

*THE CLUB AT SONTERRA
BOARD OF GOVERNORS
MINUTES*

Date: Wednesday, June 12, 2007

Mickey Gayler, Chairman

Arthur Abelman, STA

Michael Adzija, Chairman Emeritus

Marian Dyer, SWGA

Lori Goforth, Vice-Chairperson

Rosalie Hallenberger, Historian

Cathy Lay, SWA

Steve McKim, MGA

Stephanie & Randy Park, Ambassador Council

MEMBERS AT-LARGE

Mike Cooney

Milt King

Grant Morris

Gary Nedwed

Becky Spears

Absent: Rosalie Hallenberger and Grant Morris.

Club Representatives: Ross Thornbrugh, Kathryn Comfort, Jason Rouk, Jeff Hunter, John Lewis, Stacey Semtner, Michelle Dodier and George Rojas.

Chairman Gayler called the meeting to order. He thanked everyone for coming early so that they would have an opportunity to meet Ross Thornbrugh, the Club's new General Manager. Chairman Gayler welcomed Mr. Thornbrugh to his first Board Meeting.

Chairman Gayler reminded the Board that we are now ratifying the minutes via email and that everyone needs to respond as soon as they can once Jeannette emails them, so that they can be posted in a timely manner around the Club.

COMMITTEE REPORTS:

MEMBERSHIP COMMITTEE/AMBASSADOR COUNCIL: Stephanie Park reported that we enrolled 12 Full Privilege golf memberships today and we have only 18 left! After speaking with Stacey and Kathryn at length, Mrs. Park explained that we need to change the dialog about how we speak regarding becoming full with a wait list. The reality is that each month we will have members who retire their memberships that we will need to replace so that we maintain our full membership status. We need to change the way everyone thinks by explaining that the sale of our Full Privilege golf memberships will be suspended, once we reach the goal of 1100 Full Privilege memberships, and that we are now in the process of accepting "replacement" nominations. Mrs. Park emphasized the need for each Committee and Association President to go to their respective groups and explain the "replacement" philosophy so that they all understand that even though we will have reached full with a wait list, we will still need nominations to keep our membership roster full, due to natural attrition each month. In addition, we need to ensure that every member knows that Sonterra has become one of an elite few private clubs who have reached a "Wait List" status. Mr. Nedwed asked if there would be a new initiation fee once we reached our cap? Ms. Comfort explained that she, Mr. Thornbrugh and Mrs. Semtner will be meeting with Ken Story and APGM to discuss increasing the initiation fee, as well as developing a "Wait List" category of membership. Since Mr. Story has been through this process at many other Clubs, his knowledge will be essential in developing the right action plan for the Club. Once we have developed this plan, we will bring it before the Policy Committee and Board, so that they are aware of next step. Ms. Dyer asked if there would be both an initiation fee and dues for wait list members? Ms. Comfort stated that we would have both dues and an initiation fee.

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Mr. Abelman asked about the number of tennis members? Mrs. Semtner stated that currently we have 424 tennis members, which includes those that have upgraded to the full golf category. Mr. Abelman remarked that there are many golf members who are also avid tennis players, so he feels we have well over 500 tennis members. Chairman Gayler agreed and felt that the number was closer to 800, which is why it is such a battle to reach the tennis member cap of 500. He further commented that it is extremely important for all members to understand that once tennis reaches the cap of 500 members, there will be an additional \$300,000 for the Member Partnership Fund.

Mrs. Park reminded the Board that we have to continue on our "Journey to Prominence" and that it is not a destination, but a continued journey.

HOUSE COMMITTEE: (See Sub-Committee reports below.)

CLUB MAINTENANCE: Becky Spears (see report for details). Mrs. Spears thanked everyone involved in the recent USGA qualifier, which was a great success. She presented Jeff Hunter and John Lewis with a plaque of appreciation from the USGA. The players felt that the course was in great shape and had a wonderful time. Thank you to Mr. Hunter, Mr. Lewis and the golf staff for making the event go so well.

