



White Manor | Malvern, PA

FREQUENTLY ASKED QUESTIONS

FAQs

» **Is Concert Golf Partners a private equity firm?**

» No. Concert Golf Partners is a boutique owner-operator of upscale private clubs all over the country that has always maintained operational independence. They have many investors, including institutional organizations and private equity that recognize them as an industry leader in hospitality and golf. They also have family offices and individual investors like Jordan, Christian, and Peter. These larger private equity companies invest into Concert Golf Partners for a period of time and then typically pass their shares to other investors. This has been a successful formula for 15 years, while none of our members have recognized any differences operationally.

» **Does Bain Capital own Concert Golf Partners?**

» Bain is an investor in Concert Golf. You can read their own press statement describing our relationship as exactly that. <https://www.baincapital.com/news/clearlake-exits-its-investment-concert-golf-partners-bain-capital-invests-support-further>

» **What will happen to our Cultural Groups? Does my membership status or golf group change?**

» Your social groups and membership status will remain the same. Sports members will be “grandfathered” in and have access to golf. Lifetime and 10-year member contracts will be honored. Tournaments, golf groups, and wine dinners, etc. will all remain. These are core to the enjoyment of the club.

» **Will Concert Golf flip the club? Develop the land? Or sell out to a competitor?**

» No. We have never sold a club. We are a long-term operating and capital solution for private clubs. Much like a Marriott Autograph Collection, we intend to own and operate our properties in perpetuity. The Concert Golf brand offers assurances of quality, hospitality, service, and course conditions, while maintaining the unique personality of each of our clubs.

FAQs

» **What were the results of the Longview complaint?**

» All allegations were thrown out by a judge that deemed the plaintiff issues erroneous. The complaints arose in relation to only a couple of members who feel they should own the club.

» **Will Concert Golf change our current tee time policies?**

» River Hills has wonderful programming that we intend to keep. Current country club practices will be maintained for at least the first year and then re-evaluated to match best practices and in accordance with member satisfaction. The Pro Shop will continue to operate the tee sheet harmoniously with member expectations and utilization.

» **What experience does Concert Golf have with HOA relationships and maintaining a healthy alliance with HOAs?**

» We have numerous clubs that are within planned developments or gated residential communities and have an associated HOA, and we have deep experience managing relationships with associated HOAs for mutual benefit. We recently met with the HOA and found them to be perfectly aligned with our interest in maintaining a healthy relationship. We will continue the existing dues/security contract in place between the two, we will work with their ARC during our clubhouse renovations, and we share the same desire to see the club thrive as a private golf club entity in perpetuity. We hope they are excited about our partnership and the considerable investment we are making in the club property and its financial future.

FAQs

» **How is the Initial Capital quantified up-front?**

- » We have worked with the Board on specific capital projects to develop a mutually agreed upon set of capital projects to be funded and completed by us within 36 months, depending on the type of project. We are deeply experienced managing large-scale capital projects and have plans to upgrade most areas of the club.

» **Is the spend contractual?**

- » Yes. In our written covenants in a Purchase Agreement, we will commit to completing the projects that we have identified with your Board as near-term needs. We will include estimated costs for these projects, while the actual spend amount is not contractual as it will fluctuate up and down depending on the project. In our experience, projects cost more, not less, than the estimates. The RHCC Board has performed on-site diligence at other CGP Properties and can attest to the quality of work we are completing at our other clubs. We've provided multiple examples of additional projects as well.

» **What is the voice of the Advisory Board, which will replace the current elected Club Board?**

- » We will collaborate to establish a member advisory board, consisting of a representative group of members. This group meets with the General Manager regularly to give feedback on the different aspects of the club, develop priorities for future capital projects, and enhance member communications.

FAQs

» **How do key concerns about the club's operation (facilities, grounds, management culture, activities) get back to Concert management??**

» The Membership Advisory Board will provide direct feedback to the GM. We will work swiftly to engage a strong General Manager at the club, whom we will empower and support in making daily club decisions. Our leadership teams, some of whom you will meet during this process are available for feedback as well.

» **Will membership have any influence in the selection and/or retention aspects over key leadership positions (i.e. General Manager, Head Chef...)?**

» One of the benefits of a company like ours is a deep bench of employees from different clubs and markets ready to take on a new role, as well as the relationships industry-wide that our collective team holds. A good General Manager has the pulse of the membership and knows whether key staff members are well-regarded by the membership or a poor fit. We pride ourselves on hiring/developing a great team, some of whom your Board/Members have met.

» **Will the Membership have the option to purchase the club back should Concert Golf ever choose to sell?**

» We have never sold a club and have no intention of selling River Hills. However, we will include appropriate provisions in our Purchase Agreement that will provide the RHCC membership an opportunity to purchase the club should we consider selling RHCC in the future.

FAQs

» **Is it expected that membership will have a voice in giving feedback on quality of services, including when such services are offered?**

» Yes, hours of operation, quality of food, quality of course conditions, and service levels are all important issues to members at all of our clubs. Membership feedback is critical to our hospitality team, and you will receive surveys to ensure your experience is what you (and we) expect.

