

## **LAKE LIMERICK COUNTRY CLUB, INC.**

**E. 790 ST. ANDREWS DRIVE  
SHELTON, WA 98584**

### **BOARD OF TRUSTEES**

**April 20, 1996**

The meeting was called to order by President Dan Robinson at 9:00 p.m. Trustees attending: Talitha Waldron, Martha Fairbanks, Bob Johnson, Betty Malloy Braget, Bill Buff, Ted Mason, Jerry Soehnlein, Gary Ayers, and John Hocker. Trustee Shirley Reichner was excused from the meeting.

**ROLL CALL:**        *Tillie Waldron*

President Dan Robinson thanked all of the Board of Trustees, and the members who attended the meetings and provided advice and council. Tr. John Hocker and Tr. Bob Johnson have chosen not to serve on the board again. Tr. Tillie Waldron will be a candidate in the April election.

### **APPROVAL OF MINUTES:**

Motion made by Tr. Betty Malloy Braget, seconded by Tr. Ted Mason and carried by the Board as follows:

To approve the minutes of the March 16, 1996 Board meeting as read.

### **FINANCIAL REPORT:**

Treasurer Martha Fairbanks discussed the net profit of the corporation.

Bill Buff presented his March financial report summary. He reviewed each department with the board. He also noted Tr. Betty Malloy Braget and Treasurer Martha Fairbanks had set up a 'Key Business Treasury Indexed Money Market' account which has the best interest.

The greens mower, a capital budget item, has been purchased for \$15,190.42. Bill would like input from the board whether to charge moneys from the "Timber Harvest Account" or the "Capital Reserves Account" for the mower payment.

Motion made by Tr. Jerry Soehnlein, seconded by Tr. Gary Ayers and carried by the Board as follows:

Opposed:        Tr. Betty Malloy Braget

In consideration of the tax status, the board approves the cost of the greens equipment against the Timber Harvest account for \$15,190.42.

Motion made by Tr. Ted Mason, seconded by Tr. Jerry Soehnlein and carried by the Board as follows:

To approve the March 1996 financial report as presented.

Treasurer Martha Fairbanks would like to thank Tr. Bill Buff for such a wonderful job.

***Consent Agenda Item 1a Architectural - Mr. Rings application.***

Chairperson Ted Mason recapped Mr. Rings' application in Div. 4 and Div. 5 to rent his 2 lots for other people to put their mobile homes on his property. Mr. Rings' letter addressed 3 proposals to the committee. The club attorney is reviewing the situation including licenses etc. Mr. Rings was present and addressed the board.

Motion made by Tr. Tillie Waldron, seconded by Tr. Ted Mason and carried by the Board as follows:

The Board of Trustees supports the Architectural Committee decision that the land owner and the home owner must be the same.

Tr. Gary Ayers drew up a resolution regarding renters. The resolution will be examined by the attorney and presented at the next board meeting.

Recess: 10:05 a.m.

***Consent Agenda Item 1 - Date for allowing vacation trailers***

The current date for vacation trailers, etc. to be brought back is April 15th, the Architectural committee would like to see this changed to April 1st.

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

The Board of Trustees approves changing from April 15th to April 1st the travel trailer, campers and tents permitted on property.

***Consent Agenda Item 2 - Lake/Dam AWM Grant Activity***

President Dan Robinson said there is no clean water grant to check the septic systems. The County offered to take some water sample checks in the lake.

The Sonar treatment proposals from the two licensed contractors are too high; therefore the county rejected them and requested new proposals. One of the items stipulated is to accurately determine the volume of the lake.

We aren't going to use the golf irrigation pumps during the time the chemical is in the lake, it could kill the grass. The treatment will last ten to twelve weeks.

We have a hydraulic permit to raise and lower the lake not more than 8" (Volume of Cranberry Creek can not be changed more than 25%). The committee recommends reducing the volume of the lake to the winter level.

Motion made by Tr. Bill Buff, seconded by Tr. Gary Ayers and carried by the Board as follows:

The Board of Trustees approves lowering the lake level by 8" (to winter level) to facilitate treatment and notify the community in the June Newsletter.

**Consent Agenda Item 3 - Lake/Dam - Fishing Derby Reminder: status/cost**

Chairperson Bill Buff reminded everyone of the fishing derby Sunday. The lounge will be open at 7:00 Am. and Jerry Soehnlein will be serving coffee on the lake.

Mary Young has sent letters to the board and various members criticizing the handling of the Aquatic Weed Management Grant. etc. President Dan Robinson will respond to her correspondence. Mary also addressed the board with her concerns and questions.

**Consent Agenda Item 4 - Maintenance - Fencing Data**

Chairperson Gary Ayers reported he has only received one bid for the Maintenance shop fence to date.

**Consent Agenda Item 5 - Maintenance - Inn Remodeling Ad Hoc Status**

Chairperson Gary Ayers said they are still researching the remodel. The restaurant patio will either have the new fence, or be roped off for next Saturday.