Mrs. Spears reported that she met with Kevin Steger, Director of Maintenance, to review various maintenance lists of projects that need to be completed throughout the Club. They noticed that our housekeeping company is working harder, but there are still a few issues that need to be addressed. The Committee noted that the third person added to the Maintenance Department has really helped. They also spoke with George Rojas, Clubhouse Manager, about the empty wine cabinet in the Directors Room, and Mr. Rojas is working on placing bottles in the cabinet so that it will not appear empty. Mrs. Spears briefly went over her report (see attached). She did ask about the current code violations from the Health Department. Mr. Rojas responded that everything that the inspector found, which were primarily repair items, have all been fixed. Mr. Thornbrugh stated that another inspection was done today and the Club passed without any issues.

Mr. Abelman asked who does the maintenance on the pool and saunas? Ms. Comfort explained that an outside contractor is used for the pool and that the fitness staff is in charge of the daily cleaning of the saunas at the fitness center.

FOOD & BEVERAGE: Marian Dyer (see report for details). Ms. Dyer reported that the new menus for the Mixed Grill are in place. Both Mr. Rojas and Mr. Fanelli stated that the new evaluations on the bottom of the member tickets has been very helpful and motivational for the staff. Training is going very well with the staff in the Mixed Grill; they have hired several new people so training will be ongoing for a while. David Lopez, the Club's Chef, will be leaving us and Mr. Fanelli will be going into the kitchen to provide leadership and evaluate how to improve the back of the house functions. Mr. Fanelli will also be working on reorganizing the menus and main kitchen. The Committee reviewed the current main dining room weekend specials, and based on Mr. Fanelli & Mr. Rojas' suggestions, we will be replacing the weekend specials with the new seafood specials. Ms. Dyer stated that the food issues during Cocktails with the Councils have been resolved due to the food station set-up. Our last Cocktails with the Councils had an incredible response with 450 people in attendance. Ms. Dyer commented that the Food & Beverage Committee had a wine tasting to help the Club select a new house wine. The Committee chose CK Mondavi as the new house wine for the Club. Ms. Dyer

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reminded the Board that the Club has a wonderful wine selection, so if someone wants something other than the house wine, they have a great deal to choose from.

GOLF & GREENS COMMITTEE: Co-Chairs Marian Dyer and Steve McKim (see report for details). Ms. Dyer reported that Jason Rouk, Course Superintendent, reviewed a great deal of maintenance and agronomy activity that has occurred since the last meeting. The Committee requested that Mr. Rouk have a weekly Turf News sent out via email, so that the membership will know what is happening on the courses. There was also some discussion about planting trees or some other type of vegetation to improve the backdrop of #6 North. Mr. Hunter explained that to add symmetry to the hole, they are discussing adding a bunker 6' to 8' from the left side of the green, as well as planting a tree(s) beyond the cart path. Mr. Nedwed asked if we would be shortening the bunker on the right of #13? Mr. Hunter explained that we do not want to impact the integrity of the golf course with too many changes, so we would not be shortening the bunker.

Ms. Dyer remarked that the lake on #10 North has a leak in its liner, but it will not be addressed until the winter, since it is the main irrigation source, and the repair would require draining the lake. Mr. Rouk was very happy to report to the Committee that the well pumps are in much better operation this year and are pumping more than three times the gallons per minute they did last year. Ms. Dyer stated that the pumps for the fountains on #6 and #17 have arrived and everything should be operational shortly.

Mr. Rouk reported that the bunker renovations for the North Course began today. Ms. Dyer stated that the North greens aerification began on June 11, and other aerification will follow. Mr. Rouk and his crew will be etching and painting yardages on sprinkler heads as this is the only practical solution with the many types of sprinkler heads we have installed. The Committee also discussed the recovery of the North Course greens. Mr. Rouk felt that with 3 to 4 weeks of warm sunny weather, they should respond to various agronomy activity to produce more consistent putting surfaces. Ms. Dyer commented that Mr. Rouk will be compiling a list of various items such as leveling and sodding tee boxes, and then will work with Mr. Thornbrugh on an implementation schedule. Mr. Rouk has also been working to find a solution to all the drainage coming across the Canyon Creek Course entrance due to the new shopping center development. Mr. Rouk stated that he will be retrenching the area to see if he can divert the excess water and he is speaking with the developer on drainage solutions.

