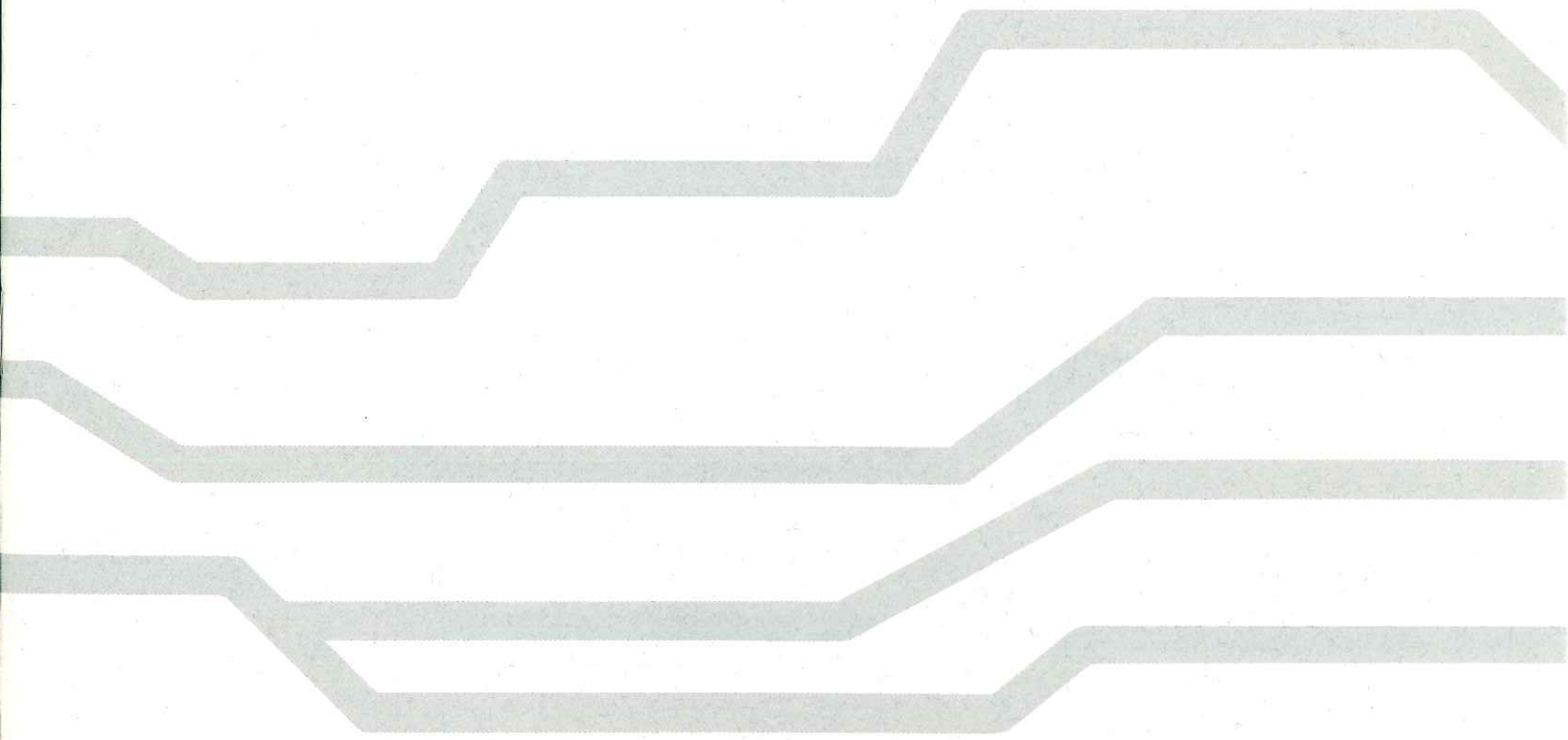


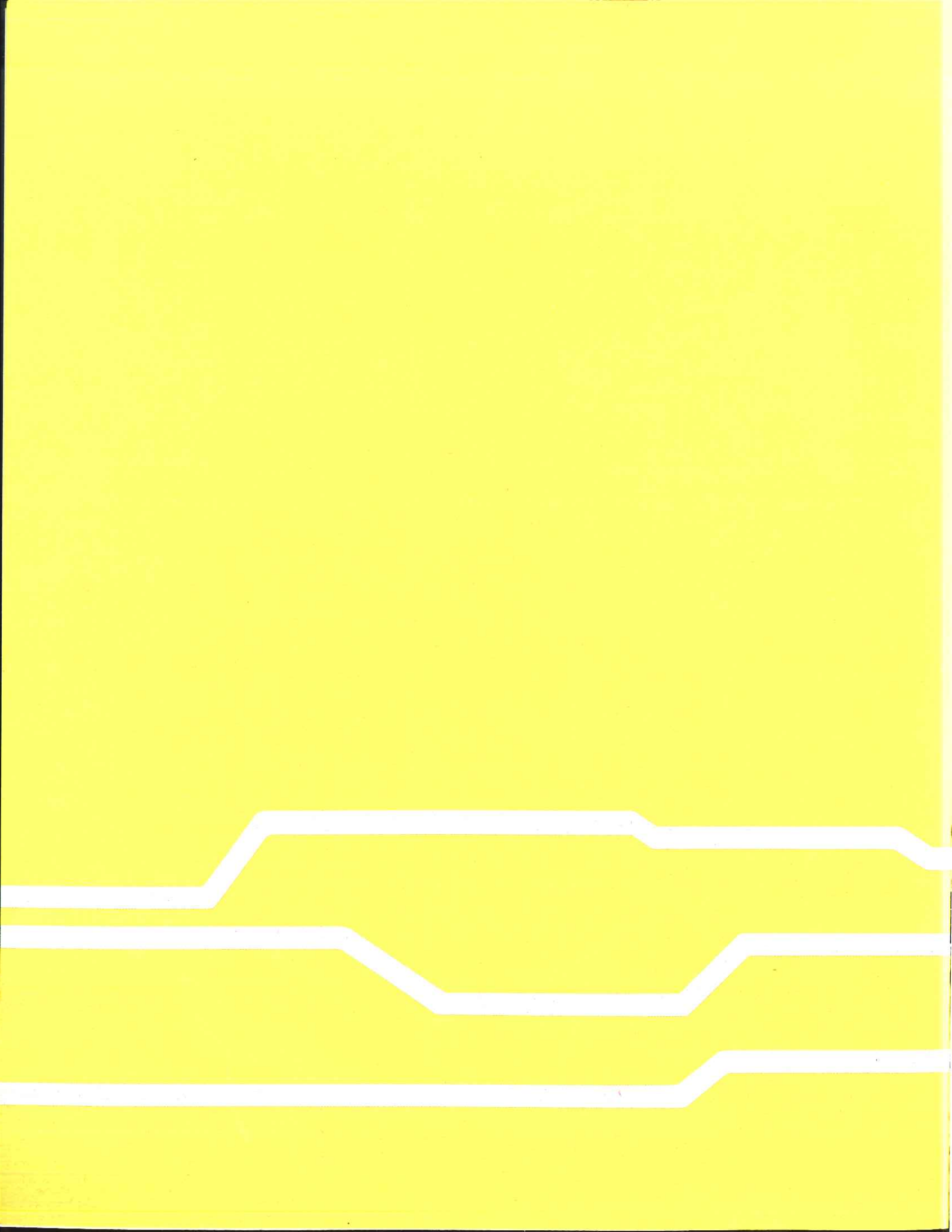


Kah-Neeeta

1 9 8 7

A N N U A L
R E P O R T





Mission Statement

Kah-Nee-Ta is an enterprise of the Confederated Tribes of the Warm Springs Reservation of Oregon. It was built to serve as a vacation resort, as well as a hub for the Tribes' recreational development.

When the Tribes opened the resort for business, they hoped to accomplish three simple, but very important objectives. Over the years, those objectives have not changed:

1. Maintain a quality facility of which the Tribes can be proud.
2. Provide Tribal Members with employment and training opportunities.
3. Secure an optimum economic return for the Confederated Tribes.

Kah-Nee-Ta's primary mission is to contribute directly to the overall Tribal mission of creating and maintaining a healthy reservation economy that provides needed services and creates employment and business opportunities for Tribal Members.

Today, Kah-Nee-Ta is best described as a unique conference and family-oriented destination resort. It provides a natural, casual environment for relaxation and education.

To achieve its mission, Kah-Nee-Ta is dedicated to providing excellent hospitality services in an atmosphere conducive to a positive guest experience, achievement of employee goals, and an equitable return on the Confederated Tribes' investment.