**Consent Agenda Item 6 - Greens - Golf Course Clean Up**

Jerry Fairbanks said the course is still too wet to work on the cart paths. The schedule was discussed. The plan submitted earlier will go into effect as soon as it dries up enough. The board would like to see the work schedule posted at the Inn and Pro Shop. Tr. John Hocker commends Skip Wirtz the Greens Supervisor for his efforts in spite of all the rain.

The "County Comprehensive Growth Plan " was discussed.

Recess 11:15 a.m.

**EXECUTIVE COMMITTEE:**

**A. Garbage Dumping by Member.**

The problem has been turned over to the County.

**B. Threatening Dog on Golf Course.**

Motion made by Tr. Gary Ayers, seconded by Tr. Betty Malloy Braget and carried by the Board as follows:

To table the matter for now regarding the "threatening dog" on the golf course.

## **OLD BUSINESS:**

### **A. Pro Shop Contract--Request for Approval**

Chairman Bill Buff said the final draft had been approved. It was noted the golf carts do not get their gas from Lake Limerick. Chairperson of the Maintenance committee Gary Ayers had been researching a metering nozzle for the gas tank.

Motion made by Tr. Martha Fairbanks seconded by Tr. Ted Mason and carried by the Board as follows:

Tr. John Hocker abstains

To accept the Pro Shop Contract for signature.

The Ad Hoc Committee was thanked for all their work.

### **B. Kiwanas--Bingo**

Tr. Bill Buff presented the Kiwanas proposal and business plan. The proposed start up date is June 1996. This is a six months trial period for both parties. Tr. Shirley Reichner will be involved as soon as she is well enough.

Motion made by Tr. Jerry Soehnlein seconded by Tr. Betty Malloy Braget and carried by the Board as follows:

The board accepts the agreement with Kiwanas, with the conditions to include; Lake Limerick retains ownership of the bingo equipment, a designated letter of intent that they are responsible for maintenance on said equipment, and that there be a mutual 60 day contract cancellation clause that either party can execute by the notification of other party. Kiwanas is responsible for set up and clean up.

### **C. 30 Anniversary Status--**

The LLCC shirts have been purchased and are beginning to be sold.

## **NEW BUSINESS:**

### **A. Annual Meeting Agenda**

The board has a copy of the agenda. The Lake Management and Boat stickers flyer will be available for the annual meeting.

**COMMENTS FROM MEMBERSHIP: None**

**CORRESPONDENCE:**

Secretary Tillie Waldron read thank you letters from Tr. Shirley Reichner for the gift provided during her recovery from surgery, and from the Chamber of Commerce for the recent banquet.

**ANNOUNCEMENTS: None**

Motion made by Tr. Ted Mason, seconded by Tr. Bill Buff and carried by the Board as follows:

To recess to closed session.

There were no actions or motions adopted in the closed session.

Motion made by Tr. Ted Mason, seconded by Tr. Bill Buff and carried by the Board as follows:

To adjourn the meeting at 1:00 p.m.

Respectfully submitted,  
Tillie Waldron, Secretary

Preliminary Minutes, not approved by the Board of Trustees. For review only.

revised April 19, 1996 please disregard previous agenda

## AGENDA

BOARD OF TRUSTEES - LAKE LIMERICK COUNTRY CLUB, INC.  
APRIL 20, 1996 9:00 A.M.

- I. ROLL CALL ..... TILLIE WALDRON
- II. APPROVAL OF MINUTES: ..... TILLIE WALDRON  
Minutes of March 16, 1996
- III. FINANCIAL REPORT .....BILL BUFF  
Greens mower payment account
- IV. CONSENT AGENDA .....(Committees)  
ARCHITECTURAL COMMITTEE LAKE/DAM COMMITTEE  
BINGO/GAMING COMMITTEE PLANNING COMMITTEE  
COMMUNITY SUPPORT COMMITTEE MAINTENANCE COMMITTEE  
ELECTION COMMITTEE NOMINATING COMMITTEE  
FINANCIAL ADVISORY COMMITTEE SECURITY COMMITTEE  
GREENS COMMITTEE WATER COMMITTEE  
INN COMMITTEE YOUTH/PARK COMMITTEE

(reminder: non-smoking meeting, we will break every hour)

### ITEMS FROM CONSENT AGENDA:

1. Architectural - Date for allowing vacation trailers
2. Lake/Dam - AWM Grant Activity; Mary Young Letters
3. Lake/Dam - Fishing Derby Reminder; status/cost
4. Maintenance - Fencing Data
5. Maintenance - Inn Remodeling Ad Hoc Status
6. Greens - Golf Course Clean Up

