

AGENDA
BOARD OF TRUSTEES - L.L.C.C.
MAY 15, 1993
9:00 A.M.

1. ROLL CALL
2. APPROVAL OF MINUTES - April 17, 1993
3. FINANCIAL REPORT - Jim Joseph
4. CONSENT AGENDA:
 - A. GREENS COMMITTEE
 - B. LAKE - DAM COMMITTEE
 - C. MAINTENANCE COMMITTEE
 - D. NOMINATING COMMITTEE
 - E. ARCHITECTURAL COMMITTEE
 - F. COMMUNITY SUPPORT
 - G. LONG RANGE PLANNING COMMITTEE
 - H. INN COMMITTEE
 - I. WATER COMMITTEE
 - J. FINANCIAL ADVISORY

ITEMS FROM CONSENT AGENDA:

1. GREENS
 2. MAINT.
 - 3.
 - 4.
 - 5.
 - 6.
5. EXECUTIVE COMMITTEE:
 - A. Subordination Agreements
 - B. Bad Debts
 - C.
 6. OLD BUSINESS:
 - A. Septic System
 - B. Spires - Drainfield
 - C.
 7. NEW BUSINESS:
 - A. Time Frame - Pro Shop
 - B. Security
 - C. RENTERS MEMBERSHIP
 8. COMMENTS FROM MEMBERSHIP
 9. CORRESPONDENCE
 10. EXECUTIVE SESSION - ~~Employees~~
 11. ADJOURN

**LAKE LIMERICK COUNTRY CLUB, INC.
E. 790 ST. ANDREWS DRIVE
SHELTON, WA 98584
(206) 426-3581**

**BOARD OF TRUSTEES
MINUTES OF**

MAY 15, 1993

LAKE LIMERICK COUNTRY CLUB, INC.
BOARD OF TRUSTEES
MAY 15, 1993

The meeting was called to order by President Scott Carey at 9:00 a.m. Trustees attending: Pat Feist, Sharon Haworth, John Hocker, Robert Johnson, Jim Joseph, Phil Lalle, Betty Malloy Braget, Nan Stricklin, Talitha Waldron, and Al Wilson.

Motion made by Tr. Jim Joseph, seconded by Tr. Phil Lalle and carried by the board as follows:

To approve the Minutes of April 17, 1993 as presented.

President Scott Carey would like to welcome the new members to the Board of Trustees.

Motion made by Tr. Phil Lalle, seconded by Tr. Jim Joseph and carried by the board as follows:

With the advice and consent the board approves the appointments of the following committee chair-persons: Greens - Pete Villa, Lake/Dam - Carolyn Soehnlief, Maintenance - Scott Carey (interim), Nominating - Mary Lou Troutman, Architectural - Pat Feist, Community Support - Sharon Haworth, Long Range Planning - Jack King, and Inn Committee - Dick Lombard (interim).

FINANCIAL REPORT: Jim Joseph

Jim reviewed the financial reports. He will aide and assist the chair-persons in setting budgets next month for the fiscal year 1993-1994. Each month he will be discussing the budget reports for the various departments. A new department was added, titled Septic, Pro Shop, and Inn ADA. Bingo was also addressed, noting there is a new Bingo Manager.

Scott introduced the new Maintenance Supervisor to the members, Mr. Steve Morley.

Motion made by Tr. Phil Lalle, seconded by Tr. Sharon Haworth and carried by the board as follows:

To approve the Consent Agenda of May 15, 1993 as amended.

Consent Agenda Item 1. Greens Committee.

Scott noted Dennis Boelk has been moved to supervisor of the greens.

Consent Agenda Item 2. Maintenance.

Steve Morley has been hired as the new maintenance supervisor. Scott would like to thank Jim Joseph and Jerry Soehnlief for their help with the interviews.

Both Dennis and Steve are subject to the 90 day probationary policy.

EXECUTIVE COMMITTEE:

A. Subordination Agreements: The By-Laws of Lake Limerick Country Club, Inc. ARTICLE VIII - ASSESSMENTS - Section 4. "The requirement to pay dues and assessments is a lien upon each lot within the development, prior to all other liens, regardless of the status of any account for the same." Lending agents have been requesting a subordination agreement from the Lake Limerick Corporation which means the lending agent is in first place as lien holder, not Lake Limerick.

