



The Club at Sonterra 2017 State of the Club Report

Dear Members,

As I reflect on the past 12 months, I'm reminded how far we've come. Although I believe there is always room for improvement, I am pleased in the overall direction of Sonterra. I'm constantly reminded that our club is more than its walls, it's the people, Members and staff, who make up Sonterra. The feeling of belonging and the obvious camaraderie are the cornerstones that make Sonterra what it is. This is how I gauge the overall success of our club. I'm happy to report that in 2016 Member utilization was up over prior year. Rounds played per Member were up as well as a significant increase in usage of our tennis courts, 19th hole and the main dining room during Member events. As I've stated many times before, our continuous mission is to always work on improving our services and amenities to our Members. This is not to say that we didn't experience our fair share of challenges this past year, however my staff has shown resolve in adapting to our ever changing landscape. This State of the Club report will highlight our successes, and our people, as well as give you a glimpse of what to expect over the next 12 months.

Membership

As always, it's necessary that I stress the importance of our most valued commodity, you the Member and the need for continued growth. Although year over year we have made progress, we are far from having a full roster of Members. Currently we have a total of 1667 Members comprised of 909 Golf, 353 Tennis and 405 Social/Dining Members. Of course we can never achieve our goal of full Membership without your continued support. Filling the Club with your friends, neighbors and business associates will be crucial for our continued success. Your referrals are key and will continue to be important as we strive to reach our goal of a full allotment of Members. To show our appreciation, CBIGG held its inaugural Member Sponsor Championship in Las Vegas this past October for the top 8 sponsoring Members from our club. It was 3 days and 2 nights of fun and relaxation. It was also a wonderful opportunity to meet other Members from the various CBIGG properties. The 2017 Championship will be held in Phoenix, AZ

at Moon Valley Country Club with accommodations at the Point Hilton Tapatio resort from October 26th – 29th. To learn more about this wonderful opportunity and the other various programs that we are offering, please call Julie at 210-483-4292 or email her at jgolla@clubatsonterra.com for more information.

We also recognize that a great source for New Golf Members are our existing Tennis and Social Members. To recognize you for your loyalty we would like to extend an offer to upgrade your Membership. That said, until the end of March **ALL Tennis and Social Members will be able to upgrade to Full Golf Memberships for only \$1,000.**

CAPITAL IMPROVEMENTS

I understand the need to continue to invest in our facilities is extremely important especially if we want to continue to compete in the San Antonio market. Although there is much to do, I also realize that we must take a systematic approach to how we spend our capital dollars on an annual basis. In 2016 there was a significant amount of capital spent here at Sonterra. These projects were not only necessary but I believe more importantly they were very noticeable to our Members. The most obvious was the South Course bunker renovation. Although there are many areas that need attention, the golf course continues to be our number one priority. This \$250K project which included changing out all the drainage, adding state of the art liners, reshaping of many bunker faces and the elimination of a few that were obsolete, has been well received by all. In addition to the South Course bunker renovation there have been other projects completed at Sonterra and although many of these projects were focused around repairing and maintenance, it's important to remember we will continue to work on all areas of the club in months and years to come. Over \$400,000 was spent here at Sonterra on projects that included:

- South Course bunkers renovation
- Re-surfacing of 6 tennis courts
- Remodel of the men's 19th hole
- A new 170 cart fleet
- Well water exploration and investment to increase ability to pump an additional 300K gallons/day
- New Kitchen equipment
- New Swim team starting blocks
- South Course pumps

We all can agree that there is so much more that needs to be done, some cosmetic and others geared toward sustaining our beautiful facilities, however the need to prioritize is important and we will work closely with the Board of Governors to identify those areas where future capital dollars should be spent, it is necessary that we have your input. That said, based on feedback that I have received from many of you, here are some areas that we've identified for 2017:

- Ivy Room renovations (Underway)
- Ladies Card Room renovations (Underway)
- Total overhaul of gym and fitness equipment – cardio and weight machines (Process Started)
- Tennis center court shade structure (Process Started)
- North Course Bunkers
- Retention Pond

This is not to say that we will not be investing significant dollars in other areas of the club, however I received the most request to consider these 6 items.