*Mr Rieger Application for  
2 - Motel Names*

- V. EXECUTIVE
  - A. Garbage Dumping by Member; Member has been turned over to Mason County.  
Mason County Rules and Procedures are available in the office. All further offenses will be turned over to Mason County for action.
  - B. Threatening Dog on Golf Course, letter was sent to property owner, there has been no response to date.
- VI. OLD BUSINESS
  - A. Pro Shop Contract request for approval
  - B. Kiwanas Bingo
  - C. 30th Anniversary Observation Status
  - D.
  - E.
- VII. NEW BUSINESS
  - A. Annual Meeting Agenda
- VIII. COMMENTS FROM MEMBERSHIP:
- IX. CORRESPONDENCE:
  - A. Chamber Letter
- ANNOUNCEMENTS:
- XI. ADJOURN:

**A Closed Session will be held immediately after adjournment.**

# LLCC FINANCIAL REPORT

	9/95 thru 3/96	9/94 thru 3/95	Variance	% Change	Mo AVG	% to 1995 Budget	1994 Actual
Gross Revenue	\$ 489,801.32	\$ 476,618.70	\$ 13,182.62	3%	\$ 69,972	\$874,835 56%	\$824,746
Operating Expenses	\$ 374,172.14	\$ 407,441.11	\$ (33,268.97)	-8%	\$ 53,453	\$747,016 50%	\$816,382
Net Profit (Loss)	\$ 115,629.18	\$ 69,177.59	\$ 46,451.59	67%			
Timber Harvest	\$ 101,399.06	\$ -	\$101,399.06	100%			
Net W/Timber	\$ 217,028.24	\$ 69,177.59	\$147,850.65	214%			
<b>Income by Dept.</b>	<b>9/95 thru 3/96</b>	<b>9/94 thru 3/95</b>	<b>Variance</b>	<b>% Change</b>	<b>Mo AVG</b>	<b>% to 1995 Budget</b>	<b>1994 Actual</b>
Bingo	\$ 18,602.50	\$ 45,650.18	\$ (27,047.68)	-59%	\$ 2,658	\$79,300 23%	\$81,400
Golf	\$ 48,062.58	\$ 59,843.37	\$ (11,780.79)	-20%	\$ 6,866	\$151,300 32%	\$143,374
Administration	\$ 209,991.51	\$ 220,502.03	\$ (10,510.52)	-5%	\$ 29,999	\$354,393 59%	\$314,844
Lounge	\$ 45,647.80	\$ 47,974.80	\$ (2,327.00)	-5%	\$ 6,521	\$93,525 49%	\$83,160
Restaurant	\$ 38,066.56	\$ 40,861.39	\$ (2,794.83)	-7%	\$ 5,438	\$98,300 39%	\$95,091
Social Events	\$ 1,740.31	\$ 1,135.00	\$ 605.31	53%	\$ 249	\$2,500 70%	\$2,429
Water Dept.	\$ 124,343.10	\$ 96,197.94	\$ 28,145.16	29%	\$ 17,763	\$132,846 94%	\$97,673
Architectural	\$ 3,159.00	\$ 2,975.00	\$ 184.00	6%	\$ 451	\$6,000 53%	\$6,775
<b>Expenses</b>	<b>9/95 thru 3/96</b>	<b>9/94 thru 3/95</b>	<b>Variance</b>	<b>% Change</b>	<b>Mo AVG</b>	<b>% to 1995 Budget</b>	<b>1994 Actual</b>
Bingo	\$ 15,254.50	\$ 46,717.08	\$ (31,462.58)	-67%	\$ 2,179	\$79,300 19%	\$81,063
Golf	\$ 71,499.16	\$ 85,908.09	\$ (14,408.93)	-17%	\$ 10,214	\$130,950 55%	\$149,134
Administration	\$ 121,865.83	\$ 117,962.69	\$ 3,903.14	3%	\$ 17,409	\$199,618 61%	\$174,451
Lounge	\$ 21,749.37	\$ 20,941.56	\$ 807.81	4%	\$ 3,107	\$80,146 27%	\$82,964
Restaurant	\$ 46,338.05	\$ 42,156.61	\$ 4,181.44	10%	\$ 6,620	\$126,987 36%	\$132,413
Social Events	\$ 2,008.91	\$ 2,387.27	\$ (378.36)	-16%	\$ 287	\$6,200 32%	\$6,801
Water Dept.	\$ 45,685.22	\$ 50,310.16	\$ (4,624.94)	-9%	\$ 6,526	\$93,962 49%	\$70,754
Architectural	\$ 4,460.15	\$ 3,840.73	\$ 619.42	16%	\$ 637	\$8,618 52%	\$7,887
<b>Non-Revenue</b>							
<b>supported Depts.</b>	<b>9/95 thru 3/96</b>	<b>9/94 thru 3/95</b>	<b>Variance</b>	<b>% Change</b>	<b>Mo AVG</b>	<b>% to 1995 Budget</b>	<b>1994 Actual</b>
Lake/Dam Dept.	\$ 5,930.13	\$ 8,146.78	\$ (2,216.65)	-27%	\$ 847	\$12,660 47%	\$18,105
Maintenance Dept.	\$ 32,997.71	\$ 39,605.27	\$ (6,607.56)	-17%	\$ 4,714	\$66,733 49%	\$55,868
Security Dept.	\$ 10,277.32	\$ 7,742.03	\$ 2,535.29	33%	\$ 1,468	\$16,400 63%	\$13,440
Youth & Parks Dept.	\$ 5,855.57	\$ 4,468.41	\$ 1,387.16	31%	\$ 837	\$15,797 37%	\$273
Lake Management	\$ 2,497.94	\$ 1,654.26	\$ 843.68	51%	\$ 357	\$26,000 10%	\$23,229
<b>RESERVE ACCTS</b>							
			<b>COST OF GOOD SOLD</b>				
Water Dept:	\$ 39,000.00				Mar-96	Mar-95	% to 1995 Budget
Gen'l Fund (Timber):	\$ 38,058.93		LOUNGE	\$ 19,875	\$ 18,744	\$ 21,447	106%
Gen'l Fund (Savings):	\$ 16,829.24		RESTAURANT	\$ 21,588	\$ 23,911	\$ 27,440	90%
<b>Total</b>	\$ 93,888.17						