Kah-Nee-Ta's performance in these areas will be judged by its guest comments, employee morale, maintenance of the property, and the financial results of its operation.

*Drafted by the Kah-Nee-Ta Board of Directors
April 1987*

Board of Directors



◀ **Michael Clements**
Chairman

Michael Clements has long been involved in the activities of the Confederated Tribes. This is his third year as Kah-Nee-Ta's chairman of the board; his ninth as a board member.

Under his leadership, the board has gradually assumed a more active role in Kah-Nee-Ta operations, and the results have been gratifying.

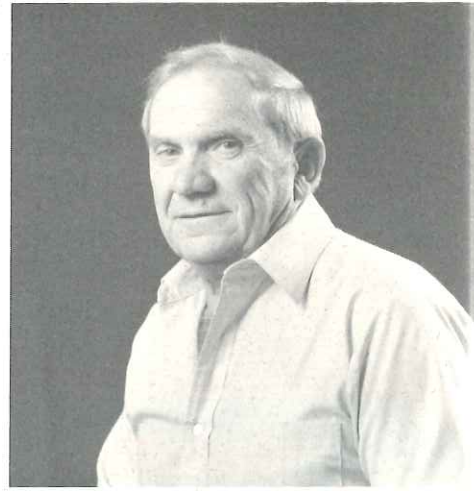
Clements also serves the Confederated Tribes as assistant secretary-treasurer.



◀ **Robert Hull**
Secretary-Treasurer

Robert Hull is president of Robert Hull & Associates, Inc., a hospitality-management consulting firm based in Eugene, Oregon. This is his fifth year as Kah-Nee-Ta's treasurer; his ninth as a board member.

Hull's 37 years of experience in the food, beverage and lodging industry include thirteen years as senior vice-president of the Village Green Management Corporation. He also helped develop several hotels in Hawaii and the Pacific Northwest, and managed Oregon's first luxury resort, the Village Green Resort Hotel.



◀ **Levi Bobb**

Levi Bobb has served on the Kah-Nee-Ta board of directors since its inception in 1979.

A member of the Warm Springs Tribe, and resident of Warm Springs, Bobb is a training specialist. In the capacity of Confederated Tribes education director, he advises young people on how to continue their education, either in the classroom or through on-the-job training.



◀ Kathleen Foltz

Kathleen Foltz has been a member of the Kah-Nee-Ta board for four years.

A member of the Warm Springs and Wasco Tribes, she was born in Warm Springs and served for years as Confederated Tribes credit manager and loan officer.



◀ Gordon Shown

Gordon Shown, a native Oregonian whose family moved to the state in the 1880's, has done business with the Confederated Tribes for nearly 30 years.

He previously spent 35 years with the Chevron Oil Company and was the area jobber before assuming his new duties as commissioner for Jefferson County.

◀ Clyde Purcell

Vice Chairman

Clyde Purcell is now serving his fourth year on the Kah-Nee-Ta board of directors.

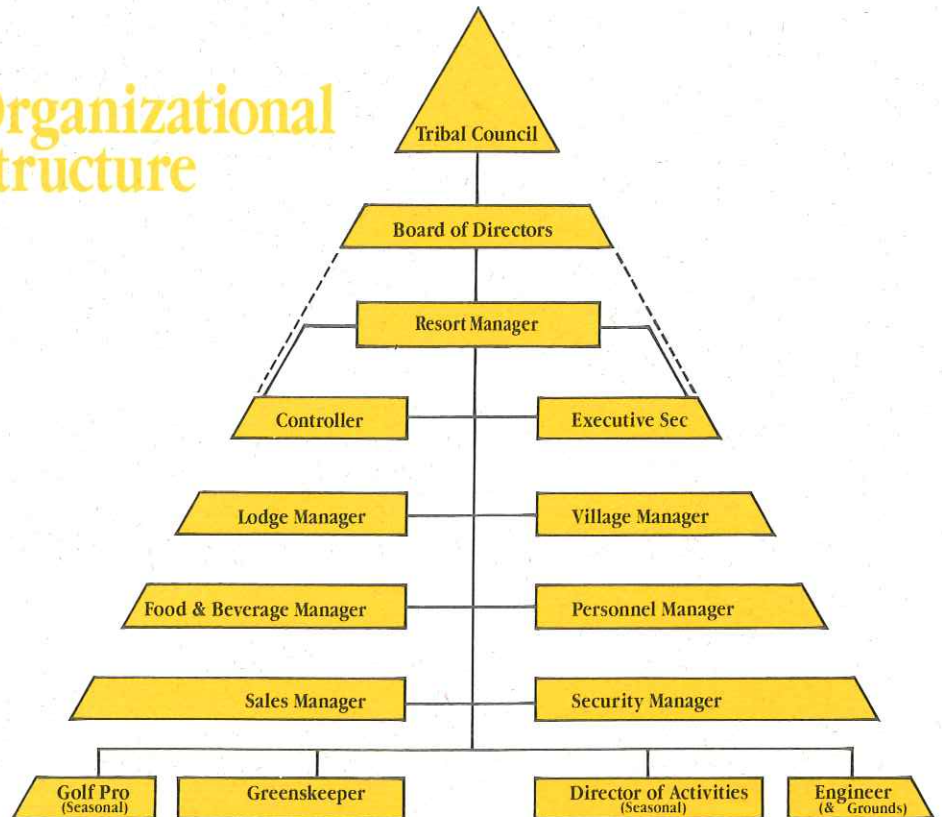
His work in the building industry, and his experience as part-owner of the highly successful Riverhouse hotel-restaurant complex in Bend, make his contribution to the board an invaluable one.

