

*THE CLUB AT SONTERRA
BOARD OF GOVERNORS
MINUTES*

Date: Wednesday, May 13, 2008

Grant Morris, Chairman

Susan Crouch, STA

Marian Dyer, SWGA

Mickey Gayler, Chairman Emeritus

Milt King, Vice-Chairperson

Rosalie Hallenberger, Historian

Cathy Lay, SWA

Richard Tisdale, MGA & Ambassador Council

MEMBERS AT-LARGE

Arthur Abelman

Julius Germano

Jordan Hanna

Gary Nedwed

Becky Spears

Absent: Cathy Lay, Susan Crouch and Richard Tisdale

Club Representatives: Ross Thornbrugh, Jeff Hunter, Barry Carter, Michelle Dodier and George Rojas.

Chairman Morris called the meeting to order. Due to the complicated nature of the April Board Minutes, the Board approved them during the May meeting. They were unanimously approved.

Chairman Morris started the meeting where the April Board meeting ended (see April Minutes). There was discussion regarding putting out a summarized statement of Board's meeting last month that did not include club management. Chairman Morris put a summary together and Ms. Dyer made some revisions to smooth it out. He read it to the Board to get everyone's feedback. Mr. Thornbrugh expressed his concerns that he did not have a chance to read Ms. Dyer's version, which is far more positive than the first draft that he reviewed prior to tonight's meeting. In addition, Mr. Thornbrugh expressed that if the Board feels that we have a partnership between Club Management and APGM, all meetings should be joint and not held without proper representation from all sides. With that being said, he did feel that Ms. Dyer's version of the summary was far more positive and that it serves no positive purpose to send out negative information to the membership. He reminded the Board that we are committed to spending \$4 million+ dollars in the tennis lighting renovation and the South Course restoration. In addition, he reminded the Board that they signed an agreement to enthusiastically support a membership campaign to increase the full golf cap to 1150 members as part of the South Course restoration partnership between APGM and the Board. Mr. Thornbrugh emphasized the need to be positive in our communications to the members, because we have a lot of positive things happening at the Club. Mr. Nedwed felt that we should be positive, but realistic and address issues and concerns of the Board and membership. Mr. Thornbrugh agreed that we should address issues as they occur, so that we communicate effectively. He does not want to see something go out to the members that just dwells only on negative items. We need to be positive and talk about what we are accomplishing, as well as the things we are working on, so that everyone understands we are aware of what's happening at the Club and we do have a plan in place. Chairman Morris and Ms. Dyer commented that they are hearing comments from other members about items that they feel need improvement. Mr. Thornbrugh understood and stated that we of course need to hear what members' thoughts are, but keep in mind that not every member feels the same way; some may have issues regarding the driving range, while others may not. There is nothing wrong with bringing up the concerns of members, but remember that for every person who does not feel something is up to par, there are others that are happy. We need to keep a well balanced opinion and remember that the Club is a work in progress. There have been many things that have been improved and enhanced since we became part of APGM in 2005. Have we addressed everything that needs enhancement? No, there are items that we are working on, but the reality is that we cannot fix everything at once. There will always be items that are going to need improvement, just as there are always going to be items that have been improved and enhanced. Chairman Morris felt that there just

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hasn't been a real year over year improvement on the golf courses. Mr. Nedwed commented that he noticed that the North Course just doesn't seem to be getting enough water and with the South Course down the North Course should be extremely well maintained and watered. Mr. Thornbrugh understood Mr. Nedwed's concerns and explained that there have been some things that have occurred that have caused this problem, such as a loss of power to the wells located on the South Course and we could not pump water to the North for approximately nine days. With only the two small North wells running, we did not produce enough water to extensively water the entire course. This problem has since been corrected. Mr. Thornbrugh emphasized that we are spending more money at the Club than ever before; he is already over budget in golf course maintenance in May by \$29,277 and we are doing everything possible. There was discussion over whether or not enough money is being spent at Sonterra in regular maintenance and improvements. Mr. Thornbrugh explained that the only way for us to spend more money at the Club is to make and exceed our budgets. Just like with any business, if we are not making our numbers, then it reduces the dollars spent at the Club. So it is imperative that we make our budgeted numbers.