*cc Jern's  
shirley  
Bill*

**PROPOSAL FOR  
LAKE LIMERICK COUNTRY CLUB  
BOARD OF TRUSTEES**

**BUSINESS PLAN**

The Kiwanis Club of Shelton has developed the following business plan for the purpose of sponsoring Gaming of Bingo to provide recreation for the Shelton Community and utilize any profits to benefit the Scholarship Funds for the Shelton Youth.

This is a detailed business plan for the next six months starting on June 1, 1996 pending approval of the Gaming License by Washington State Gaming Commission.

June 1996	Salaries and Wages	\$ 525.00	(4 people) caller and 3 floor people
	Prizes	\$3750.00	(25 games each awarding \$50)
	Supplies	\$ 375.00	
	Rent	<u>\$ 200.00</u>	
	Total Expenses	\$ 4850.00	
July 1996	Salaries and Wages	\$ 420.00	(4 people) caller and 3 floor people
	Prizes	\$2500.00	(25 games each awarding \$25)
	Supplies	\$ 300.00	
	Rent	<u>\$ 200.00</u>	
	Total Expenses	\$ 3420.00	
August 1996	Salaries and Wages	\$ 525.00	(4 people) caller and 3 floor people
	Prizes	\$3125.00	(25 games each awarding \$25)
	Supplies	\$ 375.00	
	Rent	<u>\$ 200.00</u>	
	Total Expenses	\$ 4225.00	
Sept 1996	Salaries and Wages	\$ 420.00	(4 people) caller and 3 floor people
	Prizes	\$2500.00	(25 games each awarding \$25)
	Supplies	\$ 300.00	
	Rent	<u>\$ 200.00</u>	
	Total Expenses	\$ 3420.00	
October 1996	Salaries and Wages	\$ 420.00	(4 people) caller and 3 floor people
	Prizes	\$2500.00	(25 games each awarding \$25)
	Supplies	\$ 300.00	
	Rent	<u>\$ 200.00</u>	
	Total Expenses	\$ 3420.00	



Nov 1996	Salaries and Wages	\$ 525.00	(4 people) caller and 3 floor people
	Prizes	\$3750.00	(25 games each awarding \$50)
	Supplies	\$ 375.00	
	Rent	\$ 200.00	
	Total Expenses	\$ 4850.00	

Based on these projections of expenses and forecasting the following revenue from the Gaming Operation are the following cash flow profit/loss calculations:

June 1996	Total revenue	\$3125	Profit/Loss
	Expenses	\$4850	(\$ 1725.00)
July 1996	Total revenue	\$3000	
	Expenses	\$3420	(\$ 420.00)
August 1996	Total revenue	\$4125	
	Expenses	\$4225	(\$ 100.00)
September 1996	Total revenue	\$3300	
	Expenses	\$3420	(\$ 120.00)
October 1996	Total revenue	\$3300	
	Expenses	\$3420	(\$ 120.00)
November 1996	Total revenue	\$4125	
	Expenses	\$4850	(\$ 725.00)
	<b>TOTAL PROFIT/LOSS</b>		<b><u>(\$ 3210.00)</u></b>

The profit from supplies may contribute to the bottomline but not but plus or minus 2% of gross profits. The Gaming License along with advertising will almost certainly consume the start-up capital of \$3800. This six months start-up should be sufficient time to reach the marketplace and establish a following. Also the prizes may vary from week to week depending on the participation.

Community support will be the driving factor that will allow the Kiwanis Club of Shelton to continue to offer the Gaming of Bingo.