◀ Zane Jackson

Zane Jackson, a member of the Wasco Tribe, has been on the Kah-Nee-Ta board of directors since its inception in 1979. He is a long-time member of the Tribal Council and currently serves as its chairman.

He has also served as a board officer numerous times, including chairman from 1981 through 1984.

Organizational Structure



Message from the Chairman

1987 has been another busy year for the board. We have kept our schedule of monthly meetings with resort management and have met the timeline for a number of annual goals, including the completion of Kah-Nee-Ta's charter and mission statement.



Three committees were formed to add continuity to resort activities:

1. Cultural Committee. To guide the board in communicating and cooperating with the community, and to build the Warm Springs character into the guests' experience.
2. Long-Range Planning. To assure compliance with the master and long-range plans for the resort.
3. Golf Committee. To help the golf pro increase travelers' awareness of the course, make it a top-level facility, and oversee the master plan for future golf-course improvements.

Another major achievement this year was the completion of our marketing plan, with addi-

tional research identifying the resort's principal and secondary marketing areas. We also continued working with the Central Oregon Recreation Association, the Central Oregon Governmental Council, and the Central Oregon Economic Development Council, helping to increase tourism in our region.

Our resolve to employ more of our people at Kah-Nee-Ta is showing results. Tribal Members now represent 35% of our staff and management. Training and educational programs continue to produce good results, with an ever-increasing number of guests commenting on the high quality of food and service. Training of local staff continues as a high priority.

Advertising, promotions and sales continue as a primary interest of the board of directors. Success in this area is shown by an increase over 1986 figures of +16% in the category of free and independent travelers and +17% in group business. We expect to reach even higher goals set for 1988.

An activity coordinator has been added to provide a wider variety of resort activities. He will work closely with the cultural committee to make sure more guests fully enjoy the unique Kah-Nee-Ta experience.

Our new director of sales, Norman Edwards, has over twenty years of experience in the hospitality industry, and expects to significantly boost our group-and-convention revenues.

Finally, we're happy to report that the resort's beautification efforts and increasingly professional service have been great strides toward helping us achieve a break-even cash flow by 1989.

Michael Clements
Chairman

Long Range Plan

To fulfill its commitment to both the Confederated Tribes and the marketplace, Kah-Nee-Ta must continue maturing as a destination resort. The following long-range plan—developed by the resort management and the board of directors—will guide us in our efforts.

Planning

1. Research potential sources of funding and planning-assistance.
2. Prepare a ten-year master plan for the resort, emphasizing land-use and guest amenities.
3. Initiate an energy conservation study for expanded use of the hot-springs water, new energy-control equipment, and solar-heating systems.
4. Explore potential affiliations.