Ms. Dyer stated that Stan Wreyford was at the last Golf & Greens meeting and the Committee asked him about the status of the Canyon Creek renovation. He explained that he is working with various irrigation providers and anticipates a plan will be defined by late summer. The Committee also discussed overseeding during the winter months. The Committee is recommending to the Board that both courses be overseeded this winter. Due to the improved health of our turf after last year's agronomy improvements, a 3-4 week spring transition period is anticipated. With this shorter, more reasonable spring transition period, overseeding will greatly improve play during the winter months. Long-term, overseeding will not occur every year as certain types of turf need to be "rested". Ideally the Committee would like to see alternating courses overseeded each year.

Mr. McKim made a motion for the Board to agree to overseeding both courses this year and then one of the two courses each year thereafter. Mr. Adzija seconded the motion and the Board unanimously agreed.

Ms. Dyer stated that the short game area is looking good and should be ready to open soon. It needs another 3-4 weeks of warm sunny weather for turf development. Mr. Adzija asked if we would be doing some type of

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ceremony to celebrate the opening of the short game area. Mr. Thornbrugh stated that we would be doing something special. Ms. Dyer asked if a fence would be installed to hide the trash bins? Mr. Thornbrugh stated that we are working on getting the fences. Work will also be done on the drainage from the parking lot.

Ms. Dyer stated that we would be establishing the original location of the green tees on the North Course, once the bunker renovation has been completed. She reported that there is still some vandalism occurring on the Canyon Creek course and she asked for the status on the contractual obligation of the apartments bordering the course to either build a fence or landscape? Ms. Comfort explained that our attorneys have sent them a letter and are awaiting a response.

Mr. McKim stated that from the Sunburst Golf Tournament, a suggestion was made to form a USGA Handicap Committee. Mr. Tisdale has volunteered to chair this new committee and he will be working closely with John Lewis, Head Golf Pro. Mr. Lewis will be sending information to Mr. Gayler about how this committee works. Ms. Dyer pointed out that such a committee is not to be taken lightly as it consists of peer review of handicap issues. Selection of representatives who are mature and experienced is important. Mr. McKim suggested that the Handicap Committee be a subcommittee of the Golf and Greens Committee. Chairman Gayler suggested tabling this discussion until he has had the chance to do some further research.

Mr. Hunter reported that the Sunburst Tournament went very well, other than some slow play. They have already discussed with next year's Sunburst Chairman, Rhett Morrow, how to speed up play. Chairman Gayler complimented the staff on their hard work during the tournament.

POLICY COMMITTEE: Co-Chairs Grant Morris and Milt King (see report for details). Mr. King reported two violation letters were sent out. The first was to a non-golf member utilizing the golf courses without following the Club's Rules and Regulations. After the member received the letter, it was discovered that it was his son using the account without his father's knowledge. The second was to a member who repeatedly violated the Club's Smoking Policy and verbally abused the manager trying to enforce the policy. This member was suspended from the Club for 30 days because of his multiple violations. Ms. Dyer asked if a suspended member still pays dues while on suspension? Ms. Comfort explained that dues are paid during suspension.

The issue of smoking at the pool was again brought before the Committee. Mrs. Spears emphasized the need to have at least one outdoor area designated for smoking. She completely understands the desire to not smoke in front of children, but she feels that we should not alienate our members who still smoke by not providing them a specific outdoor smoking area. Chairman Gayler stated that this is only a request for review at this time by the Policy Committee. He further explained that it would be extremely difficult for the Board and the Club to make all outdoor areas of the Club non-smoking and does not feel that we would be anywhere close to making this type of decision.

