

## ***WHAT HAPPENED MONDAY NIGHT***

*William Braznell*

It was like Old Home Week at Peacock Gap Monday night, February 1, 2010 as about 120 guests— mostly former PGG&CC members, nearly all in high spirits— assembled to hear a new management/ownership team’s plans to resuscitate the stricken golf club and lure regional golfers and prospective members back to the fold. It was undoubtedly the largest and liveliest crowd to gather at 333 Biscayne Avenue, San Rafael, since November 2007—a point duly noted by our hosts, Club President George Lee and newly elected Chairman and CEO Jack D. Rose.

As promised, I’m going to summarize the main points of the presentation as best I can. All who attended the meeting -- members, guests, or management -- are invited to chime in with your own comments and corrections. Send them to this e-mail address by Friday, Feb. 5, and I will see that they’re passed on to the intended audience.

To speed things up, we’ll skip to a bullet style summary of proceedings:

- Personal apology by Mr. Lee for past mistakes and misjudgments—alienation of longstanding members with \$30,000 “initiation fee”, etc. “We have come to appreciate the value of the loyal, supportive, and active club membership we had before, and we’re going to do our best to get it back -- to earn your respect and goodwill.”
- Chairman Jack Rose summarized his background in bankruptcy law and real estate finance, and explained how the sort of Chapter XI bankruptcy Peacock Gap is undergoing differs from the sort of bankruptcy filing (Chapter VII) that typically leads to the forced sale or liquidation of a company’s assets.
- In Peacock Gap’s case, protection by the federally appointed bankruptcy court gives management (called “Debtor in Possession”) time, not only to reorganize, restore profitability, and settle its debts, but also to pursue a claim of millions of dollars in damages against the Club’s former lead banker for failing to honor its obligation to finance the final stages of the Club’s redevelopment program (clubhouse, spa, pool, and driving range annex or “services building”).
- While the suit is in litigation, and this could take years, virtually all capital improvements to the Club, in fact all non-essential expenditures, must be approved by the bankruptcy court. So, as Mr. Rose puts it, “we’re no longer in that old free spending, do it now operating mode.” Major clubhouse improvements are not in the cards for the foreseeable future, nor is the spa-pool complex.
- Immediate goals (three to six months): efforts such as the new annual membership fee structure, to bring back former members and attract new ones; promotion programs and incentives to stimulate more public play; “modest” face-lift, repair, and refurbishing of 50 year old clubhouse, dining facilities and kitchen; and restoring the “club” aspects of life at The Gap, meaning, Men’s and

Women's Section activities, tournaments, interclub activities, a 50<sup>th</sup> anniversary party, etc.

- Intermediate range goals (one to three years): Golf Services Annex operational, possibly as separately owned and operated concession, including food and beverage service; modest workout or exercise facility; and golf shop merchandise. With settlement of litigation and freedom from court's restrictions on non-essentials, the foundations will have been laid for further clubhouse services and amenities, a vigorous market development program and—hang in there, fellow Peacock people—a rosier future for the Old Bird.

New membership packages:

- As previously noted, the Club has discontinued the unpopular “lifetime initiation fee” and substituted annual dues (with discount for signups and payment before February 7) ranging from a \$2,000 individual, senior weekday membership to a deluxe \$7000 membership for two, featuring unlimited weekend and weekday play, with carts. Alternative “by-the-month” payment program is also available. Application must be accompanied by check for annual or annual and first month dues (alternative plan).
- Mr. Rose announced a special incentive for former members: a guarantee that next year's fees will remain the same as in 2010. “Early bird offer” is good through February.
- Earle Johnson and Tom and Kate Miller asked what could be done for former members who had already signed up for 2010 membership at other clubs, such as San Geronimo and Indian Valley. If they transfer next year, do they get the same first year discount on 2011 dues? Answer on request: we'll get back to you, ladies and gentlemen.

Questions and Answers:

Q: I'm worried about “worst case scenarios”. What happens to my annual membership dues payment if the reorganization plan fails?

A: Under bankruptcy laws, your “post-filing” status is that of a creditor, and whatever else happens, you will be entitled to the services you paid for. Also, bear in mind that the last thing creditors or bankruptcy courts want to do is close us down. A padlocked golf course is of no use and virtually no value to anyone.

Q. What about the current members who paid for “lifetime” memberships in the New Peacock Gap?

A. Under the Club's arrangements with lifetime members, their monthly or annual dues will be automatically deducted from their initiation fee credit balances until the balance in their accounts are extinguished.

Again, if you have any further questions, comments, or corrections, please e-mail me at [w.braznell@yahoo.com](mailto:w.braznell@yahoo.com).