Operations

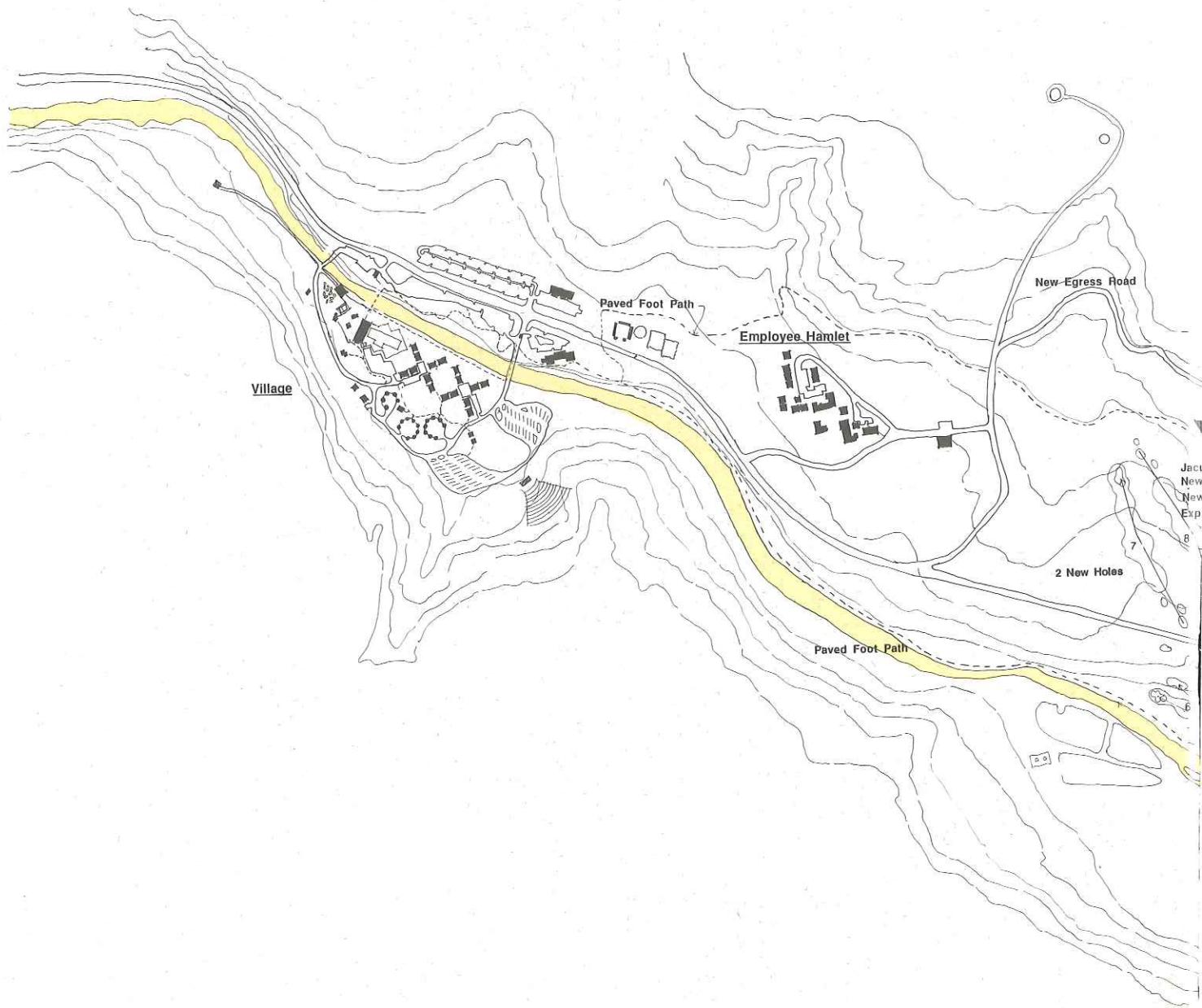
1. Improve communications with the Tribal Community.
2. Provide the Tribal Council with more accurate budgets and financial projections.
3. Refine Tribal Member recruitment programs and increase Tribal Member employment, especially in supervisory and management positions.
4. Implement the resort's comprehensive marketing program.

5. Create activities and programs—with the help of the culture committee—to improve community relations and enhance the unique Indian character of the resort.
6. Continue both the formal and on-the-job training programs.
7. Review, revise, and improve all operating policies and procedures.
8. Develop preventive maintenance programs for the grounds, facilities, and equipment.
9. Maintain organized social and recreational programs for guests.
10. Achieve optimum quality guest-amenities and services.
11. Sustain a comprehensive capital-improvement program to overcome Kah-Nee-Ta's weaknesses, enhance its strengths, and provide better continuity in the resort's operations.

Refurbishing and New Facilities

The long range plan also includes refurbishing projects and new facilities too numerous to list in this report. They range from a computer system for accounting, reservations, and the front desk, to hot tubs, tent sites, a water slide, dormitories, an indoor swimming pool, and an archery range. Many of these are described and illustrated in the Architectural Development Plans section.