BUDGET/CAPITAL FUND COMMITTEE: Co-Chairs Steve McKim and Mike Cooney. Mr. Cooney reiterated that the bunker renovations have begun. The Committee is now waiting on tennis court lighting numbers from Chris Hamill, Vice President of Facility Planning for Century Golf. Mr. Abelman stated that he did have the opportunity to view a facility in Austin that just recently had their tennis court lights renovated by the company that Mr. Hamill is recommending. Mr. Abelman handed out pictures of the tennis lights. He explained that the poles will need to be quite a bit taller. Mr. Cooney stated that fewer poles will be needed than what we have currently, so everyone feels that ultimately they will be less noticeable. Mr. Abelman

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commented that the new lights would have much better controls, which should help the Club with electricity costs in the long run. He also explained that they have requested that the lights for Sonterra be a minimum of 85 footcandles. Mrs. Spears asked if there are any Stone Oak POA light restrictions ? Mr. Abelman stated that he did not know of any, but further explained that the control for these lights is incredible and they can be directed to very specific areas with very little spill-over light, as well as having diffusers available to help. Mr. Abelman informed the Board that he did ask Mr. Hamill to get a cost for doing the lights for courts #1 - #7, so that the tennis members would notice an immediate improvement.

TENNIS COMMITTEE: Mr. Abelman reported that they have a 4th of July Mixer coming up. They just finished the Club Doubles Championships and the participation was better than in prior years due to the new format. They have completed the resurfacing of 4 tennis courts and have 4 more courts to go in August. We just completed the Junior Clay Court Championship Tournament and junior summer camps are happening. The Mr. Abelman announced that we have several ladies' teams going to State Sectionals and the men's 4.0 team is playing this weekend and if they win they will also go to State Sectionals. They have had a couple of issues with children on skateboards on the courts and walkways and Mr. Abelman suggested that we send out reminders about no skate board, rollerblades, scooters, etc., being used on premises. Mr. Abelman also suggested that we request that guests, during the swim meets, park in other areas of the Club so that the tennis members are not inconvenienced. Chairman Gayler commented that if we have them park in the back parking lot by the Car Wash, they can walk in the back gate, if the gate is unlocked. Ms. Dodier commented that this would be a good idea, but we always have security issues when that gate is left unlocked.

SONTERRA WOMEN'S ASSOCIATION: Chairman Gayler welcomed Cathy Lay, as the new President of the Sonterra Women's Association. Mrs. Lay reported that the ladies are on summer hiatus, but would be returning in August. Ms. Dyer informed the Board that Mrs. Lay has volunteered to be part of the Food & Beverage Committee.

HISTORIAN: Rosalie Hallenberger was unable to attend the meeting. Chairman Gayler passed on that he received a recommendation from Ron Bailey to create a "Teen Club." He will discuss the possibility for this Club with Mr. Thornbrugh.

NEW BUSINESS:

CLUB PHILOSOPHY: Mr. Thornbrugh stated that he was very happy to be at Sonterra. He is transitioning a bit right now, since he is still in the midst of moving to San Antonio. He has spent a lot of time looking around Sonterra to see what is happening and to learn our systems. Mr. Thornbrugh explained that Sonterra is an interesting Club, because it's not a Club that needs a great deal of work since it is doing so well. It just needs to continue down the path of constant improvement for the betterment of our members. He has asked each department head to inspect their systems to see how they can improve on them and get better. Mr. Thornbrugh remarked that we are ultimately judged by what we can accomplish. He read his "Ross's Rules of Order" to the Board (see attached copy).