In the past the executive committee has gradually developed a number of reasons to allow it to subordinate, such as purchase money loans, refinancing for a better rate, and most recently refinance agreements with equity advances of up to 10%.

Jim Joseph polled the Executive Board on May 3, 1993 to amend the current subordination agreement to read as follows:

It is expressly understood and agreed that any amounts advanced by Lender to Owner, secured by the security instrument referenced above, shall be used as purchase money, to be expended for purposes of improvement of the subject property only: for refinancing loans associated with the foregoing in order to secure a more favorable rate of interest: and for equity advances, to be evaluated on a case-by-case basis, where sufficient equity remains in the members interest in the subject real property to reasonable protect the interests of Lake Limerick in collecting its dues, assessments, and other costs.

The above amendment gives the members more flexibility but still protects Lake Limerick in its collections of dues and assessments. It must be stressed again, Lake Limerick does not wish to be privy to the confidential finances of it's members.

Motion made by Tr. John Hocker, seconded by Tr. Tillie Waldron and carried by the board as follows:

The question regarding the subordination agreement be tabled until such time as all of the known pros and cons have been studied further, and that it comes back to the board of trustees.

B. Bad Debt: Scott briefly reviewed the letter to Robert Wilson-Hoss, dated 1/15/93, regarding the policies of "legal counsel authorization to negotiate bad debts not in excess of \$700.00 after all reasonable efforts to collect the full amount are exhausted ." The decision of the Executive Board was to rescind this authorization.

Motion made by Tr. John Hocker, seconded by Tr. Betty Malloy Bragget and carried by the board as follows:

To send a letter to the club attorney to rescind his authority to reduce bad debts and in case of eminent foreclosure the board will be notified.

OLD BUSINESS:

A. Septic System -

Motion made by Tr. John Hocker, seconded by Tr. Sharon Haworth and carried by the board as follows:

To proceed with negotiations for a ten year lease with Kenny Frank at a cost of \$2,000.00 (\$200.00/year for 10 years) and renewable every ten years pursuant to a final review for a drain field on his property.

Scott will poll the board when the final contract documents are completed.

Motion made by Tr. Pat Feist, seconded by Tr. Nan Stricklin and carried by the board as follows:

To award Stuth Company Inc. the bid for the design of the septic system for \$2,000.00.

B. Spires - Drain field

Mr. Spires of Div. 2 lot 175 is again asking for permission to place his drain field on the fairway. Rob sent him a letter asking if he has an actual design.

C. Old Lyme Park - It was noted the park needs fixing, some trees need to be removed, general maintenance, and there is no playground equipment for the children. Scott will be in contact with Tillie for a volunteer group on the general clean up.

NEW BUSINESS:

A. Time Frame - Pro Shop

The Ad-Hoc Committee will review the schedule with the Financial Committee.

B. Security - The proposal to increase the number of nights by Brian of PPS Security was reviewed. He is presently scheduled for 2 nights per week at 8 hour shifts and 1 night at a 6 hour shift. Brian will contact Mason County Sheriff's department to see if incidents have been reduced since his patrolling. We are still going to have him do the beaches during the weekends this summer from the Dam/Lake budget.

C. Renters Memberships - Sharon Haworth discussed the 7/18/87 approved renters membership. On March 18, 1988 the fee was increased to equal the annual assessment. This would allow the bearer to use all the facilities but boating over 8 mi./hr. The owner of the property will pay the fee, sponsor and be responsible for the renter membership. This package was to have a one year trial period, but was not reviewed the following year.

Motion made by Tr. Jim Joseph, seconded by Tr. Robert Johnson and carried by the board as follows:

To table the renters membership, have Scott appoint two people to analyze it, and make recommendations to the Executive Board.

COMMENTS FROM MEMBERSHIP:

Wally Barker talked about the parade and the need for two people from PPS to control the traffic. The Grand Marshal will be Ken Frank. Wally will go to the Inn Committee and request 2 free dinners as first prize for the decorated golf carts. He also asked for 2 Lake Limerick coins for second prize. Betty Dean will be the golf cart parade coordinator and Bill Buff will do the judging. It was suggested Wally go the various committees to see if they would like to participate in the parade.

