

Potential Sale of Canterwood Golf & CC

Some of you know by now that Canterwood Golf & CC has been approached by ClubCorp to explore the potential sale of the Club. The Club is actively engaged in due diligence to consider the offering and how it would affect the members. Due to declining Club membership and the difficult financial picture facing the Club, the Canterwood Golf and Country Club Board of Directors is actively considering all aspects of this potential sale.

Homeowners, whether members of the Country Club or not, should not be affected negatively from the sale of the Club. ClubCorp does not propose making major changes to the operations of the club as it exists today, only strengthening the existing business plan. You should also know that the Homeowners have a first right of refusal on any such sale of the Club. If the Homeowners were to attempt to purchase the Club, all Homeowners would necessarily become dues paying members of the Country Club. Such an action would require a vote of the Homeowners and need 70% approval to pass. Given that approval would be highly unlikely, the HOA Board sought legal counsel and determined that the Homeowners Board of Directors could decline the first right of refusal without a vote of the Homeowners. Some urgency was required to make that decision so that negotiations could continue with ClubCorp.

At an all Canterwood Golf & CC member meeting, the ClubCorp proposal was detailed. ClubCorp only operates private country clubs. Among their holdings of 140 golf clubs are Firestone Golf & CC, Mission Hills in Rancho Mirage and Doral Country Club in Florida. They run first class country clubs for the long term. In addition, they would buy out the equity members and infuse capital spending for long needed upgrades in a number of areas. They state their mission as being in the member service business, not the golf course business. They typically retain all the programs that members have come to enjoy. They also maintain dues and fees in accordance with area benchmarks.

The Homeowners Board of Directors sees this as a positive development for Canterwood. The Club would remain private and the financial viability of the Club would be ensured. This will provide Homeowners with a stable Club to help ensure long term property values. Homeowners will not be required to become dues paying members of the Country Club.

The sale of the Country Club is not final. A 45 day due diligence period will commence once a formal offer is on the table. In future bulletins, the Homeowners Association will keep you updated as the process matures.

Canterwood Homeowners Association

Board of Directors