

MINUTES – BOARD OF GOVERNORS
January 2010

Present: Ken Story, Partner, Century Golf, Sergio Salazar, General Manager; Guy Fanelli, Director of Operations; Cindy Jones, Director of Membership; Shen Te Smith, Director of Member Services; Jeff Hunter, Director of Golf, Barry Carter, Director of Golf Maintenance, Michelle Dodier, Director of Tennis, Rosie Hallenberger, Roger Martin, Becky Spears, Sue Colburn, Julius Germano, Ron Bailey, Milt King, Karen Murphy, Margaret Millsap, Blake Kopplin, Mickey Gayler, Rhett Morrow

The meeting was called to order by Chair Julius Germano at 6:07 pm. Julius opened the meeting by having everyone introduce themselves. He then turned the meeting over to Sergio to introduce himself and give a brief overview of his background. Sergio mentioned he is big on membership and always refers to theory “if he were a member, what would he expect”. Sergio mentioned the plan of the 21 days of activities of the Club, to “make Sonterra a habit”. He is currently sponsoring a lunch table everyday at 12:00 to make himself available for members to come meet or have lunch with him. He vowed that he would always try hard to make the Club better. The meeting was then turned over to Ken to give a few words.

Ken mentioned he felt he needed to be at the Board meeting because of the GM change and to be available to answer any questions or concerns. Because he has been involved in Sonterra since day 1, when the opportunity arose he felt Sergio has proven himself to be in this position. He is confident in what Sergio wants to prove to the members of Sonterra. Sergio will give Sonterra the best shot to get back to the energy he felt when the Club was first purchased. With that Ken would also like to rededicate the full capacity of the company to Sonterra & the Board as well. Julius mentioned that Board is also committed to make the Club better with the members’ interest always in mind. Ken mentioned that 09 was a tough year but we are starting a new year with a new list and a new Board.

Julius thanked Ken and also thanked Becky for her effort in 09 to keep the Board cohesive. The November minutes were not previously approved so he asked the Board to take a few minutes to review the November minutes for approval. He then asked for a motion to approve, Mickey agreed, and Sue second that motion. All were in favor.

Becky announced that with the changes at the end of last year there was no election of a Vice Chairman. She would like to nominate Margaret Millsap for vice chair. Roger Martin then nominated Sue. Becky mentioned currently there is no procedure in the Operating Procedures in the event of non ex-officio member is elected to a vice chair position and how that position is replaced. Sue respectfully declined the nomination for Vice Chair. Ron mentioned if an elected member representing an organization move to a chair or vice chair position he doesn’t believe the Board can make the decision to replace that position. Becky referenced pg. 4, Section 6F in the Operating Procedures for the answer to his statement. Julius asked all were in favor. Margaret was then congratulated

as the new Vice Chair. Julius then turned the meeting over to Cindy Jones for the Membership report.

Cindy referenced the Membership numbers in the Board packet. We are currently at 947 golf members, 380 tennis, 542 social, and 36 dining only members. Cindy reviewed profiles for the new members. Julius mentioned Bill Cavender is a new member and he is interested in getting his whole company involved in the Club. Blake asked what is a Jr. Golf member? Cindy explained it is anyone under 40 and a slight discount is offered. Once we reach 31 Jr. golf members, all members that qualify will be eligible for the discount. Sue asked if we received any new members from the Methodist party. Cindy reported we received about 8 prospects and 3 viable options for members. She is currently working on a package for the people on the list to send information to come spend a day at the Club. Ron asked if we have contacted Tesoro and Whataburger. Julius mentioned we have reached out to Tesoro, EDF, Medtronix, and Whataburger. He also mentioned that we have been working with the Economic Development Foundation.

The meeting was turned over to Guy to give the Operations update. Guy mentioned 09 was a tough year but he believes the communication to members has grown in the last year. Shen Te has worked to better communicate information to members through emails and website. He is continuously working with Catering & Maintenance departments. He mentioned the NFL playoff specials in the 19th hole, sashimi in the member lounge and happy hour specials. Guy also mentioned we had a great New Year's Eve event. Julius encouraged everyone to come out to CWC. In regards to new members he wants to make a personal effort to send all a personal not. The meeting was turned over to Barry for the Golf & Greens update.