WAIT LIST: Chairman Gayler distributed a sample letter to the Board and explained that since we are so close to reaching our goal of 1,100 Full Privilege memberships, a letter will need to be sent out to our current invitees emphasizing that now is the time to join, and once we reach 1,100 we will be unable to guarantee the current initiation fee. Once we reach our goal, we transition into maintaining our membership numbers. We need to

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stop using the word “full” and make sure that all members understand the need to continue nominating people for membership. Mr. Nedwed suggested modifying the letter so that it could also be sent to the members. Mr. Lewis suggested that we include in the letter to the members the increase in the Member Partnership Fund by reaching our goal. Chairman Gayler commented that we also need to find a way to remind the members about the Partnership Fund to tennis members and that by reaching our tennis membership goal the Club receives an additional \$265,000 for the Member Partnership Fund. Ms. Comfort emphasized the need to project the different feel of the Club, once we have achieved our goal and that we will become one of the few, elite clubs with a waiting list to enroll members.

Chairman Gayler informed the Board that Ms. Comfort, Mr. Thornbrugh and Mrs. Semtner will all be speaking with Ken Story and the corporate office to develop a wait list membership plan for our Club, so that we can continue to keep our membership levels full. He expects prompt feedback from Mr. Story and management will be meeting with the Policy Committee on their plan. Mrs. Semtner commented that she would like to see tiered “wait list” membership offerings to help show movement in the list and keep people excited and willing to stay on a wait list membership until a full membership become available. Chairman Gayler also commented that these wait list memberships also help increase the Club’s capital dollars.

Ms. Comfort stated that she will be developing a Connection Committee for Sonterra to help with our retention efforts. They will be working with current members of the Club, who have not been coming out to utilize the Club and getting these members “re-connected” into Sonterra.

OLD BUSINESS:

SONTERRA VEHICLE LASER TAG UPDATE: Ms. Comfort stated that a final notice was sent out to all members who we have not submitted vehicle forms. Jeannette informed the Board, that there have been a couple of issues on forms that have been returned, many members have not put their names or member numbers of the forms, so we have no idea who they belong to; therefore they will not be entered into the system since we are unable to verify their membership. Also, there have been several forms returned where the member has not put in any vehicle tag information, they have all their cars listed but are missing the tag numbers. Overall, only about half the membership has returned the forms. Ms. Comfort remarked that as it stands right now, the new gate system will not go into effect until after July 4, so that we can get in as many forms as possible, so we don’t have a long line of people trying to get into the Club. Mr. Abelman suggested having a phone bank call all the members who have not submitted forms.

EMPLOYEE EDUCATIONAL ASSISTANCE: Chairman Gayler stated that there have been two applicants for the fund. Usually the summer applicants are fewer than during the winter. He reminded the Board of the criteria for receiving funds: 1) each applicant is recommended by their department heads and/or supervisor, 2) must have a “C” or greater grade point average, and 3) they must been employed with the Club a minimum of six (6) months. Mr. Rojas informed the Board that one of the applicants just submitted her resignation today, so please remove her from the list. The Board had a great deal of discussion regarding the other applicant and what they would be willing to grant. Mrs. Dyer motioned to match the school tuition and Mrs. Goforth seconded the motion. After further discussion, Mr. Cooney amended the motion to say that the Board would be willing to grant \$1,324.05, which was the remaining balance for the school tuition. Mr. Adzija seconded the amended motion and the Board unanimously approved.

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4th OF JULY: Mr. Adzija asked if we would again have a sponsor for the 4th of July, as we did last year? Ms. Comfort stated that we would not have a sponsor this year.

SECURITY AT THE CLUB: Mrs. Spears asked if we would be putting in new cameras in the golf area that work more efficiently? Ms. Comfort stated that she has not had the opportunity to discuss this with Mr. Thornbrugh yet. Mr. Hunter stated that he feels the staff needs to do a better job verifying membership, so that we have less security issues. Mrs. Spears commented that we just need to ensure that we have a system in place that works and truly helps the Club with security.

With no further business to discuss, the meeting was adjourned at 8:17 PM.

Mickey Gayler
Chairman, Board of Governors

Minutes Approved By Email Ratification on Tuesday, July 19, 2007.

Minutes Compiled by: Jeannette H. Walker, Administrative Assistant