Ms. Dyer mentioned that she felt that we ought to have an action plan for the immediate items in each department that we can have an impact on. Chairman Morris further asked that each committee chair come up with 3 goals they feel the Club needs to achieve for that particular area; make them realistic, achievable goals. Ms. Dyer noted that when the Board and management have set-up written goals, we have been able to achieve them such as with the Member Fund Projects and Priorities. She feels that if we develop an action plan, it will help the membership see our priorities and how we are going to accomplish them. Mr. Gayler commented that we need to remember to look at the big picture and not get bogged down in the minute details. We, as Board and Club Management, have had so many big goals that we have accomplished (i.e. South Course Restoration, North Course bunkers, tennis court lights, etc.), that we may have lost focus with a lot of smaller details. Mr. Gayler agrees with Ms. Dyer that we need to come up with common goals, so that we have a better ability to communicate to the members what is happening at the Club. Mr. Nedwed commented that communication to the Board and to the members would be a big benefit and would really help so that everyone knows what is happening at the Club. Mrs. Spears commented that another issue discussed by the Board is that the staff needs to provide quality service day in and day out in various areas of the club. There needs to be more attention to details and service, and that it does not always cost money to make positive improvements in these areas. Mrs. Spears and Ms. Dyer both commented on the excellent service and attention that they received during the Ladies Classic Affair. Mr. Thornbrugh agreed that setting up established goals would be a definite benefit and he assured the Board that they have his full support in making Sonterra a first class facility.

COMMITTEE REPORTS:

MEMBERSHIP COMMITTEE/AMBASSADOR COUNCIL: Richard Tisdale was not in attendance. Jennifer Nichols thanked the Board and the committees for all their support; tomorrow is her last day. Chairman Morris thanked her for everything that she has done for the Club. Mrs. Nichols informed the Club that we are currently at 1090 full golf members, 445 tennis and social are at 540. We have a New Member Mixer on May 22, the South Course Tours and an Open House scheduled before Cocktails with the Councils on May 29. She invited the Board to participate in each of these activities.

Mr. Abelman asked if every member has a food and beverage minimum? Mr. Thornbrugh explained that there is one exception, but the vast majority of the members have the same food and beverage minimum. Mr. Abelman mentioned that we might want to consider having a food and beverage minimum for a single member.

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The Board felt that minimum should be consistent across the board and everyone have the same minimum. Mrs. Spears felt that everyone should have to pay the minimum and they should be the same. Mr. Gayler felt that we needed to research any contracts we have in place to understand why and if certain memberships could have food and beverage minimum instituted. The Board motioned to table this discussion and have the Food & Beverage Committee work with management to see if all members can have one uniformed food and beverage minimum. Only one Board member disagreed, so the motion was carried.

HOUSE COMMITTEE: (Sub-Committee reports below.)

FOOD & BEVERAGE: Cathy Lay (see report for details). Mrs. Lay was not in attendance.

Mr. Abelman asked if there is a difference in the price for Sunday Brunch versus Mother's Day Brunch. Jeannette explained that there is a difference in the price and Mother's Day is not a brunch, but a lunch buffet and it is stated as such in the advertising to the members.

CLUB MAINTENANCE: Mr. Abelman stated that he would have a full report at next month's meeting. Most issues right now are housekeeping related.

BUDGET/CAPITAL FUND COMMITTEE: Gary Nedwed asked Mr. Thornbrugh for a summary of where the club stands financially year to date. Mr. Thornbrugh explained that currently we are approximately \$100,000 below our budgeted revenues; we have over spent payroll by approximately \$25,000, as well as expenses by \$50,000. Much of our shortages in revenue are due to us not reaching our initiation fee goals, as well as catering revenue deficits. Ms. Dyer asked for clarification on whether our budget is equal to or over our actuals from prior years. Mr. Thornbrugh explained that actuals increased in 2008 over 2007 numbers. Mr. Hanna asked if there would be a way to have a financial summary every month, so that the Board and Committees will have a better understanding of how the Club is doing. The Board explained that previously Mike Akeroyd would put this together each month. Mr. Gayler further clarified that when Mr. Akeroyd would provide a revenue report and that it was very helpful. Mr. Thornbrugh felt that he could provide that information.

TENNIS ASSOCIATION: Susan Crouch (see report for details). Mrs. Crouch was not in attendance, so Arthur Abelman reported. He informed the Board that courts #1-5, #10-13, #18-21 new lights are working. They are cutting down the poles for the old lights and working on the rewiring. The Grand Slam Member/Guest was very successful and we were able to raise \$10,000 for Any Baby Can. There was lots of positive feedback on the new lights in tennis. Summer Leagues are starting up the first week in June and Club Doubles is coming up next week. There is a Memorial Day Mixer coming up on May 26 and a Mixed Doubles Interclub this Friday with cocktails to follow.