Barry mentioned weather has been a big factor. We are currently a test site for Torro allowing us to monitor the temperature 2 & 7 inches below ground. We won't know for another 3 wks or so how damage the grass got from all of the cold weather. Barry also mentioned the waterfall on #6 is running well after his guys spent many long hours working on it.

Jeff reported there is a group working on the carts and have replaced the oils & mixtures in the rear, they are replacing the pedals & electrics as well as replacing the tops tomorrow. He is starting a program that if you buy 25 cart round you will get a punch card for 30 rounds. There is a limit to 1 – foursome. He is looking forward to Sergio's 21 days. Golf will be open for MLK day and probably again on the 25th to get some play. SWGA started last week and GGG will start the last week in January. Julius asked where we are in tournament requests right now. Jeff reported we are already at 70-80% booked compared to last years. We have big upcoming events such as the HEB tournament, Taste of North Side, and the USGA Senior Qualifier. Jeff reported the OLLU event was cancelled because of lack of response and the Alamo Bowl was a success.

Michelle reported on Tennis. All of the programs started January 2, leagues have also started morning and evening. The Mabry and SAFTA tournaments are in February to help showcase the Club. Four new members were elected to the Tennis board. Ron

asked if we have done a power audit on the new lights? Michelle believes we have but needs to get with Kevin to review expenses.

The meeting was turned over to Rosalie to give an update on Clubs within a Clubs. Rosalie mentioned everyone had a great time the San Antonio Rose Live. She will come up with a date in March for the Shopping Club to take a trip.

Cindy Jones presented on the Ambassador Council because Mona Koonce was not available. She reported CWC is Friday and would appreciate everyone that can attend. The monthly meeting and Bootcamp will be next Thursday. They have added 4 new couples and 2 new single people.

Karen presented on the SWA, the meeting is next Friday and mentioned the annual dues are due at that meeting.

Milt reported all Men's Tennis leagues are on Monday and Tuesday and are full but there are still opening on Wednesday and Thursday nights.

Rhett reported the MGA tried to kick off the season last weekend but could not because of the weather, they will try again this weekend. They will have their first board meeting February 3 and three people will be coming off the board. There will be a tournament every month through November.

Margaret presented on the SWGA, they currently have 82 members. The first Board meeting is tomorrow and their schedule is set for the year.

Julius presented on the need to find a chairman for the Entertainment Committee and suggested Peter Wojcik. Julius believes he would be a superb choice for the position. Julius asked if everyone is ok with Peter as the choice he would contact him. Everyone agreed. Julius asked Ken what are the current capital improvements for the Club. He mentioned it was a question that came up with the cap fund conversation and he realizes that Sergio has not had a chance to review but the Board would like to know what is on the agenda for the Club's capital improvements. Sue mentioned the Board was never clear on what improvements were considered capital and which were for the cap fund.

Ken responded that the currently the only thing in place is a facilities plan which we are bound to in our note to the Club. We always strive to make changes and improvements before those dates. Cap funds and capital all come out of the same fund. Clubs create their own funds. GOP is off \$1 million from where we were headed. He would encourage the Board to not look at what the Club is going to do versus a capital fund. The facilities manager watches guidelines in our loans. The only in the loan for this year is to get caught up on the golf course and equipment leases. Julius asked Ken what are his thoughts on started a cap fund for the Club. Ken mentioned he would like to have a separate meeting and buy the group dinner to discuss the cap fund. He would like to take the group from talking about a cap fund to how to make it a reality. Ken mentioned all funds will have to come from the dues line. Ron referenced the cap fund agreement in 05

and mentioned that it will end this year. Mickey mentioned it is worthy to not that program was so successful it paid for itself.

Julius mentioned he will work with Ken and Sergio to set up a meeting for the Board to meet with Ken about the cap fund. Julius asked if there is any new business. Ron reminded the group of the 25th Anniversary and the events surrounding it. The note from Tetco due to members for the 25th Anniversary but the attorney that handled Sonterra could not find his notes. Mickey mentioned that he knows the attorney that acts as their outside general council. Cindy mentioned she has received some information and will for Julius the contact information for the Tetco reps.

Julius thanked Ken for coming and welcomed Sergio again. Ken thanked everyone for being member. Meeting was adjourned at 7:47 pm.