Bob King noted that the Inn Committee had discussed combining the Lounge and Restaurant budgets, but Jim Joseph said this would have to be run by the accountant first before further reviewing.

Jack King proposed to give Ken and Kitty Frank complimentary meals when they come to the Inn as a thank you for all they have done for the Club. It was recommended this be reviewed by the Inn committee and that they bring it to the Board for approval.

There is a caged Rottweiler dog too close to No. 5 fairway. Several people voiced their fear and complaint. The Secretary and the Architectural committee will draft a letter to the property owner and renter.

County Commissioner Faughner is trying to establish a Mason County leash law and has asked for letters in favor of the proposal. Phil will write one from the Club.

CORRESPONDENCE -

Sharon Haworth read a letter from the Search and Rescue about their benefit at the Fairgrounds June 21, 1993.

Motion made by Tr. John Hocker, seconded by Tr. Jim Joseph and carried by the board as follows:

To donate \$100.00 to the Search and Rescue directly (not for tickets).

Sharon will send them a letter.

Motion made by Tr. John Hocker, seconded by Tr. Phil Lalle and carried by the board as follows:

To adjourn the meeting at 11:45 a.m.

Respectfully submitted,
Sharon Haworth, Secretary

July 18 '87

Motion by Tr. Wilson-Hoss, second by Tr. Stricklin, with opposing vote by Tr. Gronseth, was carried by the Board as follows:

To reduce the annual fee for social memberships to \$25.00; to institute a second category, extending the existing social membership to allow use of the lake and accesses by renters only, for an annual fee of \$50.00, effective September 1, 1987.

Tr. Gronseth registered objection, citing the Lake Regulations which limit the lake to members' boats only.

The Executive Committee is charged with putting together a policy with regard to renters, to be published in the Newsletter..

The practice of member sponsorship for all social members will be continued.

A problem of out-of-bound stakes on the golf course has come up. The property in question can be measured by a tape, using the county map to arrive at correct location for the stakes.

MAINTENANCE- GEORGE OLSON.

George questioned the follow-up maintenance to be done after the lake cleanup project has been completed, and will coordinate with the Lake Committee regarding this work.

President Soehnlein commented that he continues to see improvement as a result of the efforts of the Maintenance Committee.

EXECUTIVE COMMITTEE- JERRY SOEHNLEIN.

One sealed bid has been received on the club owned lot sale. Transfer of ownership will be handled by attorney Wilson-Hoss. This committee will discuss the remaining lots in this offer, and try to come up with a recommendation in the matter.

Review of the club personnel policy indicates the need for some revision before September. There is no written policy for overtime; holiday pay should be on a more equitable basis.

Lake Leprechaun must not be excluded in efforts with regard to lake restoration.

Recommendation was made to utilize the security guard on at least two more occasions this summer, within budgeted limits. In further discussion, President Soehnlein commented that the

approved. Tr. Pelk discussed a mobile home on Division Five, Lot 103 which had been placed without application to the committee. The lot is still in a mess. A letter was sent and any improvement is minimal. Other lots were discussed about their conditions. Tr. Pelk reported that a committee will be formed to discuss the possibility of allowing new mobile homes only in Divisions Four and Five.

WATER COMMITTEE - President Jerry Soehnlein

The new computers have been proven and are now replacing the old ones. Well #6 is being developed to guarantee and register the water rights.

EXECUTIVE COMMITTEE - President Jerry Soehnlein

Discussion of a renters social membership package was brought to the Board. This package would include social functions and use of the Restaurant and Blarney Room at the Clubhouse, use of the tennis courts, use of the community beaches, lake access and boating (not to exceed 8 M.P.H.). This membership would not include voting privileges, water skiing on the Lake or green fees discounts.

Motion made by Tr. Thompson, seconded by Tr. Pelk and carried, with Tr. Wilson-Hoss, Tr. Rumberger and Tr. Olson opposing, as follows:

A renter's social membership would entitle the bearer to the owner's discount to both the Annual and Daily Green Fees.

This membership would be a fee of \$135.00 (or what the annual assessment is) and be expired from one year from the purchase of the membership. The owner of the property will pay the fee, sponsor and be responsible for the renter membership. The membership would be voided as soon as the tenant no longer rents from the owner. This membership package is to have a one year trial period and be reviewed next March.