Mrs. Spears asked about the \$6 guest fee in tennis; she feels that this is extremely inexpensive and suggested that we increase this fee. Michelle Dodier explained that she does an analysis of the other clubs each year and tries to stay in line with the other clubs. Mrs. Spears asked if someone can play in a league as a non-member? Mr. Gayler stated that the leagues rotate where they play, so if a non-member is involved they would only play Sonterra once in a season (approximately once every 6 months). Ms. Dodier and Mr. Abelman explained that tennis does monitor the guest fees to ensure that no one is coming out more often than the rules state and to

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ensure that everyone is charged. In addition, each year she does an analysis to ensure that we stay competitive with the other facilities.

Mr. Nedwed asked how tennis was doing on reaching their tennis cap. Mr. Abelman felt that once the lights are completed they feel they will see an increase in the tennis memberships. In addition, we are working on other tennis events to showcase our new lights to active tennis members in San Antonio, to help build excitement and generate membership. Ms. Dyer stated that we definitely need to have the Express News out to have them highlight what we've accomplished. Mr. Hunter explained that Fox Sports was out recently and they did a piece on the South Course and the tennis lights and they will be airing the piece sometime in September. They will be contacting us to let us know exactly when and Mr. Hunter will ensure that the Board is informed.

SONTERRA WOMEN'S ASSOCIATION: Cathy Lay was not in attendance, so Rosalie Hallenberger gave a brief update. The ladies have a fashion show by Talbots coming up this Friday. In addition, they have decided to expand the SWA year from 9 months to 12 months, so they will have programs and activities every month of the year.

HISTORIAN/CLUBS WITHIN A CLUB: Rosalie Hallenberger reported that we have the new Investment Club starting up and their first meeting is on May 22, beginning at 7 PM. At this first meeting they will be getting everyone's input so they can develop upcoming meetings.

GOLF & GREENS COMMITTEE: Co-Chairs Marian Dyer and Richard Tisdale (see report for details). Ms. Dyer encouraged everyone to read the Golf and Greens minutes. Ms. Dyer stated that the Classic Affair was held last week, which is the SWGA's premier event, and she stated that this year's event was the best one by far (see attached letter for full details).

Mr. Hunter stated that we have made a weekend tee time change. We will be changing the tee times to start at 7:00 AM on #1 only on Saturday and Sunday (Mr. Nedwed applauded vigorously). We will keep Friday the same with people starting of #1 and #9, but feel that we can accommodate our members better on the weekends with this change. In addition, a number of members have approached Mr. Hunter regarding going cart path only, or rough only, to help the course. He is hoping to implement something in the weeks to come and he asked for the Board's support in implementing this change.

Mr. Abelman asked if we are still allowing people to make up to 2 tee times at a time and should this be eliminated while the South Course is closed? Mr. Hunter explained that this really has not been an issue, what has been more of a problem is members not getting the tee times that they wanted on the weekends, which is why they are making the changes to the Saturday and Sunday start times. Mr. Abelman asked if we are just allowing 4-somes. Mr. Hunter explained that we do allow 5-somes, and they are keeping up with the pace of play. Mr. Abelman complimented Mr. Hunter on the look and feel of the golf shop. Mr. Hunter thanked him and stated that it is due to his new merchandiser, Anna, and the golf shop staff. Mr. Hunter stated they are going to be doing a variety of special events to encourage play at different times.

Mr. Germano asked if the assistant pros are going out to help with marshaling. Mr. Hunter stated that they are working on getting out there more often. Mr. Germano recommended that we do so, because oftentimes members will listen to one of the pros over the marshals. Chairman Morris asked Mr. Hunter if they could put together some examples of what not to do on the course, such as pictures of carts being used improperly. Mr.

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Hunter stated that we could do that, but without the cooperation of all the members in following the rules and keeping their regular 4-somes and golfing buddies in-check on the golf course, it makes it very difficult to enforce the rules. Every members needs to show pride in the course, we are not asking any member to confront another member about following the rules, what we are asking is that every member show pride in the golf courses and Club by making a concerted effort to follow the Club rules to help preserve the courses for the enjoyment of everyone.