PEOPLE

The end of 2016 marked the 1 year anniversary for 7 of our 12 department heads here at Sonterra. Despite the long days and learning curves, each one of the clubs leaders have welcomed the challenges that comes with meeting and exceeding our Members expectations. The clubs team of professionals continue to work together to provide you with an atmosphere you have come to expect from your club. No matter the occasion, it's important to realize that none of the lasting experiences would be possible without the dedication and hard work of our team of professionals. A big thank you to all of Sonterra's employees for their support.

The newest member to our team is our Club Controller Heather Grant. Heather has worked in accounting for 25 plus years holding various roles as Office Manager, Business Manager, Operations Manager and Tax Accountant. She is currently attending Texas A&M – San Antonio in pursuit of her MBA. She's truly excited as she will be eligible to apply to take the CPA exam in May.

Next, our new Director of Golf, Bobby Haby comes to us from TPC San Antonio. Bobby has been in the golf business officially for the last 20 years. In fact, he grew up in the golf business. His father is a Golf Professional and he learned at an early age that it is more fun to hit golf balls than to pick them up. He was taught the values and rewards of hard work and integrity. During this time he developed a love for the game and the people associated with golf. Bobby became a Member of the PGA in 2009. His number one goal is continue to build his team in all areas of his operations in an effort to make every single experience here memorable.

The F&B team headed by our Director of Operations, Antonio Pastrana continues to work hard to raise the standards of the dining experiences in all outlets of our Club. With Executive Chef, Mario Roman, and his talented team of culinary professionals preparing the food, we have already begun hearing rave reviews. Making sure your special private events are memorable is our capable sales duo, Director of Catering Sales, Ivy Garza and Catering Sales Manager, Elizabeth Blair. And let's not forget about the fun events planned at the club! Member Relations Director, Debbie Gonzaba is responsible for spearheading the planning and execution of all social events at the Club. Other F&B leaders like Norma De La Garza (Sous Chef), Brenda Ponce (Service Director), Josh Longfellow (Co-manager 19th Hole) and new arrival Kristin Bley (Co-manager 19th Hole) are all dedicated to making sure your experience is what you have come to expect.

Heading up our membership sales team is Julie Golla and Summer Smith. Julie has an extensive sales background mainly focused on catering sales for both the private and public sectors. And although she went from Catering sales to Membership sales, she has shown that once a sales woman always a sales woman. Summer is new to the industry but is shaping up to be a fantastic Membership Sales Director of the future.

Running one of the most successful and more active tennis programs in the State, is our Director of Tennis Michelle Dodier. Michelle and her team are no doubt the best in San Antonio. As you already know, Sonterra's Tennis Membership continues to grow and I can proudly say this is a direct reflection of Michelle and her entire team focusing on the "Member Experience" every day.

Working together to keep our club clean and equipment running smoothly is our Club Engineer, John Voelker and Director of Housekeeping, Willie Lyte. Although their jobs are not always glamorous, I can assure you that both take a great deal of pride in the roles they play here at Sonterra.

Keeping our beautiful golf course in fantastic shape is Donny Latham, our Golf Course Superintendent. His attention to detail, willingness to go above and beyond, and his continued quest for perfection is apparent

as you drive around the course on any given day. These traits make me extremely proud to have him as a member of our team.

Helping you burn the calories from Chef Mario's kitchen is our Director of Fitness Tim Roberts. For 26 years Tim has been a high energy constant breath of fresh air in our Athletic facility. Not only does Tim help guide you to a healthier lifestyle but he also helps to work out those muscle aches and pains as he is a licensed massage therapist.