Motion made by Tr. Thompson, seconded by Tr. ^{Not in '89 mins} and carried, with Tr. Stricklin opposing, as follows:

To accept the renters social membership administrative policy as written.

Notification of the availability of this type of social membership will be in this Newsletter.

YOUTH COMMITTEE - President Soehnlein

The proposed bus shelter at the fire station will be brought before the meeting of the Fire Commissioners for approval.

NEW BUSINESS

The Annual Meeting Agenda will be as follows:
Introduction of the Board of Trustees
Introduction of the Committee Chairs - 5 minutes
Introduction of the Candidates - 3 minutes
Presentation on the dam

Executive Meeting
May 8, 1993

Attending: Scott Carey, Nan Strickland, Jim Joseph, Dave Best, Sharon Haworth. Other members attending were: Bob King, Bob Johnson, and Betty Braget.

Chairpersons :

Greens: Pete Vella

Inn:

Lake Dam: Carolyn S

Long Range: Jack King

Nominating:

Arctetual: Pat Fiest

Maintenance:

Septic: Design contract was awarded to Stuth Co. The contract was reviewed by Rob Wilson-Hoss and signed. The amount will be \$2,000 to \$5,000. It is felt that it will come in on the low end. We will meet with Kenny Frank to discuss the possibility of placing drain field on is land adjacent to the green on 2.

Security: Lake Dam will pick up weekends and Beach patrol over the summer. After discussing the options offered by Brian we decided to table any decision until it can be resur as to how effective his presence has been in lowering crime and vandalism in the community. Sales tax has now been expanded to include services of Security Patrols so it will have to be included in the contract when we make that decision.

Bad Debt: Review was made of the current procedure for collection on unpaid assessments.

There is a series of letters that are sent to anyone who is late. Every effort to collect will be made. If no progress is made it will be turned over to Rob to arrange a contract for payment. A letter will be sent to Rob recinding prior agreement to allow him to write off any unpaid assessment. This will be approved only by the Board on a case by case basis.

Subordination Clause: This was changed to allow members more flexibility to use their money as they see fit. As long as sufficient equity remains to allow L.L. to collect unpaid assessments.

Jim Carey
..... of Capital Improvements will be done from Reserves as needed. Interest is so low on the savings accounts that it is better to do this than secure a loan.

Ball Field: We will need \$10-15,000 to get the field to the point of grass. We will discuss how to fund at the Board meeting. Jim will put together a proposal.

Executive Session: Personnel

Dennis Boeld was promoted to the position of Head Greens Keeper: This was based on his experience and the recomdation of Bill Carey. His wages will be increased from \$8.75 to \$9.50 until Sept. 1, 1993 and then to \$10.00 after this probation period.

Maintenance Supervisor: Scott and Jim interviewed last night and will interview remaining applicants an Monday. Those selected will be interviewed a second time. We will request that Jerry also attend this interview is possible. The person selected will start at \$11.50 and go to \$12.00 Sept. 1, 1993 after a probation period.

*cc Board - 12
6 - Lake Committ. posted
minutes Bd 5-4-93*

Aquatic Herbicide Application Public Notice

*Houses on
Lake
close to
Lake.*

Lakes Limerick and Leprechaun will be treated with aquatic herbicides on/or between May 15-May30, 1993. This will be the first of four or five treatments this summer.

Attached is a map of the areas to receive treatment.

Notices will be posted at the shoreline and on buoys (in some cases) next to the treatment areas on the day of treatment as specified in our treatment permits. They will also be posted at all boat launches on the waterbody within 1.5 miles of the herbicide treatment area and posted at public access areas within 0.25 miles of the herbicide treatment area. Notices of copper treatments will be posted at public access areas.

The herbicide(s) and active ingredient(s) to be used are:

Sonar (Active Ingredient is Floridone)
Aquathol (Active Ingredient is Endothol)
Copper (Active Ingredient is Copper)
Rodeo (Active Ingredient is Glyphosate)

Please obey the following water use restrictions within the marked treatment areas:

Sonar Treatments: No use of water for irrigation for 7 Days, water should not be used for drinking within .25 miles of the treatment area.

If this is your only source of domestic or irrigation water, notify the applicator and Ecology by calling the phone numbers listed below.

