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tight for  
Democrats **B2**

# LOCAL/STATE

Daily Commercial

**Business  
Deaths**  
Tuesday, August 1, 1989 **B**

# Residents close sale in Continental park deal

By Valerie Fields  
Daily Commercial Staff Writer

## WILDWOOD

Continental Country Club residents will close a \$5.7 million deal today granting them ownership of the club and several properties within it, said residents close to the sale of the park.

The club sale, which includes Continental's mobile home park, the Oak Tree restaurant, and the park's in-house utility system among other properties, will end several years of litigation between the Continental residents purchasing the park and Dallas-based Redman Industries. Redman owns the park properties.

Both sides of the club sale were pleased that the sale would soon be final.

"We're tickled to finally have reached our

objective for selling the park," said Fred Babb, vice-president of administration for Redman.

Babb was in Wildwood Monday closing out the sale.

"Oh, we're real tickled," said Homer Sonn, a representative with the residents group. Attorneys for both sides worked feverishly Monday to finalize paperwork for the sale, which had an agreed upon deadline of today.

Representatives of the two groups are expected to sign the purchase agreement and transfer funds from the residents' account to a Redman account between two locations — one in Orlando and one in Tampa, where First Florida Bank headquarters and offices of attorneys representing the residents are located.

With the closure of the multi-million-dollar deal, the residents will own the park's restaurant and clubhouse and their furnishings, its practically new sewer and water treatment plants, the swimming pool, tennis courts, golf course and carts, shuffleboard courts, a pro shop and all other buildings on the property, and 322 plats of undeveloped land formerly slated for additional mobile homes. The estimated worth of the property is not known.

As a part of the deal and to have a trust fund worth \$1.4 million released, both Redman and Continental residents must sign an agreement to refrain from bringing additional litigation against each other. The trust will go toward the purchase of the park.

Continental residents had asked Lake County Circuit Judge Earnest Aulls recently

## PARK HISTORY

**1985:** Continental residents sue Donald Freeman over \$72.50 increase in park maintenance fees.

Dallas-based Redman Industries buys Continental Country Club from Freeman.

**1987:** Circuit Judge Ernest Aulls rules in favor of residents, sets park maintenance fee at \$84.

Redman appeals case, asks for clarification of what can be included in charges.

Redman subcontracts park maintenance. Fifth District Court of Appeal upholds most of Aulls' decision.

**1989:** Aulls studies whether \$84 fee is justified. Residents commit to purchasing the park.

to dismiss a suit Redman had filed in late 1987 seeking an appeal of a prior restraint to raise park maintenance fees. The withdrawal of that dismissal request is a part of the current purchase agreement.

In addition, Continental residents who are Please see **SALE, B2**

Wildwood

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ways reading books or watching movies on  
Vietnam.  
Fletcher said that Cornett talked a lot

A memorial service for Warren Cornett will  
take place 10 a.m. Wednesday at the National  
Cemetery in Bushnell.

# SALE

## Continued from B1

not taking part in the purchase of the park  
must also sign the waiver agreement.

The sale of the State Road 44 mobile home  
park marks the end of several years of litiga-  
tion between the two parties.

It began in 1985 when then owner of the  
park Donald Freeman raised maintenance  
fees from \$65 to \$137.50 right after he filed  
for bankruptcy. The increase was ordered put  
in a trust fund until the court case ended. The  
fund now has \$1.4 million in it.

But Continental residents sued Freeman,  
saying the fee was unreasonable. Redman  
bought Continental and inherited the suit.

At the heart of the suit was whether Red-  
man could pass on to residents depreciation of  
maintenance equipment and the park's util-  
ity systems as well as interest on loans to  
repair and replace the equipment. Redman  
contended the costs were common business  
expenditures.

Aulls ruled in 1987 Redman could not pass  
on the charges. He set the maintenance fee for  
the park at \$84.

Later in 1987, Redman appealed the deci-

sion and asked for a clarification on some of  
Aulls' points.

Meanwhile, the company subcontracted the  
maintenance of the park to for-profit busin-  
esses. Attorneys for park residents contended  
the subcontracts were to skirt Aulls' decision  
for the company not to make a profit off the  
residents, but to charge them at cost mainte-  
nance fees.

Redman contended subcontracting made  
the maintenance charges clear.

The company also sought to have clarified  
whether Aulls included pool and tennis courts  
upkeep and other costs in his previous  
decision.

An appellate judge upheld most of Aulls'  
original decision.

In March, a second case concerning the fees  
returned to Aulls. Aulls was scheduled to  
decide whether a fee increase was justified  
since the 1987 ruling.

In May, however, the residents agreed to  
buy the park.

First Florida Bank agreed to loan the 560  
residents — who formed their own corpora-  
tion, the Continental Country Club Resident  
Owners, Inc. — \$4 million in May to purchase  
the park.