

# CNL adds Fore Golf Partners to manage EAGLE lease portfolio

Wealthy new backers fuel Fore portfolio expansion

By Jim Dunlap

**C**NL Lifestyle Properties, one of the industry's largest golf course ownership groups, has taken the unusual step of hiring a second course management group to assist in management of 27 of CNL's courses, while still retaining the original management group as the properties' lessee. Fore Golf Partners, headed by Charlie Staples, Mike Miraglia and Tom Bennison, has taken a role in management of the 27 CNL-owned courses, bringing the total number of courses managed by Fore Golf Partners to 41. While calls to CNL and EAGLE Golf executives were not returned prior to publication, and CNL's release of its First Quarter 2012 results did not stipulate the names of the parties, it seems highly likely that the lessee of most or all of the 27 properties is EAGLE Golf, which has been the operator/lessee for the majority of CNL's courses for more than four years.

First quarter 2012 results released by CNL Lifestyle Properties, Inc. showed increases in net loss and loss per share, some of which was attributed to a \$3.4 million reduction in rental income from its golf properties due to lease modification, as

well as a \$1.9 million bad debt write-off related to past-due golf property rents. There were also references to increased asset management fees at golf facilities. (Ironically, while the golf revenue declines would conceivably have been worse except for the unusually mild winter weather throughout most of the country, CNL was hit hard by the same balmy weather at its numerous ski resort properties).

Fore Golf Partners' Tom Bennison deferred comment on details of the unusual owner-lessee-manager structure, other than to say that "Fore Golf Partners has entered into a relationship with CNL to assist CNL with some of their strategic objectives."

While Bennison, a well-respected senior executive with ClubCorp for many years prior to his current role with Fore, was reluctant to discuss Fore's role with CNL, he was understandably exuberant about the progress to date and the potential for future growth of Fore Golf Partners. Bennison's role with both ClubCorp and Fore Golf Partners has been business development, and he found some solid business partners earlier this year. An investor partnership group consisting of Dallas businessmen John Pigott and Bruce Leadbetter, attorney Harold (Hank) Handlesman and former Dow Jones director Christopher Bancroft has teamed with Fore Golf Partners and put substantial investment capital at Fore's disposal.

"With Charlie [Staples] having such a good track record, especially with turnarounds, it was an easy sell for me," Bennison said. "Our new partners were eager to buy into that."

"With our new partners, we're all-cash buyers, and they have told us that if something looks to have good upside, don't worry about the money," Bennison said. Although Fore is currently involved in a management role with the CNL courses, Bennison said their primary interest ongoing will be in properties for purchase or lease.

"We are buyers of revenue," Bennison said. "Anywhere we can get at least \$3.3 million in [annual] revenue or more, we'll look at it. We think there is opportunity out there now, and we're able to close deals quickly. If we do strictly manage something, it will have to be something with a big upside. We're working on 10-year lease deals, and we'll give it back to the owner at the end of that."

In reading some admittedly cloudy tea leaves, that business plan, and a financially solid Fore Golf Partners, might lead one to wonder if the CNL-Fore relationship might become even stronger and more direct in the future. ■

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