Respectfully submitted for review:  
Kiwanis Club of Shelton

RECEIVED APR 15 1996

April 14, 1996

Bill Buff  
LAKE/DAM Committee  
E 361 Ballantrae Drive  
Shelton, WA 98584

Dear Mr. Buff:

Re: Lake Limerick AWMF Grant Application

LAKE LIMERICK COUNTRY CLUB INC. LAKE/DAM COMMITTEE December 14, 1995 minutes:

Para 4 & 5 of New Business

Motion was made by Carolyn Soehnlein, seconded by Joyce Stanton and carried that this committee recommend to the Board of Trustees that all information (plus details discussed at meeting) be presented to the membership at a special meeting January 27, 1996 at 2:00 P.M.

A vote by the membership is needed for this project.

These minutes were approved with no corrections, January 11, 1996.

Letter to: Lake Limerick Country Club Members January 2, 1996.

Cover letter, last paragraph:

If you cannot attend, please complete the enclosed ballot and mail it directly to the Lake Limerick office. Your vote is most important.

signed Daniel C. Robinson  
President

First page of enclosure

The primary purpose of the meeting is to review the available aquatic weed control options and to choose by ballot the option to be pursued by the Club.

Your use of the word survey to authorize the expenditure of hundreds of thousands of dollars of the Washington State taxpayers' money and thousands of dollars of the LLCC membership funds is hard to understand. In fact the word survey is not used until after the January 27, 1996 vote is questioned.

I drove to the Squaxin Tribal Center. Mr. Robinson had told me the only Squaxin Island Tribe letter was the one missing from the files and dated December 5, 1995. He gave me a copy and said one was placed back in the files. Since the letter reiterated the Tribe's position I knew there had to be more correspondence; so, as I stated, I went to the Squaxin Tribal Center for the correspondence.

Any illusion the Squaxin correspondence called for waterfront owners to apply for a grant for paying for their 1997 septic tank dye test, is just that, an illusion. Out of the dozens of forthright suggestions to aid us in our problem, none were accepted or acted upon. EXCEPT, and here I quote from the December 14, 1995 LAKE/DAM committee minutes:

The Squaxin Tribe is very concerned that we control nutrients going into the lakes before any treatments. Therefore, lakefront septic system testing was included in the options. There are grants and low interest loans available for this testing. Dan is going to apply to the Centennial Fund for a grant, at a workshop in January.

Article IV, section 8 LLCC BY-LAWS

No member of the Board of Trustees shall participate in any vote on any subject in which he has a specific personal, professional, financial or any other conflict of interest.

So the Squaxin Tribe input was used to justify the Board of Trustees using Washington State taxpayers' money and LLCC funds to pay for their septic system dye test. A test that if Mason County enacts the code would be required in 1997. Tests that would be made long after chemical treatment to the lake, which is just the opposite of the Squaxin advice.

Their objections to chemicals and grass carp were politely and intelligently presented. Their real insight into the problem and common sense suggestions were ignored.

Thank you for the November 1, 1995 Lake Leprechaun Aquatic Plant Biomass Survey Data Summary. Dan's note to you on 11-8, says its difficult to draw any conclusion from her report, yet in January he advises the membership to vote for Option #3, which he should not have done if he didn't understand the report.

Let me see if I can help:

Stated reason for grass carp planting:

quoted from the AWMF grant application: (critical for estimating fish stocking rates)

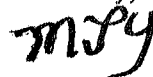
The carp were planted into a lake where there is no Brazilian Ebolea. Supposedly their number one choice of food. The carp are sterile.

How many carp were planted? How many carp fed in the lake between each survey? How many carp were in the lake on the date of the last sample test. What was the size of the carp at planting and at last test. What other species were feeding during the monitoring period.

You see there was nothing in the report to use for estimating fish stocking rates. The reports I keep asking for are, dates of carp planting, (cost), and monitoring of lake and carp. This report is not it.

Now Maribeth wrote the description of what was required (critical for estimating fish stocking rates) and it is that report that anyone recommending Option #3 would require. Again, thanks for the report, but it isn't the one I need.

Sincerely,



Mary L. Young  
E 70 Donegal Way  
Shelton, WA 98584

LAKE LIMERICK COUNTRY CLUB, INC  
E 790 ST. ANDREWS DRIVE  
SHELTON, WA 98584  
(206) 426-3581  
FAX (206) 426-8922

To: Board of Trustees

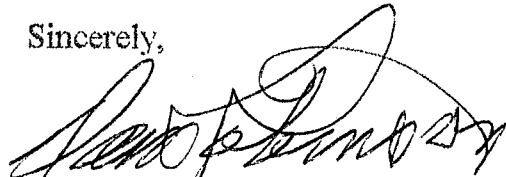
April 12, 1996

Subject: Pro Shop Contract

The attached proposed contract covering the operation of the Pro Shop by Terry O'Hara is the product of several month's effort. Bill Buff's Ad Hoc committee invested many hours and developed several drafts to solidify this concept that fits our new tax exempt status. The contract was developed in part by Bob Ryan, our accounting consultant, and has been reviewed and approved by our Club attorney.

Terry O'Hara, supported by his professional advisors, has indicated his approval of this final draft, and it is acceptable both to Bill Buff and myself. As indicated in the February Board meeting, the contract is now provided for your review, and I will seek your approval of it in the April Board meeting.