Mr. Nedwed asked Barry Carter about the water issues. Mr. Carter explained that we have everything ordered to fix the water main and should have it back up in about two weeks. The wiring issues that prevented us from pulling water from the South to the North have been repaired. In addition, the one advantage to the drought we have had is that it has exposed irrigation coverage and wiring issues at various areas throughout the North Course. Mr. Carter and his crew have been actively repairing and replacing these problems. Mrs. Spears asked Mr. Carter to write something up about these problems we've been experiencing and disseminate to the membership so that they have a better understanding of what is happening on the courses. Mr. Carter assured her that he would do so and we would get it out to everyone. Mr. Hanna asked why the ponds and lakes were so far down. Mr. Carter explained that due to the wiring issues we were unable to pull water across to fill the lakes and ponds. Now that this problem has been repaired, we are actively watering the course and refilling the lakes and ponds. Mr. Carter explained that each night the lakes and ponds go up approximately 6 inches, after we have completed watering the North Course. Mr. Hanna asked if we could work with the Property Owners Association (POA) regarding the runoff water by #4 when people are watering their lawns and so forth, to ask them to not over water so that we don't have standing water on the course. Mr. Thornbrugh made a note and will contact the POA.

Ms. Dyer asked about the potential leak in the North pump station that was pending prior to the South to North transfer problem described above. This problem is still pending and needs further investigation.

Mr. Carter explained that now we are in warmer weather we can begin many of our programs. We have started verticutting the fairways and greens twice a week. Everything has been fertilized very heavily. Mrs. Spears wanted to know if we would have collars around the greens. Mr. Carter assured her that we would have collars. Chairman Morris asked about transition? Mr. Carter stated that overall it is going very well, but there are some tee boxes that Mr. Carter and his crew will be working on.

Mr. Carter reported that the South Course has 6 more greens to tile and drain. The top soil greens mix is on 11 holes. The main lines have been trenched in over half the course and we are working on trenching the sprinkler lines. The designer will be in tomorrow to flag the course for the rest of the irrigation. So far we are ahead of schedule for the irrigation work. The greens are all done and there are just a few bunkers left. We are about to begin rotovating the fairways. The new pump station should be here on May 20 and once that is connected we will begin watering the areas that are connected. Then they can begin grassing. Overall, we are ahead of schedule. Mr. Thornbrugh encouraged the Board to take one of our course tours so that they can see firsthand everything that we have happening.

POLICY COMMITTEE: Co-Chairs Becky Spears and Jordan Hanna (see report for details). Mrs. Spears stated that a draft of the proposed new dress code was sent to the Board for their review prior to the meeting. There was quite a bit of feedback about the dress code from the general membership regarding the proposed

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changes. Mrs. Spears wanted it noted that their concerns have been heard. In addition, she explained that in this draft there are three major changes being proposed to the Dress Code:

- 1. We will now have two different types of dining areas in the Main Clubhouse – casual and formal.*
- 2. Denim is allowed in the Main Clubhouse casual dining area.*
- 3. Cargo shorts/pants are not allowed in the Main Clubhouse or golf course.*

In addition, there is a new policy for enforcement by management. Should a dress code violation occur, management and staff will seat the party and discreetly inform the member of the violation. Management will then follow up in a letter regarding the specific violation. It is our hope that by handling the member in this manner we will avoid any embarrassing situations for the member and/or their guests and resolve the issues at a later time. Mrs. Spears asked for the Board's thoughts and opinions. Mrs. Hallenberger asked why this issue has come up again. Chairman Morris, Mrs. Spears and Ms. Dyer explained that there are two factions of members, one who wants a more formal dining area and another who wants more casual dining. Ultimately, we are trying to please both of these groups to the best of our abilities so that every member has an opportunity to use the clubhouse in a manner that is appropriate without offending those around them. Mr. Nedwed and other Board members voiced concern over allowing denim in the main clubhouse after 5pm. Mrs. Spears mentioned her concerns over allowing denim because it's so hard to regulate. Mr. Hanna emphasized that he feels cargo pants and shorts should not be allowed on the courses and the clubhouse because he feels they are not appropriate country club golf attire. Mrs. Spears stated that the proposed new dress code states that cargo shorts and pants would be prohibited. Mr. Abelman agreed that denim should not be allowed. There were several changes requested by the Board to the proposed dress code. Chairman Morris felt that there were too many fine tuning changes that needed to be made for the Board to vote tonight, and that it would be better to see the changes in writing prior to voting. Mrs. Spears stated that she would make the necessary changes and email the Board the revised dress code for their review and approval via email vote with a time deadline so that we can get it resolved in a timely manner. Once the Board approves the dress code, we will get it to the Club's legal department for approval and then we will get it distributed to the membership via email, statements, newsletters, and the Club website so that all members are aware of these changes.

With no further business to discuss, the meeting was adjourned at 8:46 PM.

Grant Morris
Chairman, Board of Governors

Minutes Approved By Email Ratification on June 3, 2008.

Minutes Compiled by: Jeannette H. Walker, Administrative Assistant