

Sumter's Continental residents commit to buyout

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WILDWOOD

Continental Country Club residents have committed to purchasing the park, placing \$100,000 in earnest money toward the multimillion dollar deal.

Now they have until Aug. 1 to finalize the deal.

Meanwhile, an attorney challenged residents who are concerned about the purchase price: \$5.7 million.

Joe Gaynor, an attorney hired by Community Resources Corp., the company that was hired to negotiate the sale, threatened on Thursday night to sue the "dissidents" who try to interfere in the sale of the park. The concerned residents have hired Bushnell attorney James Wade, who has questioned the way the homeowners association handled the sales negotiations.

Gaynor said if Wade or the residents try to halt the sale, he will require them to put up a \$5.7 million bond, which is the price offered

by the owner of the park, Redman Industries. "I'd be willing to take Wade on anytime, one on one, whether he can put this deal aside," Gaynor told a packed crowd at the Wildwood High School gymnasium on Thursday night.

Gaynor is an attorney hired by Community Resources Corp., the company that was hired to negotiate the sale.

Residents approved the buyout after certified public accountant David Logan said they could meet the \$37,682 monthly payments,

with more than \$142,000 left over at the end of the first year. To generate the revenues, Logan recommended charges for park utilities and maintenance fees, which would mean an increase for most residents.

"In my opinion, you'll have a positive cash flow," Logan said.

With interest, the overall purchase price will exceed \$6.1 million. So far, about \$2.8 million has been collected toward the purchase, according to Charles Noll, president of
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the homeowners association. The residents are borrowing more than \$3.4 million, with a 25-year amortized payment schedule and a fixed interest rate of 12.5 percent for the first five years. After five years, there could be a higher or lower interest rate.

Logan did not offer an analysis of the park's assets, which includes a restaurant, golf course, utilities, administration building, tennis and shuffleboard courts, and 303 developable lots.

Noll said Friday it would have been expensive for the homeowners to have the park appraised.

"Nobody can say it is a right price or a wrong price," Noll said. "It is what you are willing to pay for it."

However, Noll did say the bank was willing to lend \$4 million on the project.

The residents who have hired Wade say they favor a resident buyout, but are concerned about the price and the indebtedness the loan will place on the club. Wade has said some who have not invested are concerned their neighbors will somehow pass along extra fees to pay for loan payments if they can't be met.

The concerned residents also believe Redman has offered a lower price for the park with more included in the deal to a group of investors that included the owners of the park's restaurant.

Noll said he has heard the group may have been offered a purchase price as low as \$5.5 million, but he said the overall offer to the restaurant group was not comparable to the one made to the residents. Noll said the offer to the restaurant group did not include a release of \$600,000 worth of Internal Revenue Service claims as well as unsecured creditor claims on the park.

Under Logan's plan, residents who now pay \$84 a month in park maintenance and utility fees would pay \$104.27. And those who now pay \$114 a month would pay \$135.05. Included in this calculation is a \$38 a month water and sewer fee, which Logan estimates will be an average monthly utility fee approved by the Public Service Commission.

Noll said fees under resident ownership might be increasing in the short run because of the PSC's involvement, but he said this would happen regardless of who purchases the park. And Noll said that in the long run, the residents should save money on the fees because they will have more control over the costs of operating the park.

Residents at the meeting asked whether the "dissidents" could foil the purchase of the park, but Gaynor assured them he did not think any act to halt the sale would be successful.

Wade is questioning the actions of the homeowners association leading up to and including the contract signing. Wade said he is not accusing the residents of ill intent. But he said the park bylaws, which he helped author, require a general meeting when purchases are made by the association. Gaynor rebutted Wade's contention Thursday, saying the homeowners association's directors made it clear at the onset of sales negotiations that the association was not buying the park.

Wade said the park association directors, if they were acting as a separate corporation in the purchase of the park, as they claim, should not have used association letters, stationery and other resources to facilitate the sale of the park.

Noll said the CRC has agreed to reimburse the association for those costs, which he said include paper and travel expenses.

Chris Jayson, the attorney who represented the residents in the lawsuit against Redman, explained the final stages of the lawsuit and how it applies to the purchase agreement. He did not comment on the purchase agreement or the contract.

In newsletters distributed to residents, Noll stated that Jayson approved the sales contract. Jayson, in an earlier interview, said he did not see anything unusual about the sales contract. The concerned residents say they would have preferred to have the sale conducted by Jayson.