Sincerely,



Daniel C. Robinson

President

Lake Limerick Country Club, Inc

cc: Terry O'Hara

**LAKE LIMERICK PRO SHOP  
LEASE AGREEMENT**

THIS LEASE AGREEMENT, dated this \_\_\_\_ day of \_\_\_\_\_, 1996, by and between the Lake Limerick Country Club, (the Owner), and Terry O'Hara, (the Lessee). Management for the Owner in all matters with the Lessee shall be represented by the President of the Board of Trustees of the Lake Limerick Country Club, Inc.

WHEREAS, the parties desire a commercial premises be leased by Owner to Lessee; NOW, THEREFORE, IN CONSIDERATION of the following covenants, Owner and Lessee agree as follows:

1. PREMISES. Owner leases to Lessee such portion of the Lake Limerick Country Club that includes the golf pro shop together with the restaurant/cafe, golf cart parking, access area. and equipment listed on Schedules 1a and 1b. The Lake Limerick Country Club, Inc., is located at E. 790 Andrews Drive, Shelton, Washington 98584.

2. TERM. This Lease shall be for a term of two (2) years and 8 months, commencing on April 1, 1996, and terminating on December 1, 1998. The Owner in its sole discretion may offer Lessee an option to renew this Lease Agreement for an additional term of two (2) years.

3. CONSIDERATION.

(a) Lessee shall pay to Owner or a designee at such place as Owner may designate, without notice, offset or deduction, the following fees:

(i) On the first day of each month the sum of five hundred dollars (\$500.00) as a rental fee for the use of the premises.

(ii) Fifty three percent (53%) of any and all daily receipts net of sales tax received as Greens Fees to Lessee, along with 100% of the daily green fee sales tax. Such portion of the receipts shall be paid by Lessee to Owner on a daily basis, (Monday through Friday).

(iii) 100% of Member and Public Golf Annual Fees and Trail Fees including sales tax.

(iv) A fee of one dollar (\$1) per each golf cart rental shall be paid to the Owner. The Lessee shall additionally pay a trail fee in the sum of Fifty dollars (\$50) per year for each power golf cart kept on site by Lessee for patrons. Additional golf carts brought in for tournaments or special events shall not be assessed an annual fee.

(b) The parties agree that on or about September 15th of each lease year during the term of this lease to re-negotiate a fair and reasonable consideration schedule. On or about September 1st of each year, Lessee shall turn over to Owner his financial records related to operating cost of the pro shop building for that calendar year. Owner will review such records prior to the September 15th meeting. This review is to determine the necessity of negotiating a change to the lease consideration schedule. In the event that the parties fail to negotiate a fair and satisfactory lease consideration schedule, such matter of consideration shall be placed before a Board of Arbitration, one member to be designated by the Owner and one member to be designated by the Lessee, and the third member to be designated by the two arbitrators nominated by both Owner and Lessee. The parties agree to abide and accept the consideration schedule of said Board of Arbitration as final and binding upon the parties.

4. LATE PAYMENT AND INTEREST. In addition to any other remedy of Owner, if any fees due from Lessee are not received by Owner on or before ten (10) days following the date such fees are due and payable, a late charge of two percent (2%) of said fees owed shall immediately become due and payable as additional consideration. Owner and Lessee agree said charge represents a fair and reasonable estimate of the processing and accounting costs that Owner will incur by reason of such late payment of fees. All sums owing to Owner under this Lease shall be assessed interest at an annual rate of eighteen percent (18%) from the date due until paid.

5. COMMON AREAS. Common areas include parking areas, restrooms, the patio, and entrances and exits thereto, driveways and truck serviceways, sidewalks, landscaped areas, and other areas and facilities now or hereafter provided for the joint or non-exclusive use and

benefit of Lessee, Lessee's employees, agents, customers, and invitees. Owner reserves the right to exercise control and management of the common areas, to change the entrances, exits, traffic flow, boundaries and parking areas, and to establish, modify, and enforce such reasonable rules and regulations as Owner in its discretion may deem desirable for the management of the property. Lessee shall comply with such rules and regulations and shall be responsible for the compliance with same by his employees, agents, customers and invitees. The failure of Owner to enforce any of such rules and regulations against Lessee or any other tenant shall not be deemed to be a waiver of same.

6. MAINTENANCE AND REPAIR. Lessee shall at all times keep the Pro Shop and surrounding areas immediately adjacent to the pro shop and restaurant/cafe swept and in a neat, clean, and safe condition and keep the glass of all windows and doors of the Premises clean and presentable. Lessee shall at his own expense and at all times further provide any necessary janitorial work and supplies. [The Owner shall furnish all such premises with all fixtures, and floor coverings, in a reasonable condition necessary for Lessee to operate the business, services, rentals, sales, and concessions.] The Owner shall further maintain the range, range hood, furnace, all refrigeration, and fire suppression equipment in the restaurant/cafe. After reasonable written notice from Lessee of the need therefore, Owner shall repair the roof, exterior walls (including doors, storefronts, entryways, and windows) except that Lessee shall pay for the repair of any damage caused by Lessee, his agents, employees or personal invitees.