Herbicides to be used, there water use restrictions, and the dates and locations of treatments for the remainder of the season are:

On/Or between June 1 and June 15, **Aquathol Treatments:** No use of treated water for domestic purposes for 35 days, no use of water for swimming for 8 days, no use of water for irrigation for 14 days, no consumption of fish taken in treated areas for three days.

On/Or Between June 25 and July 4th, July 20 and July 30, August 20 and August 30, and September 5 and September 10: **Copper:** No Restrictions on Water Use Note, copper treatments are made for algae control and we will be spot treating between these dates areas that are infested with this problem species. There are no restrictions or posting requirements for these treatments on private property.

On/Or Between July 20 and July 30: **Rodeo:** No Restrictions on Water Use, water should not be used for drinking within 0.5 miles of a treatment area.

For more information, contact the applicator at 206-754-3460. This herbicide treatment is regulated under permits issued by the state Department of Ecology Water Quality Program, 206-586-5553. These herbicides have been approved for this purpose by the EPA and the State Department of Agriculture.

LAKE LIMERICK COUNTRY CLUB
POLLED EXECUTIVE BOARD
MAY 3, 1993

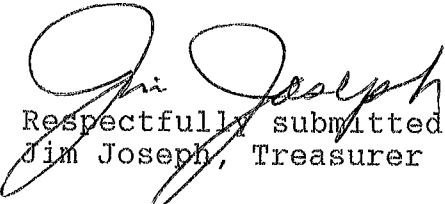
Jim Joseph, Treasurer of Lake Limerick Country Club, Inc. polled the Executive Board by phone with the following question from the Memorandum from Robert D. Wilson-Hoss regarding Subordination Agreements.

Paragraph 9 of the current subordination agreement was amended to read as follows:

It is expressly understood and agreed that any amounts advanced by Lender to Owner, secured by the security instrument referenced above, shall be used as purchase money, to be expended for purposes of improvement of the subject property only: for refinancing loans associated with the foregoing in order to secure a more favorable rate of interest: and for equity advances, to be evaluated on a case-by-case basis, where sufficient equity remains in the members interest in the subject real property to reasonably protect the interests of Lake Limerick in collecting its dues, assessments, and other costs.

The following Executive Board members were polled by phone 5/3/93 and all approved the change in paragraph 9 as so noted above.

Scott Carey, President
Nan Stricklin, Vice-President
Sharon Haworth, Secretary
Jim Joseph, Treasurer
Jerry Soehnlein, Water Dept. Representative


Respectfully submitted,
Jim Joseph, Treasurer

Enclosure: Memorandum, Wilson-Hoss, 5/3/93
cc: Executive Board

MEMORANDUM

Suz
Exp Board
has cc.

TO: Jim Joseph
FROM: Robert D. Wilson-Hoss
DATE: May 3, 1993
RE: Subordination Agreements

As we have discussed, subordination agreements are entered into by Lake Limerick in order to allow a Lake Limerick member to enter into certain financial relationships with banks and other lenders. Briefly, Lake Limerick's position is that its right to collect dues and assessments and other charges is prior to any other encumbrance, including loans secured by deeds of trust.

However, many lenders will not make such loans under those circumstances. Therefore, they require Lake Limerick to subordinate its interests, allowing the bank to jump over Lake Limerick's position on the chain of title. Banks, and other lenders, usually require, when they lend substantial amounts of money, that they be in first position, so that if anything goes wrong, they will be the first to collect.

In the past, the executive committee has gradually developed a number of reasons to allow it to subordinate. The first, and the most obvious, is for purchase money loans, such as where a bank loans money for a person to buy a house, or lot, or to build a house on a lot.

Lake Limerick has also agreed in the past to allow subordination for refinancing, in order to secure a better rate. These have been fairly common, especially in the last year. Recently, a request was made to subordinate to a loan that was not just for refinancing the current balance, but also for an additional equity advance. The way that this works is that a Lake Limerick member wants to refinance a \$25,000.00 loan, for example, on a house worth \$50,000.00.

In addition to refinancing the \$25,000.00, the homeowner wants another \$2,000.00 in order to pay debt, or for some other purpose, not directly related to the purchase of the house or home improvements.

The executive committee has most recently approved subordination to refinance agreements with equity advances of up to 10%.

