little possibility of compromise today.

Residents of the 700-home park on State Road 44 have tried since late February to stop Continental from raising homeowners' maintenance fees from \$65 to \$137.50.

They petitioned the state Department of Business Regulation, and hearing officer Tom Pressnell came down from Tallahassee to arbitrate their differences in the county clerk's office at 9 a.m. in the Lake County Courthouse.

The residents also have a suit filed in 5th District Circuit Court to stop Continental from placing liens on homeowners to enforce what they call the "unconscionable increases" in the fees.

Bill Woodall, Continental's corporate treasurer, said the negotiating session was required under Florida law.

"Since we didn't resolve anything, the residents asked the state to appoint a negotiator. He listens to both sides and tries to get them talking to one another," Woodall said. "This is the normal sequence of events. However, (the management) did not agree to binding arbitration."

The hearing officer won't make any judgment, Woodall said.

"The residents have already initiated a lawsuit," Woodall said. "We're not saying we won't negotiate, but how can we go in and put something on the record, which could hurt us later?"

Buck Atkinson, president of the Continental Community Resident Homeowners Association, said that the residents will rely on their attorney.

"We've got it in court," he said Thursday night. "Let the judge decide. That's why we called in a mediator, because we couldn't agree on anything."

Both Continental and the homeowners will be in court again Dec. 14, when at 8 a.m.

Bankruptcy Judge George L. Proctor will hear seven motions by Continental's attorneys.

In that effort, the management

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wants to eliminate free country-club memberships for 62 residents given when they purchased their homes. Management also wants to eliminate "exclusivity contracts" for leases and options to purchase for more than 300 other residents.

Woodall said the real issue between management and residents isn't the fee increase — it's resident anger at Continental for trying to make a profit from its \$2 million utility investments.

These include water and sewage services, which he said cannot operate at a break-even level.

"If we put in a new pump, we can't charge the residents for it," Woodall said. "They'll never make the investment. We're concerned about the well-being of these

people 10 years from now."

Atkinson indicated that wasn't too far wrong but added, "We naturally want to pay whatever the cost is, but we are saying, 'Prove it.' And they couldn't prove it."

Woodall said Continental has spent \$12,000 in attorney's fees in its fight to impose the higher maintenance fees, but the homeowners spent nearly \$30,000 to stop them.

Atkinson said the homeowners hadn't hired an auditor yet and wouldn't comment on the legal-expense figure.

"It all hinges on the bankruptcy hearing on Dec. 14," he said.

Some residents are already paying the higher fees, Woodall

said. But often they don't want their identities known to other park residents.

"They tell me that if I divulge their identity, they'll stop paying. Peer pressure here is tremendous."

At the same time the residents are fighting the fee increases, Continental is undergoing a corporate reorganization under Chapter 11 of the Federal Bankruptcy Act, citing losses of \$7 million.

The park once employed 175 people, but that has been cut back to 70, Woodall said.

As part of the bankruptcy negotiations, two Florida companies — Intercoastal Communities of Fort Lauderdale and Redman Homes of Lakeland — have offered to purchase Continental for \$9.7 million.

Ned Allen, president of Intercoastal, said early in November that the company would keep the higher maintenance fees in place when it takes over management of Continental in early January.

Several Continental residents said they'd organize a movement to place for-sale signs in front of homes there to discourage new buyers. They also mentioned boycotting Continental's restaurant if the fee increase goes through.

Some have yelled "Don't buy here!" at prospective buyers driving through the park.

Atkinson said, "You can't really control what people say or do. There's a lot of people very, very unhappy. They bought down here expecting affordable country-club living and now they're here and it's sky-high with no limit."