

*THE CLUB AT SONTERRA
BOARD OF GOVERNORS
MINUTES*

Date: Tuesday, September 9, 2008

Grant Morris, Chairman

Susan Crouch, STA

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: Richard Tisdale

Club Representatives: Ross Thornbrugh, Barry Carter, Guy Fanelli, Ken Story, Gene Miller

Chairman Grant Morris called the meeting to order. He reminded everyone that the minutes for August have already been approved and posted. He then let Dennis Cloud take the floor.

The presentation for The First Tee was introduced by Dennis Cloud. The goal of The First Tee is to introduce golf and The First Tee Nine Core Values to young people and to deliver a consistent life skills experience at each facility. The First Tee is proposing an event to be able to meet some of the kids, and hopefully have The Club At Sonterra make a contribution. They have raised part of the dollar amount to get this project underway. Dennis Cloud took over to speak about how he would need the support of the committee. He then proposed an event were a member will play a foursome and will involve the kids of The First Tee to raise the remainder amount and can make a donation. This idea is a member only, in which we are trying to create an opportunity for members of this club that will then be recognized at the learning center with a plaque. The event has been proposed by Jeffrey Moss for November 1st and 2nd. There will be an entry fee of \$100, and 75% of the proceeds will be donated to The First Tee. On Saturday we will have a golf tournament and Golf San Antonio will provide gifts and prizes. On Sunday of that weekend, we will have people available to speak with the members talk about the project and have a chance to get to know the kids. The members will also have an opportunity to make a contribution, if they choose to. The contribution is tax deductible. Dennis thanked the Board for giving him the time to present The First Tee and he appreciates the club for considering endorsing our efforts and becoming involved with The First Tee. Grant Morris thanked Dennis and Mary for their presentation. Grant suggested that if we modify their proposal, we can combine it with an MGA event and tie on something to that member guest that can sponsor the program. He also suggested that we send this proposal to the MGA and have them give us some suggestions. The consensus of the Board was that we should not have this event on a weekend while we are still having all play on one course.

Mr. Ross Thornbrugh announced his retirement. Ken mentioned that he spoke to Ross the last week in June about retirement because of health issues. Mr. Thornbrugh has agreed to stay until Ken is able to find a replacement. As of last Monday, the search has been narrowed to four candidates that are very qualified. Ken had the candidates tour the club last week. Gene Miller and Ken Story have interviewed all candidates. Ken asked Grant Morris to consider a Selection Committee on behalf of the Board to participate in the selection of the General Manager position. Ken will conduct the interview with the Selection Committee. Gary Nedwed asked if the Selection Committee will be able

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to ask questions to the candidates. Ken asked Grant to meet with the Selection Committee and give him the specific questions they would like to ask.

All the basic information from the candidates will be shared with the Selection Committee, specifically their background in working with members in a private club setting and how they work with committees and forming committees. Ken would like to schedule all interviews next week. Ken would also like to thank Ross for all his contributions to The Club At Sonterra and we wish him the best of luck and he will be missed.

Ken mentioned that the Tennis center is starting to look like it should. He also mentioned that any member that has partner privilege has a new deal available called Calloway Gardens in Southern Georgia. It is a resort with 350 rooms and 36 holes of golf. It is a well known activity center as a resort but not very well known as a golf destination. The resort has many amenities available to the members.

Ken spoke about the South Course. He mentioned that the South Course looks spectacular and it is our intent to open it when it's ready. Gary Nedwed asked about holes number 1, 2, and 16 were torn up and resprigged. Ken asked Barry to inform the committee about this. Gary had a concern that the South Course will not be ready in 25 days. Ken expects the course to be ready, we will do a "soft opening" in October and do a grand opening in April of next year with news media. In the meantime, Jeff, Ross and Barry will be providing information on how the course will be used in the winter months. Arthur Abelman has a concern that the course will be opening up too soon and are we going to have something that is not first class. Ken said that the newsletter will explain all the major concerns. This newsletter will be sent out with the statements, it will be sent out through an email blast and it will also be distributed throughout the club to set the member's expectations the right way. Becky Spears said that the members are expecting a good experience and not a muddy fairway. Jordan Hanna said that one of the reasons this course needed to be rebuilt was because of the clay soil and the way that interacts with the entire playing experience. Because there will not be a very good coverage of grass, a lot of members that play there will not play the South Course again. Ken mentioned that if a member does not want to play the South Course, he can always tee up in the North Course. Ken wanted to make a point that the club has two courses. Milt King had a concern that the expectation of the member is a fully grassed South Course, when in fact the experience is going to be negative. If the South Course is not ready to play, let it sit. Arthur Abelman said that the club is giving false expectations to members about the South Course about opening up and the course will be plush and ready. To sell membership in the condition of the course will delay new membership for the club. Cathy Lay had the same thought as Arthur. Ken said that we had to set a date for a soft opening. The date was chosen when the last sprig went into the ground. Ken mentioned that if the course is not ready to open the course, we will not open it and the sign will say "Delay". Arthur made a motion to open the South Course when it is ready to be played on. Jordan Hanna seconded that motion. Ken said that unfortunately the board does not have the power to make the decision when the South Course can be open. Grant suggested that we promote a soft opening on October 4th to allow limited play, the members will know that it's not a finished product but they can see what to expect for the grand opening in April 2009. Milt feels like October 4th is not a reasonable date to open. He would like Ken to see the course one week before opening and decide whether the course ready or not. Ken agreed and again said that we will open the course when it's ready.