Master Plan



Architectural Development Plans

Kah-Nee-Ta's master plan for long-range development is extensive.

In the first phase, we will add 54 hard-surface RV parking spaces at the village. At the golf course, we will add a shooting range for both skeet and trap.

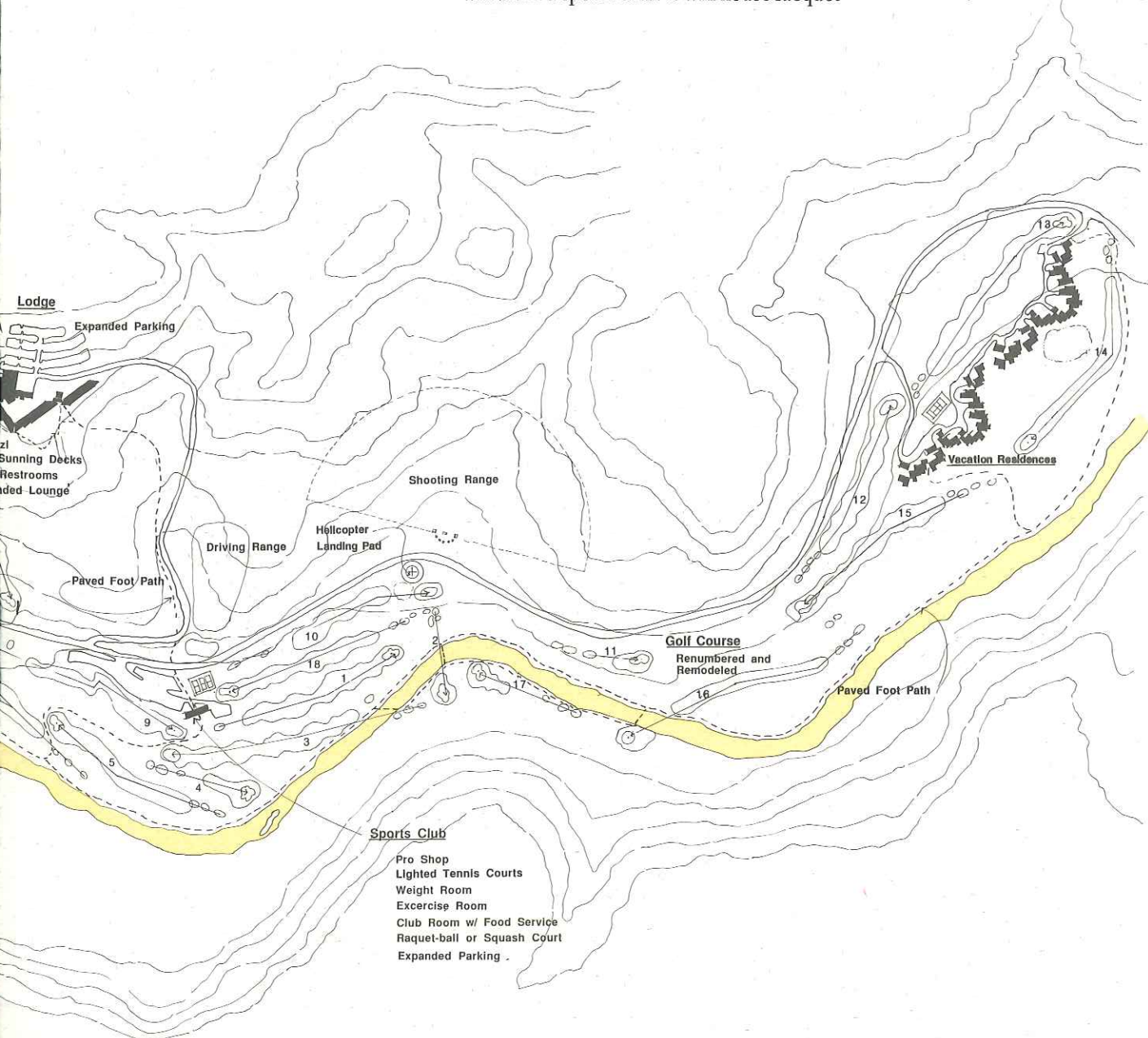
Improvements during the second phase will include a new village restaurant and registration building.

