

CONTINENTAL COMMUNITY RESIDENT HOMEOWNERS ASSOCIATION, INC.

• 15 Magnolia Lane
Wildwood, Florida 32785

May 22, 1989

Fellow Shareholder:

Thursday May 18th was decision day---as you know, according to the contract that we have signed to purchase Continental Country Club from Redman Industries, we had to make a financial commitment on May 18th. This ended the 45 day inspection period that began on April 3, 1989, the day we signed the purchase agreement.

So on Thursday May 18th we held a meeting at the Wildwood High School at which about 500 residents attended. The meeting was open to all residents for the purpose of reviewing the financial data presented by David Logan, our C.P.A.

The purpose of this letter is to inform you of the result of the meeting. The financial data, together with the assumptions on which it is based, was not available prior to the meeting. David Logan was making adjustments up until the last moment. The charts and assumptions that you have received by mail were passed out to the residents as they came into the meeting.

Charles Noll opened the meeting and introduced Chris Jayson. Chris discussed the present court situation which is still pending before Judge Aulls. He stated that the motions filed by CCC and by him would be dropped when we purchase the park. This was part of the negotiation process.

He also discussed the Public Service Commission situation and urged everyone to attend the Public Hearings on May 31 and June 1.

He further stated that he was working with CCC's attorney to develop a procedure to disburse the John T. Allen, Jr. Trust Account to the residents. He indicated that this distribution would probably take place at the same time as the closing of our purchase.

David Logan, using slides of the charts that you have received, reviewed the financial justification for our purchase of the park. As you can see, the projections based upon the assumptions indicate a positive cash flow over the next three years--this means that each year, after we pay all of our bills including the mortgage payments, we will have cash left over. This also allows for money to be put into our reserve account.

After Logan's presentation, there was a written question and answer period. Joe Gaynor, our attorney, David Logan, Chris Jayson, Carl Montecki, the civil engineer and Charles Noll answered many questions.

After the questions, Charles Noll presented Joe Gaynor with a check for \$100,000.00 as earnest money binding us to fulfill the contract. The check will be placed in the hands of the escrow agent. We are committed.

The residents who were present were very upbeat and enthusiastic and applauded the decision to go.

One point that was explained at the meeting was that CCRHA, Inc. would not bear any expense involved in the purchase of the park. Any expenditures for postage, stationery, telephone, travel etc. would be reimbursed by Community Resources Corporation.

We now have 75 days to consummate the purchase--this makes August 1, 1989 the projected closing date.

Between now and then, there is much work to be done--mostly by the lawyers. As an example, the papers for our new Corporation were filed in Tallahassee on May 19th. When they are approved we will be in business.

We shall keep you informed of our progress.

Again, we appreciate your interest and cooperation. We think that this is the answer to many of our problems, but we still have a way to go.

Sincerely,

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

NOTE: We are enclosing a copy of the assumptions that David Logan used in putting together his forecast.