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For the record, the majority of the board members did not agree on the October 4th opening and would like Ken to reconsider this date. Ken took everything that the board said into consideration and he appreciates everyone's concern.

Gene Miller said that there will be some personnel changes in the near future. Cindy Jones will be the new Membership Director as of November 1st. Stacey mentioned that Cindy is very well recommended and she will be a positive addition to the club. She is coming to us from Berry Creek. Guy Fanelli has decided to stay and he will move into Director of Operations and Rafael will be promoted to Executive Chef. Rob Snyder is no longer employed.

COMMITTEE REPORTS

MEMBERSHIP COMMITTEE/AMBASSADOR COUNCIL:

Richard Tisdale was not in attendance. Stacey said we had 22 golf ads for the month. We have 1091 full golf, 453 tennis and 551 social. Milt asked if a member wants to downgrade because of health issues that prevents him/her to play golf, what is the current policy for downgrades. Stacey said that at the moment we offer a "suspense status" or a "medical leave status", the By-Laws states that you have to stay at a social status for 12 months and then when you upgrade you have to pay all the back dues. This doesn't help the members. In order to do this the member needs a written letter from his medical physician. Stacey also mentioned that the majority of all resignations are due to a member being in financial difficulty.

HOUSE COMMITTEE: (Sub-Committee reports below.)

FOOD & BEVERAGE

Cathy Lay said that the Luau was a success. We had about 80 members attend. The only problem was that we didn't have a cash bar but the F&B remedied this immediately. She also went over the entire events that are coming up in the next couple of months. There is no longer a Super Happy Hour but we do have Cocktails with the Council on Friday nights. Ross changed this to Friday night because there was several complaints about this and because he didn't get the response he wanted on Thursday night. Cathy also mentioned that the Deli Case is up and working. Guy Fanelli said that he hired someone whose main focus is the Deli Case. Joy is now the manager at the 19th hole and we are looking for a manager for the Sport's Grill. Guy said that we have had some internal "tryout" but that they did not work out. Cathy said that we do have a margarita machine and two new coffee machines with Danishes available. The wine list for the main club house is going to change. Becky Spears mentioned that she has heard some complaints about service, menus, and silverware in the 19th hole. The problem with services is that if there are several people at a table, the staff makes one ticket for each person instead of making one ticket for the table. Thus the kitchen does not know to prepare the orders all at once for the table. It was suggested that members put their comments on the ticket because we need to know how we are doing in the 19th hole.

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CLUB MAINTENANCE:

Arthur Abelman did a walkthrough with Kevin and saw a lot of cleaning improvements. He also went into the ballroom and he noticed that all the lights were clean. You could see that the cleaning crew has made an effort to clean these lights. He asked Ross if the light that was to go in the employee parking lot was approved or not. This part of the parking lot is very dark. Arthur was told by Kevin that the light did not match the other lights. Ross said that he did want to see those lights everywhere. Arthur said that the club is vastly improving when it comes to it being clean. He suggested that Kevin attend the BOG meeting so that he can also give feedback. If anything needs attention around the club, Arthur said to email him with the problem and he will then let Kevin know about the problem. Jordan Hanna said that the first step in the swimming pool needs to be replaced.

BUDGET/CAPITAL FUND COMMITTEE:

Gary Nedwed said that the financials are doing well. There are some deficits because of the south renovations. Mr. Thornbrugh said that we are not losing money and went over the financials.

