

Wichita Member-Owned Club Overwhelmingly Approves Recapitalization with Concert Golf Partners



Crestview Country Club hosted the Web.com Tour's Air Capital Classic for the 16th consecutive year in June 2016, won by Ollie Schniederjans.

WICHITA, KS. – Crestview Country Club, the storied 95-year old private club in the heart of Wichita, Kansas, completed its recapitalization with Concert Golf Partners, the boutique owner-operator of private clubs, on June 30th. The transaction, overwhelmingly approved by the member-owned 36-hole club's Board of Directors and its members, pays off all club debt, lowers annual member dues, injects more than \$1 million into immediate capital projects at the club and bars any future assessments on the membership.

Rich High, the longtime member-owned club's president, said "This partnership with Concert Golf ends our debt challenges, and ends the era of funding capital projects with member assessments." High led the

club's speedy recapitalization, which took only 4 months from initial contact with Concert Golf. "We just hosted our 16th consecutive Web.com Tour event at Crestview last week, and now this week our club is debt-free and our future is brighter than ever," he added.

Crestview Country Club, founded in 1921, is the only 36-hole club in the state of Kansas. Both the challenging North Course, which has now hosted the PGA Tour's Web.com event for 16 consecutive years, and the more relaxed South Course, are dramatic parkland style, mature tree-lined, 18-hole Robert Trent Jones designed golf courses. The Web.com Tour's Air Capital Classic is played each June on the North Course, which carries a slope of 131 and a 74.3 course rating from the black tees. The course measures 6,913 yards, the three-pars average over 200 yards, and water comes into play on 11 of the 18 holes. Crestview CC also boasts 10 indoor and outdoor tennis courts, an Olympic-size swimming pool, a beautiful 29,000 square foot clubhouse designed for elegant and casual dining and social entertaining, excellent cuisine, plus parties and special events for the entire family.

Board member Mike Mueller commented that "the membership had been discussing various capital improvement projects since our last major dining room project, and how to fund them." The Board decided to seek a partner who would fund and complete the necessary capital projects. "We contacted everyone we knew in the golf industry," Mueller added, "and after hearing glowing recommendations of how they have preserved and enhanced other high-end clubs like ours, we chose to partner with Concert Golf."

Concert Golf CEO Peter Nanula (www.concertgolfpartners.com) announced that his team would immediately undertake over \$1 million in new capital projects at Crestview CC, including bunker renovations; an indoor golf practice area; a splash pad and new swimming pool amenities; parking lot resurfacing; and renovation of the clubhouse, including the rear patio deck with expansive golf course views.

"Crestview CC is a great club with a terrific PGA Tour-caliber golf course and all the amenities, but it had common capital challenges," Nanula said. "And these capital issues are easy for us to solve. No more member assessments – we will pay for and complete the improvements much

faster, at no cost to the members. No more debt – we paid off all the debt yesterday."

Prior to its recapitalization by Concert Golf, Crestview Country Club (www.crestviewcountryclub.com) was one of the 2,500 member-owned private clubs operating in the U.S. today, at least 50 percent of which are carrying dangerous levels of debt.

Crestview CC in particular -- opened in 1921 and operated as a member-owned club for 95 years – borrowed \$4 million and began assessing the members to finance clubhouse renovations in 2007. Dues and assessments were increased several times, some members left, and yet the debt remained.

"The burden of bank debt and the ongoing risk of member assessments makes it difficult to attract new members and your attrition also rises," Nanula explained. "It impacts even the very best clubs, and the proven solution is to pay off the debt and get an experienced club operating partner to invest their funds – not the members' money - in the club facilities."

Mike Payne, Board member at Crestview, now sees nothing but blue skies ahead for the storied club. "Our dues are back down at market levels now, with a written guarantee of no more assessments ever again. We already have lots of former members -- who left the club in the last few years due to the uncertainty -- asking if they can come back to Crestview."

Concert Golf Partners is a boutique owner-operator of private clubs based in Newport Beach, Calif. Formed by Nanula, the founder and CEO of Arnold Palmer Golf Management (1993 to 2000), Concert Golf has amassed \$150 million of patient, long-term equity capital to invest in and upgrade large-scale private clubs located in major metro areas. Concert Golf is also unique in operating as an all-cash buyer with a dedicated fund, which, Nanula said, allows it to acquire or recapitalize clubs (without incurring debt) and subsequently invest in these properties for the long term.

Concert Golf has recently acquired 13 such clubs nationally, including longtime member-owned clubs such as Blue Hill CC in Boston

(www.bluehillcc.com), West Lake CC in Augusta (www.westlakecountryclub.com), and MacGregor Downs CC in Raleigh (www.macgregordowns.org). Crestview CC members now enjoy reciprocal privileges at these and Concert Golf's other upscale clubs, as well as at more than 150 TPC™ clubs and Pacific Links International clubs worldwide.

Nanula praised the Crestview board leadership for their speed and decisiveness.

"Once the Board realized that their existing bank debt service payments were constraining their ability to fund future capital projects," Nanula said, "the leadership wisely decided to find a partner with capital and club operating experience. Once that decision was made, they ran a tight process and everything moved quickly. The Board vote was unanimous and the member vote ratifying the deal was overwhelmingly in favor."

For more information about Concert Golf Partners, visit www.concertgolfpartners.com.