» **What level of authority will the General Manager have to execute and operate on a daily basis?**

» The GM will report to our VPs of Operations as opposed to your existing volunteer board; however, we consider the GMs autonomous leaders of their clubs, and thus, they have a high level of authority to execute on a daily basis. We humbly boast some of the best leadership representatives in our industry, and we will continue to elevate service levels and membership experiences as we learn more about River Hills.

» **What input would the membership advisory board have on Social, Golfing, Tennis and Swimming activity (events, key aspects of operations)?**

» That is a major point of emphasis for the member advisory board. We have some memberships who continue to be involved in men's and women's golf associations, hosting certain tournaments, as well as helping us to continue the programming that has been popular historically. We also have suggestions that may work well at River Hills that we've learned through our efforts at other clubs.

FAQs

- » **After the initial capital investment, how does Concert plan to continue to evaluate and invest in ongoing capital needs at the club in order to maintain and improve the member experience?**
 - » We will guarantee in our written agreement that, after the initial capital investment has been completed, we will continue to invest an average annual minimum of 3-4% of revenue in CAPEX. This is a contractual minimum commitment, and actual annual spending may vary from year to year. In fact, we have averaged spending well over 7% of total club revenue on capital improvements over our history.
- » **If Concert reaches a point in it's future where the current ownership wishes to change direction (dramatically change strategy, converting club from private to public, etc.), is there a way to ensure RHCC Membership would have the opportunity to take back ownership of the club?**
 - » We have never done this before, and this is not our intention. We are a private club company only, with a long-term view of our ownership and operations of upscale private clubs. However, we would commit in our agreement to maintaining River Hills as a private club, functioning very similarly as it does today. We have no public golf courses, and we are not developers. The membership will have appropriate language included in our Purchase Agreement that will provide it the opportunity to purchase the club should we ever consider selling River Hills.

FAQs

» **Will the Club be open to both non-member golf outings and non-member banquet activity?**

- » We are thoughtful about any non-member sponsored event at the club that would take away from the member experience. Monday golf outings or evening weddings, etc. are often member sponsored, and we understand the need for the member experience to not be disrupted, if and when these types of events take place.

» **Is there a history of non-member golf events occurring on weekends?**

- » We do not host non-member golf events on weekends outside of those which members previously held and desire to continue. For example, our Wichita Club hosts a Korn Ferry event every year and has for years. Alternatively, we declined to host a LIV golf tournament a couple years ago because the members voiced concern over the disruption to their golf season.

» **How does the golf course employee compensation structure at Concert stack up against the industry? How does it compare to what RHCC is paying its current staff?**

- » We offer competitive pay in our industry. We hire virtually all staff at closing, and their total compensation and benefits package generally aligns with what they are paid today. Much of our leadership team today were team members at clubs we recapitalized and have been promoted to senior roles with more responsibility through the years. The RHCC Board had the opportunity to meet Joseph Nowell, who began as a Clubhouse Manager at MacGregor Downs in Raleigh, and is now an SVP in our organization. The employees will have more career growth opportunities in our growing company than they do today working at a single club, which helps us both attract and retain talented staff.

FAQs

» **Is there a cap (contractually) on a MAX % increase PER YEAR for dues?**

» Our purchase agreement will covenant that future dues increases will be limited to the greater of local CPI or the average dues increases at directly comparable clubs in the area. The RHCC Board has requested and reviewed historical data of our dues rates at other clubs that are of similar geographic area and price point.

» **How will we be sure that future dues increases are commensurate with market increases and not dramatically more?**

» Concert Golf Partners has contractually committed to freezing dues for the first calendar year. Beyond that freeze, Concert is also committing to increasing dues only in line with a combination of CPI or the immediate competitive club market. Across the country, we are consistently competitive in our markets while offering excellent amenities. This allows us to successfully attract new members when needed.

» **How much reciprocal play will be allowed, and how will it be managed?**

» Inbound rounds from members of clubs owned by Concert Golf and their affiliates will be limited to no more than one percent (1%) of the annual rounds. Across our clubs, we understand that reciprocity can be a welcome opportunity IF we protect home memberships at the same time. RHCC will have the opportunity to participate in our optional Symphony Select program, providing limited access to other Concert Clubs more than 100 miles from RHCC. This is the same optional opportunity members at our other clubs enjoy for a nominal monthly fee today and is paired with additional home-club benefits.

FAQs

- » **Concert expresses that they put a mindful approach towards ensuring the “Club” maintains the history, tradition and culture that was created in the time running up to transfer of ownership. How is this done?**
 - » This is our proudest reputation. The events that are critical to the culture of the club do not change. We do not have a cookie cutter formula for running clubs, and we are committed to making sure it stays that way. For example, there was a Golfer’s Against Cancer tournament that was hosted each year at one of our clubs that raised hundreds of thousands of dollars for cancer research. We committed in our agreement to continue that tournament and to not charge any fees for use of the golf course in perpetuity to maintain that event and push those dollars towards cancer research.
- » **Explain transfer provisions, including a definition of the legal process.**
 - » We are finalizing an asset purchase agreement with all the relevant provisions and covenants in place. River Hills has hired private representation to ensure that the interests of the membership are agreed upon. Members will receive a summary of the relevant provisions.
- » **Is there a guarantee that there will be no future assessments?**
 - » Yes, there will be a written guarantee; we have never and will never assess our members. Members only pay regular dues.