Fourth phase improvements at the village will begin with a new gas station, convenience store and crafts shop. At the golf course, we will build a sports club. It will house racquet-

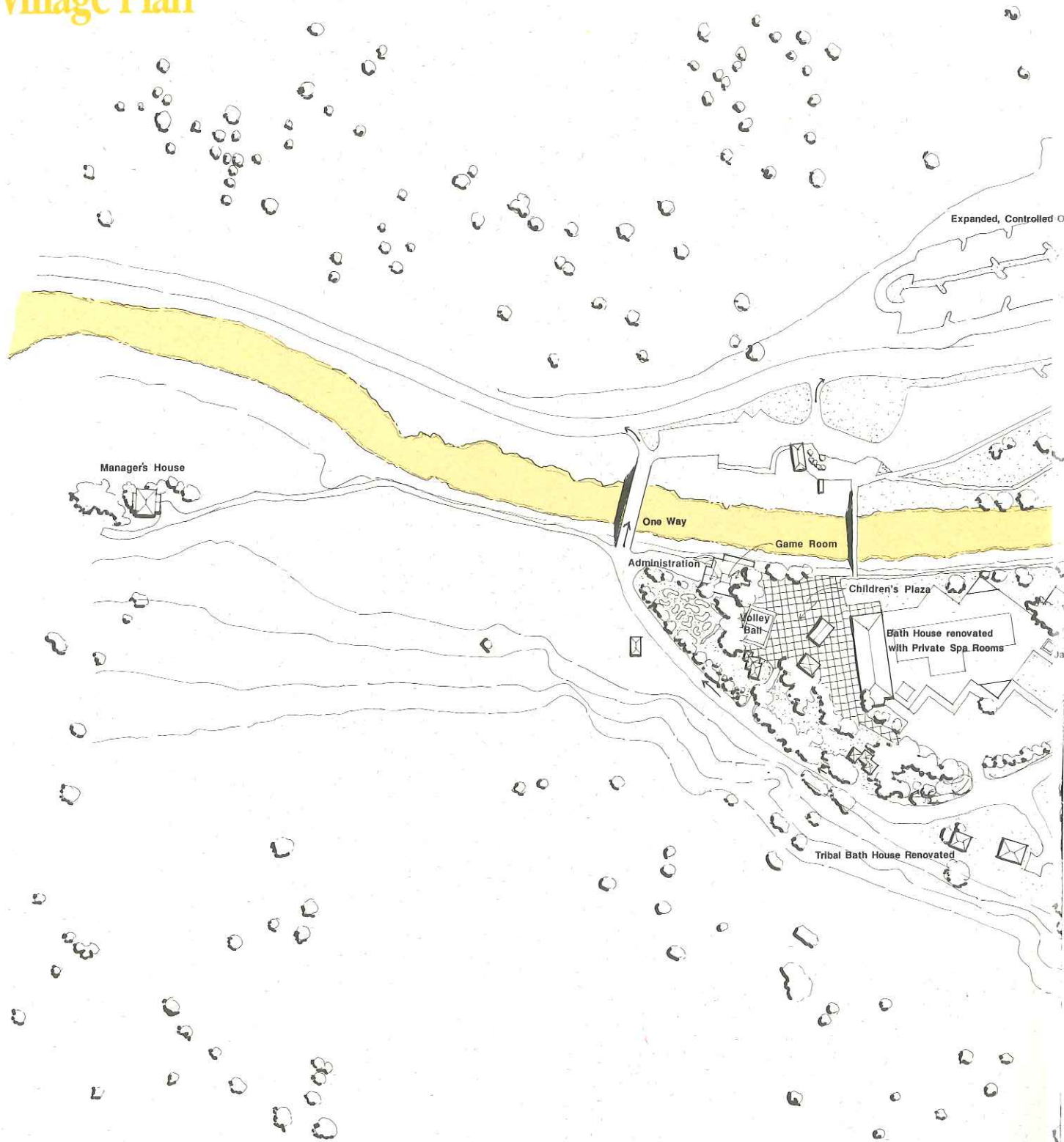
ball and squash courts, a weight room, an aerobics room, and food services. Across the street we will add a driving range, another tennis court, and lighting for all the courts.