The executive committee has now been asked to take another step, which is to approve subordination agreements for refinancing, when the purpose may not be to secure a lower rate, but may be simply take equity out of the home for personal uses for whatever purposes.

For example, a retired couple on a fixed income may own a home worth \$100,000.00 and owe \$10,000.00 against it. The husband may fall ill with a serious disease, incurring significant expenses beyond available insurance coverage.

The members might well want to take out a loan against the equity in their house, and use the proceeds to help fund medical care, as well as cost of living.

The net result is that the members would be able to enjoy the equity buildup in their residence; at their death, the residents will have a lesser value, meaning that more money would be owed to the bank, and less would be available to pass on to their heirs. However, in many situations, it is very appropriate for homeowners to seek such financing.

In a typical situation, banks are absolutely certain to make sure the equity in the home is sufficient to justify the loan. A bank will only loan under these circumstances when it can be sure that the value of the house will be sufficient to repay the bank, after a foreclosure, if such becomes necessary.

Under these circumstances, it would certainly be possible for Lake Limerick to feel secure in its ability to collect its dues and assessments, even though it could subordinate to such loans. In the first place, Lake Limerick has a history of not allowing their dues and assessments to get significantly in arrears. Second, if the bank is satisfied as to the equity available, that available equity should, in almost all cases, insure that Lake Limerick gets paid as well, in case of a foreclosure.

Third, my experience is that these matters never get taken to the foreclosure stage, and I hope never to see one go that far.

The current subordination reads as follows, at paragraph 9:

It is expressly understood and agreed that any amounts advanced by Lender to Owner, secured by the security instrument referenced above, shall be used as purchase money, to be expended for the purposes of improvement of the subject property only; for refinancing loans associated with the foregoing in order to secure a more favorable rate of interest; and for equity advances associated with such refinancing where the equity advance is no more than 10% of the total obligation financed.

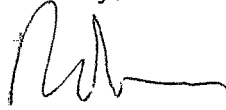
It is possible that the Executive Committee may, based on the advice contained in this memorandum, consider amending paragraph 9 to read as follows:

It is expressly understood and agreed that any amounts advanced by Lender to Owner, secured by the security instrument referenced above, shall be used as purchase money, to be expended for purposes of improvement of the subject property only; for refinancing loans associated with the foregoing in order to secure a more favorable rate of interest; and for equity advances, to be evaluated on a case-by-case basis, where sufficient equity remains in the member's interest in the subject real property to reasonably protect the interests of Lake Limerick in collecting its dues, assessments, and other costs.

In the past, my advice has been specific, responding to particular questions. I have not offered an opinion in general regarding the proper scope of circumstances to which these subordination agreements ought to apply. Related questions are a matter of policy, and should properly be addressed by the Executive Committee, and/or Board of Directors. However, I can tell you that it is my advice that Lake Limerick's interests in collecting its dues and assessments, and other costs, can be reasonably adequately protected under the proposed amendment.

Please let me know if you have any questions or concerns.

Sincerely,



ROBERT D. WILSON-HOSS

RW:ss

polled Ex Board 5-3-93

Scott Carey
Man Strickler
Sharon Haworth
Jerry Soehlein
Joe Joseph

all approved
the change in
paragraph 9
Joe Joseph

AGENDA
NEW BOARD MEMBER WORKSHOP
MAY 1, 1993
10:00 AM

1. Purpose of BOT
 - A. By Laws
 - B. Agent of Corporation
2. Functioning of BOT
 - A. Relationship to Committees
 - B. Membership on Committees - Board Members
 1. Committee Chairpersons
 - C. Executive Committee
3. Board Meetings
 - A. Attendance
 - B. Procedures
 1. Robert's Rules of Order
 2. Consent Agenda
 3. Executive Sessions
4. Budget
 - A. Budget Building Process
 - B. Capital Budget
 - C. Operating Budget
 1. Information Driven
 2. Interpreting Data
5. Employee Policies
 - A. Job Descriptions
 - B. Evaluations
 - C. Working Relationship with Members of BOT
6. Current Issues
 - A. Fuel Tanks
 - B. Capital Improvements
 - C. Paint Inn
 - D. Security
 - E. Lake Management
 - F. President's Goals
7. Questions

LAKE LIMERICK COUNTRY CLUB, INC.
E 790 ST ANDREWS DR
SHELTON WA 98584
(206) 426-3581

May 21, 1993

John Nystrom
E 621 Ballantrae Dr
Shelton WA 98584

Dear Mr. Nystrom:

Thank you for your letter of May 3, 1993.