7. UTILITIES AND TAXES. Lessee shall pay promptly when due:

(a) All charges for garbage disposal, telephone, and gas, furnished to or consumed in, on or about the Premises. Owner shall not be liable for any injury or damages suffered as a result of the interruption of these utility services by fire, or other casualty, riot, vandalism, the making of necessary repairs or improvements, or other cause beyond the Owner's control; and

(b) All license or permit fees, liquor control board licensee fees, business and occupation taxes, and any other governmental fees and taxes applicable to the property of Lessee or the business conducted by Lessee on the Premises.

8. EXAMINATION OF THE PREMISES. Lessee shall examine the Premises before taking possession hereunder. Taking of possession shall be conclusive evidence that Lessee has accepted the Premises in good order and satisfactory condition.

9. NATURE OF USE. The following mutual obligations apply to both Owner and Lessee; Lessee may use the Premises only for the operation of a pro shop and restaurant/cafe, and such other purposes as Owner may approve in writing in it's sole discretion.

A. General Conditions of Use. All such use shall comply with all applicable governmental laws, and ordinances, and insurance requirements, and, except for activities normally associated with a golfing operation, shall not make or permit any use of the Premises which may be dangerous to life, limb or property, or which increases the premium cost or invalidates any policy of insurance on the Premises, the building or its contents. If any increase in premium results from Lessee's making or permitting any such use, Lessee shall pay to Owner on demand the amount, thereof without prejudice to any other right or remedy by Owner. Without written permission from Owner, in it's sole discretion, no manufacturing or processing activity (except such as is usual and incidental to, and customarily performed in a golf pro shop and/or restaurant/cafe) shall be conducted in the Premises. Lessee shall not (a) permit auction, fire, closing-out, or bankruptcy sales in or about the Premises; (b) obstruct the sidewalks or common areas or use them for business or display purposes provided Lessee may conduct a moving sale if necessary; (c) make or permit waste upon or in any manner abuse the Premises or common areas; (d) make or permit any noise or odor to emit from the Premises which is objectionable to the public, to other tenants, or to Owner; (e) create, maintain or permit a nuisance on the Premises; (f) place or permit any radio or television antenna, loud speaker, or sound amplifier, or any phonograph or other similar device on the roof or outside of the building, or at any place where it may be seen or heard outside the Premises without the express written consent of Owner.

B. Specific Requirements of Lessee. Acknowledging the integral nature of the relationship between Owner and Lessee, Lessee agrees to devote such time, attention, and invest energies to meet the following responsibilities:



(i) Lessee shall cooperate with members of the Club, guests, and report to the chairperson of the Greens Committee, and render such golf related advice, opinions, assistance, and services as required by Owner.

(ii) Lessee shall maintain an acceptable credit rating with suppliers, manufacturers, and others so as not to discredit the reputation of the Lake Limerick Country Club.

(iii) Lessee shall administer and train all his employees to perform duties that meet requirements for sales, rentals, and services, necessary to the operation of the Lake Limerick Country Club.

(iv) Lessee shall at all times be responsible for the conduct and appearance of his employees, and shall conduct himself at all times in accordance with the Club's established standards. Lessee shall permit no loitering in or around the leased premises.

(v) Lessee is prohibited from providing any on site child care facilities for his employees.

(vi) Lessee will operate and maintain the pro shop, and have exclusive rights to provide all services relating to golf, equipment, and golf carts at the Lake Limerick County Club. Lessee agrees to attend all regular and special meetings of the Board of Trustees and Greens Committee, for the purpose of improving the over all service to Club Members and other patrons.

(vii) Lessee agrees to keep the Pro Shop open for business during the following schedule of hours:

- Day Light Savings Time hours 7:00 am through 7:00 pm
- Standard Time hours 9:00 am through 3:00 pm
- Lessee may extend these hours at his discretion

However, Lessee may close the pro shop on Thanksgiving Day, and from December 24 through January 1. The restaurant/cafe shall be open for breakfast and lunch each day the pro shop is open during Day Light Savings Time. The Lessee shall determine cafe hours of operation during the period of Standard Time based on weather conditions and volume of

business. Lessee is however expected to maximize the business hours of both the Pro Shop and restaurant/cafe. If Lessee desires to modify the established business hours set forth above, he must present a written request to the Greens Committee chairperson detailing the specific time changes requested and the reasons associated thereto.

(viii) Lessee shall not schedule any special LLCC Member golfing events until after 12:00 noon on the third Saturday of each month, so to not conflict with the Board of Trustees meetings.

