

National Golf

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October 2002). At press time, the deal had not been finalized, but proxy statements had been sent to shareholders, leaving their approval as the only hurdle left to clear.

An industry source, who spoke on the condition of anonymity, said there should be no reason for share-

holders not to approve the plan.

"NGP has been struggling for more than a year now," the source said. "The price Goldman and Starwood are offering for shares is very competitive, so I don't see why they wouldn't want to approve it."

While this may be true, the source said, there may still be many shareholders who are going to lose money, but they don't own enough to block the transaction.

"The people who bought in at \$5 a share are going to be a lot happier about this than the ones who got in when it was around \$20 a share," the source said. "But what are you going to do? David Price (NGP and AGC founder and chairman) and the rest of the executives control a substantial portion of the company."

Representatives from NGP, Goldman and Starwood did not return calls seeking comment.

The buyout deal, announced in mid-September, came just in time for Price, who earlier had pledged shares of NGP as well as a second deed of trust to convince the company's lenders to extend its forbearance agreement through the end of March 2003 (see timeline at right). On Sept. 30, Price would have had to replace the deed of trust with cash, and Oct. 15 was the deadline for replacing his shares with cash. ■

NGP 2002 timeline

Feb. 8: NGP reaffirms restructuring efforts and announces a forbearance agreement with Bank One NA

Feb. 13: NGP and AGC announce plans to merge; terms of potential deal are not disclosed

Feb. 15-21: Several class-action lawsuits filed against NGP, claiming the company misled investors about its financial health

March 19: Cliffwood Partners, NGP's largest outside shareholder with a 9 percent stake, announces opposition to merger and proposes NGP find other managers to replace AGC, rather than complete the merger

April 1: NGP announces terms of the proposed merger

April 23: NGP president James N. Stanich resigns

April 30: Bank One extends NGP's forbearance agreement for the second time; over the next two months, the two will continue to sign two-week extensions until agreeing on a longer extension - through March 31, 2003 - on June 28

July: Rumors abound regarding a potential buyer or financing agreement for NGP. Reports cite Westbrook Partners, Blackstone Group and eventual buyers Starwood Capital and Goldman Sachs as potential saviors

July 23: AGC enters into a restructuring agreement with its lender, Bank of America; NGP and AGC chairman David Price pledges 3.6 million shares in NGP and a deed of trust with the understanding that cash would be substituted by Sept. 30 for the deed and by Oct. 15 for the shares.

Aug. 2: AGC announces it has satisfied the conditions of the restructuring agreement with Bank of America announced July 23

Sept. 16: NGP's board of directors and its independent committee approve the sale of the company to an investment group led by Goldman's GS Capital Partners and Whitehall Real Estate Fund, along with Starwood Capital. As part of the \$1.1 billion deal, the group says it will also purchase the outstanding equity interests of AGC. An early 2003 closing date for the deal is set.

Sept. 18: In conjunction with the buyout agreement, NGP enters into an amended and restated merger/reorganization plan with AGC

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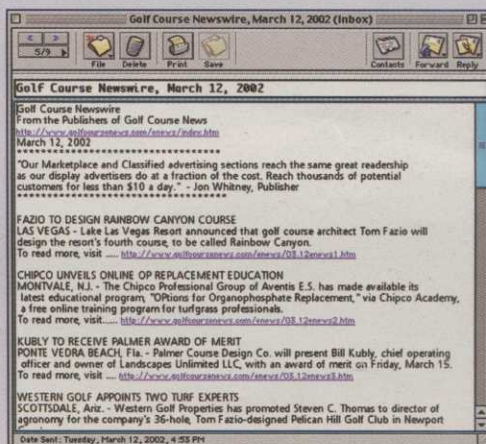
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