

CONTINENTAL COMMUNITY RESIDENT HOMEOWNERS ASSOCIATION, INC.

• 15 Magnolia Lane
Wildwood, Florida 32785

APRIL 17, 1989

Over a recent eight day period, Community Resources Corporation and the Board of Directors conducted eleven meetings and two wrap-up sessions with residents. The purpose of these meetings was to present a plan for the residents to purchase the assets of Continental Country Club.

The plan was presented to 918 residents representing 602 homes. We are in the process of preparing a packet of information to be sent to the residents who are out of town. As of the date of this writing [4/15/89], 441 homes have pledged \$1,323,000.00 to purchase shares in the Corporation. In addition, 286 of these residents have pledged \$1,144,000.00 to become Charter Members of the golf course, for a grand total of \$2,467,000.00. It is interesting to note that 31 residents who do not have golf memberships at the present time have pledged to purchase Charter Memberships to protect the investment in their homes. 26 residents have said "no" to the plan.

The Board of Directors is grateful for this response and that we have met our goal of \$2,300,000.00. We are of the opinion that this purchase is the only way to go. We will continue to solicit pledges to increase our funds so that we can increase the down payment needed. The cash content of the pledges will determine the actual amount of down payment we will be required to make. At this point we have not analyzed the pledges to determine cash versus financing.

We have 45 days from April 3rd to complete the financial and technical reviews that are necessary before we go forward with the purchase. The financial review and projections of future income are extremely important to the project. To give us added protection, in addition to the CPA furnished by CRC, we have arranged for David Logan, our CPA in the Court Case and subsequent reviews, to work on the project. David was the CPA during the Hawthorne conversion and still is their accountant. The accountants begin their work on Thursday April 20th.

The Magic date is May 18, 1989. The studies and reviews are to be completed and our decision made. On that date we are required by the contract to come up with "earnest money" in the amount of \$100,000.00. However, if in the remaining 75 days until the final purchase date, a problem comes up, financial or otherwise, and we change our decision, the earnest money will be refunded and the deal is off.

It now appears that we have sufficient pledges for the down payment and Joe Gaynor our attorney, will go to work. He will go through the legal steps to set up the new corporation. He has advised us that he must have the names and addresses of those people who will be Directors of the Corporation. It is our present plan to have an "interim" or "organizational" Board of Directors. Since we do not have time to hold an election, this will be the present Board of CCRHA, Inc.

As soon as possible after the purchase, if we are successful, there will be a meeting of the shareholders and they will elect a new Board of Directors. It is hoped that residents with experience and know how in the operation of a business will come forward to help. There will be a need for expertise in finance, administration, engineering and other phases of business. Although CCC is a going business entity now, a competent Board of Directors will be necessary.

After Joe Gaynor sets up the Corporation, we will open a bank account in the name of the Corporation. The account will be titled:

Continental Country Club R. O. Inc.

The "R. O. refers to "Resident Owners".

As we mentioned previously, the amount of cash that we have will determine the down payment. If you plan to finance any portion of your share or membership pledge, will you please review your commitment and see if you can come up with more cash down payment. Any increase will help.

We will accept checks now, but they will not be deposited until we need the cash. Checks may be made payable to C.C.C. R.O., Inc.

The John T. Allen, Jr. Trust Account funds will be available to you. At this time we don't know exactly when, but no later than the final closing date. We have discussed this with Chris Jayson a number of times. He recognizes the need for haste. Just to get the Judge to agree to close out fifteen accounts into one, arrange to have checks and IRS 1099 forms printed, arrange for the reconciliation etc. will take time. He has been in touch with David Eastman, the CCC attorney, who in turn will get with Redman and come back to Chris with a proposed plan. We will keep you informed.

Incidentally, Chris is taking on a new partner next Saturday, April 22nd when he will be married in Naples. We don't have any further particulars, but his office address, if you wish to send a card, is: Chris Jayson, c/o J. T. Allen, Jr. P.A. 4508 Central Avenue, St. Petersburg, Fl. 33711.

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We are preparing a set of questions and answers that we plan to include in the informational packet to be mailed to our out of town residents. Copies will be available for your information if you wish. They may be obtained at the Home-owners Office beginning Wednesday, April 19th. We would appreciate it if you will contact your out of town neighbors and acquaint them with the program.

We have taken a big step towards independence. If we are successful we will control our own destiny and get off of the legal merry-go-round.

PLEASE, PLEASE, return your pledge card to the office or to any member of the Board. We must know the opinion of all residents. If you say "no", please tell us your reasons.

We will continue to keep you advised of all progress. If you have any questions you may contact any member of the Board.

BOARD OF DIRECTORS
C.C.R.H.A., INC.