

Ownership dispute threatens Mimosa Leisure Estate

BY ANDREW OVERBECK

CLARK FIELD, the Philippines — Controversy is swirling around the ownership of the Mimosa Leisure Estate here which was seized Dec. 14 by the Clark Development Corp. (CDC), the state-owned entity that had leased the land to Mondragon Leisure & Resorts Corp. (MLRC).

MLRC, the company that developed Mimosa, reportedly owes the CDC 427 million pesos (\$10.9 million) in rent and 4.8 billion pesos (\$123 million) to Filipino banks. Citing violation of contract, the CDC terminated MLRC's lease and seized the assets of Mimosa's 540-acre site which include a 36-hole Nelson, Wright, Haworth-designed golf course, a Holiday Inn hotel, villas and a casino.

MLRC officials protested the seizure and won a temporary restraining order on Dec. 15 from a regional court which bars the CDC from taking over the property. CDC president Rufo Colayco disputed the restraining order saying that it had no effect because the CDC was already in possession of the prop-

erty. In response, Colayco deployed CDC security forces and members of the Philippine National Police's Special Action Forces to guard against potential violence.

MLRC claims that Colayco's actions superceded ongoing contract negotiations between the two parties and that the seizure

was an irreparable injury to the company. In a Dec. 21 motion to the Court of Appeals, MLRC contended that the seizure of Mimosa could cause bank creditors to call on their loans and thereby precipitate the collapse of MLRC. MLRC also emphasized that the CDC only has

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One of the two Nelson, Wright, Haworth-designed courses at the Mimosa estate.

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CCA battles over club contract

HONG KONG — CCA Management Co. Ltd. based here won the first round of its court battle Dec. 10 against the Sand River Golf Club of Shenzhen, China, but the judge reserved a ruling on damages.

CCA was seeking \$2 million in damages from Sand River for terminating its 10 year contract which began in 1995. Sand River ended the contract after only 10 months because in that time five CCA managers had resigned. The club claimed that there was an oral agreement that they could end the relationship with CCA if another manager left, a claim that CCA denies.

A judge in the Court of Instance stated that although the constant turnover of management staff had been damaging to Sand River it did not amount to a breach of contract by CCA because they had no way of guaranteeing that another manager would not leave the club. The judge noted that CCA's damages claim was inflated and that he hoped the two parties could settle the matter without further litigation.