As with any organization the ability to succeed rests in the hands of its employees. In fact, our dedicated team of professionals has worked extremely well together, recognizing that we all must be willing to go above and beyond to achieve the ultimate goal of meeting your expectations. Our leadership team, despite having their own areas of expertise, continues to support each other in all facets of the operations. This is vital as we want each of you, our most active golfers, our avid tennis players, our swimmers, our most frequent diners all, to fully enjoy your Club!

We are also extremely fortunate to have a group of dedicated Members who comprise our Board of Governors, Ambassadors Committee, Greens Committee, MGA, SWGA, and our Tennis Advisory Board. These Boards and Committees are instrumental in helping us achieve our goals by communicating Member feedback on a regular basis, and providing the support and guidance necessary for us to work together in the best interests of the Membership at large. Each individual has shown their support and commitment to the well-being of Sonterra. Our Board headed by arguably the best board chair in San Antonio, Ron Botello, have all done an incredible job keeping me informed as well as counseling me in all things Membership. I would like to say thank you to the following Board Members from 2016:

Ron Botello – Chairman

Sue Colburn – Past Chairman

Stan Hester – Vice Chair

Carol Churchill – SWGA President

Todd Fields – MGA President

Bill Braden – Tennis Board Chairman

Gina Graham – Ambassadors Chairwoman

Stephanie De La Garza – SWA President

John Deloach

Rosalie Hallenberger

Gordon Hudson, PH.D

Rita Parscale

Bob Musel

Milt King

Vick Meredith

Without you all I truly could not do my job. I realize that the roles you all play seem thankless at times but I can assure you that my team and I appreciate you all more than you know.

OPERATIONS

As I said in the February's *Message from the Manager* in the newsletter, Sonterra is a very unique club with endless possibilities. Not only do we have 36 holes of challenging golf, one of the largest tennis facilities in this part of Texas and a clubhouse that is absolutely gorgeous, we have the best and the proudest Membership in town. As Board Chair, Ron Botello said at our most recent board meeting, "Are we perfect? No, but boy I tell you, when you travel to other properties here in town and away from San Antonio, you develop an appreciation of what we have here at home. There's no place like Sonterra". I agree 100%. I've worked in the private club business for 25 years and Managed clubs for over 17 years and I am so proud to call Sonterra my home. That's why I make it a priority to build on the successes while striving to improve our overall quality of food and service, our facilities, amenities and of course our golf courses. This year we have begun to focus heavily on the things you said are the most important. Things like touch up painting, tree trimming around the perimeter of the clubhouse and small but noticeable repairs to name a few.

Additionally, I'm pleased to announce with the help of several of our Members, the city of Hollywood Park and the Club at Sonterra have agreed to put in an access gate from the community onto the South Course. This has been a long process but this will allow many of our long time Members to now have the ability to use their private carts when playing golf. The gate is slated to open as soon as the new community park construction is completed in April.

As I've said many times before, with your help our Membership will continue to experience growth, and while this will benefit our Dues Line, it is crucial that we achieve a full complement of Members so that the Club can continue to thrive. While continuing to grow our Membership is the most important single task ahead of us, for us to maintain our progress and continue to improve our operations we need to recognize the reality of ever-increasing costs. Utilities, insurance, food staples, fertilizers and chemicals, as well as employee wages, continue to rise faster than our current growth. We have implemented several aggressive initiatives to help control these core costs, however we cannot overcome increasing costs of our health insurance, or the ongoing increases to our utility bills. Due to these aforementioned factors we are implementing small annual dues increase. Effective March 1st, you will see a 3% dues increase reflected on your statement.

I'm truly excited about the future of Sonterra and although there is always room for growth, we have come a long way in the short time that I've been here. To be part of something so special and to have been able to form so many lasting relationships is something that every Club Manager strives for and I am truly honored to have been able to do just that. As I said before none of our success would have been possible without your unwavering support of the club and for that, I say thank you! As we begin our journey into the next 12 months, your help is "The" key as we take Sonterra to the next level in becoming one of the Premier Private Clubs in San Antonio!

Sincerely,

Bryant Early

General Manager