Although authority had been given at one time to reduce or forgive bad debts by the club attorney, this authority has been rescinded. In addition our attorney will notify us of any eminent foreclosure proceedings. Ultimately the Board of Trustees will have the final decision.

If you have any other questions concerning this matter please feel free to contact the Treasurer, Mr. Jim Joseph.

Sincerely,

Scott Carey
President
LAKE LIMERICK COUNTRY CLUB, INC.

LEASE

1. RECITALS.

1.1 **Leased Premises.** The premises to be leased is a small area of undeveloped real property, located on a larger tract of property owned by Mr. and Mrs. Kenneth Frank. The legal description of the larger parcel, and a map locating the specific area to be leased, are attached as Exhibits A and B, respectively, to this lease.

1.2 **Lessor.** The lessors are Mr. and Mrs. Kenneth Frank. This lease is intended to be binding on them, and their successors in interest.

1.3 **Lessee.** The lessee is Lake Limerick Country Club, a non-profit corporation, and its successors in interest.

1.4 **Purpose.** The purpose of this lease is to provide lessee with enough land to be used as a septic system drainfield, as described to lessor by representatives of Stuth and Associates, Lessee's septic system designer. Lessee does not itself have sufficient space to provide an appropriate drainfield, within reasonable economic limits.

2. **USES.** Lessee may make use of the leased area as the drainfield for its septic system. The system shall be operated as represented by representatives of Stuth and Associates, the system designer.

If the system is not operated as represented, or the drainfield fails, in the judgment of the Mason County Health Department, or the Washington State Department of Ecology, to meet county or state requirements; then lessee's rights under this agreement shall be suspended, except for the right to entry for repair purposes, until such time as the system can be operated as intended.

Lessee shall not use the leased premises for any purposes other than those directly or indirectly necessary for the proper operation of its drainfield.

Lessor promises that he has the authority to lease the premises, and that lessee may have access to and use the premises during the lease term.

3. **RENT.** Lessee shall pay lessor \$2,000.00 upon execution of this lease, as rent for the entire term of the lease.

4. **TERM.** This lease is for ten years from the date of execution hereof. Lessee shall have the option to renew this lease for additional ten-year periods, at the same rental amount. Renewals will be automatic, unless lessee informs lessor otherwise.

If lessee is late with a renewal rent payment, he shall make such payment within thirty days of notice of the same, plus interest at 12% per year from the date of renewal.

5. **TERMINATION.** This lease shall terminate if lessee informs lessor of its intent to not renew. It shall also terminate if lessee hooks up to an alternate means of waste disposal such as a sewer system, in which case lessee's advance rent shall be returned on a pro-rated basis.

This agreement shall also terminate if lessee ceases to operate in substantially the same way as of the date of execution hereof, as a residential community association with a restaurant, golf course, pro shop, offices, and other related businesses and operations.

6. **NON-LIABILITY OF LESSOR.** The lessor shall not be liable for any damages from actions taken on the leasehold premises by lessee. Lessee agrees to assume responsibility for its actions on the leased premises.

Signed and dated hereinbelow.

FOR LESSEE:

FOR LESSOR:

Lake Limerick Country Club, Inc.

Kenneth L. Frank

STATE OF WASHINGTON)
) ss
County of Mason)

STATE OF WASHINGTON)
)
County of Mason)

On this day of _____, before me, personally appeared _____ to me known to be the _____ of LAKE LIMERICK COUNTRY CLUB, INC., the corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that _____ is authorized to execute the said instrument.

On this day personally appeared before me KENNETH FRANK to me known to be the individual described in and who executed the within and foregoing instrument, and acknowledged that he signed the same as his free and voluntary act and deed, for the uses and purposes therein mentioned.

WITNESS my hand and official seal hereto affixed the day and year first above written.

GIVEN under my hand and official seal this _____ day of _____ 1993.

Notary Public in and for the State of Washington,
residing at _____
My commission expires: _____

Notary Public in and for the State of Washington,
residing at _____
My commission expires: _____