TENNIS ASSOCIATION:

Susan Crouch went over the handout about a trial program she would like to try for tennis in order to try and reach the tennis membership cap of 500. The program involves potential members to try the club for six months and after the six month trial they would need to decide if they would like to be a member of the club. This person will not initially pay an initiation fee but he/she will pay the club dues for the six months. The one time fee would be paid when the person decides to join the club. If they should decide to option out, this program will not be available to them any longer. Becky Spears was concerned that this would be a problem with the golf members, being that they will not be offered the same program. The idea of this is to get the potential member to start playing in leagues and take part in all the activities that will make them decide to become a member at Sonterra. Arthur Abelman stated that the potential members they are trying to capture do not want to come to the club to experience the club, they want to join a team that is currently playing USTA. Grant Morris suggested that we put a one year term on this trial or until we hit the 500 tennis member target. He also suggested revising the policy to "Sonterra will freeze the membership initiation at the current initiation at the start of each individual six month trial. This option membership will be in effect until the 500 cap for tennis membership is reached or 9-1-2009". The proposal was approved and Cathy Lay was opposed. Michelle went over all the events that have been rescheduled. We have a new Tennis pro, Josie Trimmier. He is an ex-Churchill graduate. He will be a great addition to the tennis area. Michelle said that we have 5 tennis pro's and we are looking for one more. Mr. Thornbrugh mentioned that we are looking to hire one class A golf professional, we have 3 professionals now.

SONTERRA WOMEN'S ASSOCIATION:

Cathy said that we are having a fashion show with Merrill Lynch and Anne Miller on Sept 19th.

HISTORIAN/CLUBS WITHIN A CLUB:

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GOLF & GREENS COMMITTEE:

Barry said the Golf & Greens Committee discussed the difficulty of playing the course with the height of the rough. The decision to establish the rough height at 2 ¼ inches and have a one inch six foot wide cut is not going to be possible because the machine that would make that cut is broken. We will have to budget to make this happen. Becky Spears congratulated Barry and his staff on behalf of the Golf & Greens Committee on the work they have done on the North Course. The members have noticed the improvement. Barry mentioned that we have had some tremendous irrigation difficulties during the drought. We had to take three steps back to take one step forward. He would like to thank Ross for all his efforts. Barry also mentioned that all the programs are in place for both courses. He would like to present to the board a budget and expectation form for both courses. He also mentioned that Paul will be leaving us and Isidro will be promoted. Everything is working out well with his staff. Becky Spears thanked Barry for keeping the club informed about the development of the South Course.

Two questions on the South Course; are we going to hurt the turf and what is an acceptable presentation. The fairways 1, 2, 3, 16, 8 are weak to go out and resprig would be starting over. What we did was put sprigs on top of the old sprigs. The old sprigs are not thick enough. We will irrigate continuously for six days. Ken will be back next week to look at the South Course. We are doing everything we can to make the course look good. As far as greens and tees, they are coming along very well. The greens should be a lot better in 14 days were the ball will roll on the green with no problem. We used Emerald green grass, which grows in plush. Becky Spears said that when all is said and done, the South Course will look great. She doesn't want Barry to take the fall if the course is not in good shape when it comes time to open. Grant spoke to Ken and they decided to sponsor a lunch for the staff for doing a good job on the North and South Course. We would like to know that they are appreciated.

POLICY COMMITTEE:

Becky Spears mentioned that we have had violations with the dress code. We need to make sure that the staff understands the rules and regulations. She also said that there was a complaint that Sonterra tennis board members are playing on teams outside of Sonterra, and the complaining member believed this was a conflict of interest. Mr. Thornbrugh said that this member wanted a policy change where these people who are playing on outside teams and held offices within Sonterra be banished from those particular positions. Mr. Thornbrugh went to the Sonterra Tennis Board and will present the results at the next Policy meeting.

OLD BUSINESS

Grant mentioned that the forms for nominations for the BOG will be going out with the statements, we will also be putting the forms throughout the club and they will also be emailed to the members. Milt King said that these forms need to be returned no later than October 3rd. Jordan Hanna asked what is the method that will take place on getting all the forms back. Milt said that all the forms will be given

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to Brenda Cantu, she will then make sure all the nominees are in good standing. The next step will be to notify the members who are nominated and let them know what is involved.

In some cases the members that have been nominated do not want to serve. Milt said that we have three at-large vacancies.

Mr. Thornbrugh asked permission of the board to sign the agreement for the US Senior Challenge Championship next year in October 5-8, 2009. This will be 102 of the best senior players in the country. There will be a practice round on Monday, they will play at 8:00am Tuesday and Wednesday and the golf course will open at 1:00pm, then on Thursday they will start at 8:30 and the golf course will open at 1:30. Mr. Thornbrugh recommends this event be approved because it's a high quality tournament and is a positive event for the club. The board approved the tournament. Jordan Hanna opposed. There was subsequent discussion about how often we should have outside events on member play days. The Board decided this was an important issue and asked the Policy Committee to examine it and make a recommendation to the Board

With no further business to discuss, the meeting was adjourned.

Grant Morris
Chairman, Board of Governors

Minutes Approved By Email Ratification on 10-02-2008

Minutes Compiled by: Brenda Cantu, Administrative Assistant