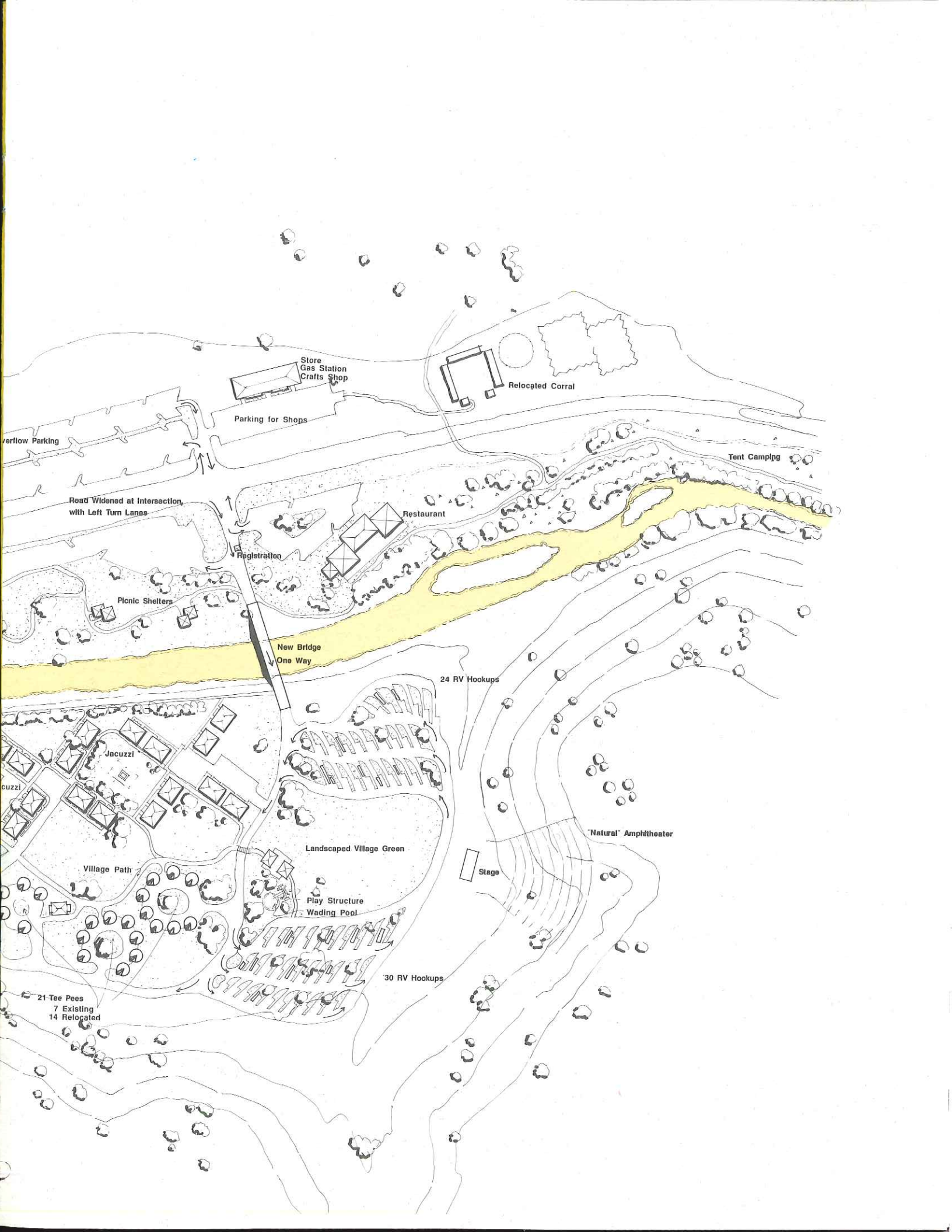
The fifth phase calls for sixteen new cottages, an outdoor amphitheater and stage, and central maintenance facilities. We also hope to add a helicopter pad, remodel the golf course, and build condominium vacation residences.

These and other improvements are illustrated in the drawings below. The final phasing and ranking of each project will take place after we study our needs, the costs involved, and the availability of funds.



The Village Plan





Store
Gas Station
Crafts Shop

Relocated Corral

Parking for Shops

Tent Camplog

Road Widened at Intersection
with Left Turn Lanes

Restaurant

Registration

Picnic Shelters

New Bridge
One Way

24 RV Hookups

Jacuzzi

Landscaped Village Green

"Natural" Amphitheater

Village Path

Stage

Play Structure
Wading Pool

30 RV Hookups

21 Toe Pees
7 Existing
14 Relocated



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