(ix) Lessee shall provide at the first tee one of his employees to serve as a "Starter" for golfers playing the course. Such requirement shall be fulfilled, at Lessee's sole expense, for golf operations on Saturdays, Sundays, and Holidays, as course traffic conditions require (typically until 11:00 a.m.), and for all other special events that Owner may reasonably request. Such special requests must be coordinated by the greens committee at least 7 days in advance.

C. Specific Requirements of Owner. Acknowledging the integral nature of the relationship between Owner and Lessee, Owner agrees to assume the following responsibilities:

(i) Upon the termination of this lease, Owner agrees to buy from Lessee all pro shop golf merchandise that is personalized with the Lake Limerick Country Club logo. However, such purchase shall not exceed five thousand dollars (\$5,000) and will be made at Lessee's cost of purchase.

(ii) Owner agrees that all golf balls found in water hazards on the course shall be the property of Lessee. The right to retrieve balls terminates with this contract.

D. Concessions Operation and Use.

(i) In addition to the Lessee's responsibilities regarding the use of the premises outlined in paragraph 9(B), Lessee shall be given the exclusive right, and shall be required during the period of this contract to operate the pro shop and restaurant/cafe concessions according to the following terms and conditions.

(ii) Lessee shall have the exclusive right to sell all golf merchandise on Owner's property with the obligation to maintain an adequate stock to serve all members.

(iii) Lessee shall be responsible for providing a minimum of six (6) powered golf carts and ten (10) pull golf carts for rental to members and their guests. Lessee shall be required to indemnify himself and Owner from any liability that may arise from the rental of such power carts by having all members/patrons sign a standard liability release. Lessee is also required to keep all such golf carts in good condition and by servicing and washing them only in such area designated by Owner.

(iii) Lessee shall maintain and operate a restaurant/cafe that provides the traditional fare associated with like establishments. Owner correspondingly agrees to not unreasonably withhold approval on Lessee's application for a liquor control board license.

10. ALTERATIONS. After prior written consent of Owner, Lessee may, at his sole expense, make alterations, additions and improvements in the Premises pursuant to written plans and specifications approved by Owner. In the performance of such work, Lessee shall indemnify and hold Owner harmless from any damage, loss or expense, and comply with all laws, ordinances, rules and regulations of any proper public authority. Lessee shall promptly remove those additions, alterations, or improvements as may be specified by the Owner and repair or pay for all damage to the Premises caused by installation and removal thereof; provided, however, that all existing fixtures shall remain the Owner's property and shall be removed by Lessee only upon Owner's request.

11. INDEMNITY. Lessee agrees to release, indemnify, defend and hold Owner and its agents harmless from any claim, action or judgment for injury, death or damage to persons (including death) or property (tangible or intangible, real or personal) suffered in or about the Premises arising out of or in any way connected to Lessee's operation of the Pro Shop or Cafe/Restaurant by any person, firm or corporation, unless caused solely by Owner's or its agents' negligence.

12. INSURANCE BY LESSEE. During the term of this Lease, Lessee, at his sole expense, shall carry and maintain:

(a) Comprehensive public liability insurance affording protection in the minimum combined limit of not less than \$1,000,000.00 or such other amount as Owner shall deem

reasonably necessary from time to time in respect to injury, death, or damage to persons or property, and

(b) Fire insurance with extended coverage endorsement upon Lessee's equipment, furniture, fixtures, improvements, merchandise inventory and other personal property located on the Premises in the amount of the full insurable value thereof. Such policies of insurance shall not be cancelable without thirty (30) days prior written notice to Owner and Lessee shall submit a certificate of such policies to Owner, naming Owner as an additional insured.

13. DAMAGE OR DESTRUCTION. If the Premises or the building are damaged or destroyed in whole or in part by fire, the elements or other casualty, Owner may elect, at its option, not to restore or rebuild the Premises and shall so notify Lessee, in which event Lessee shall vacate the Premises and this Lease shall be terminated. In the alternative, Owner may notify Lessee within thirty (30) days after notice of such casualty that Owner will undertake to rebuild or restore the Premises, and that such work can be completed within one hundred eighty (180) days from the date of such notice of intent. If Owner cannot restore or rebuild the Premises within the said one hundred eighty (180) days, then Lessee may terminate the Lease at his option by written ten (10) day notice to Owner. During the period of untenability, fees shall abate in the same ratio as the portion of the Premises rendered untenable bears to the whole of the Premises; provided if the damage is due to the fault or neglect of Lessee, there shall be no abatement of fees.

14. CONDEMNATION. If the whole of the Premises are taken under the power of eminent domain, or by purchase in lieu thereof, this Lease shall cease as of the date of taking, i.e. the date physical possession must be surrendered to the condemning authority. If only a part of the Premises is taken, the Lease shall terminate only as to the portion taken, and shall continue in full force and effect as to the remainder, with payable consideration reduced proportionately; provided, if twenty percent (20%) or more of the gross floor area of the value of the premises are taken or if the cost of restoration exceeds twenty percent (20%) of the value of the Premises, either party may terminate the Lease effective as of the date of taking by written notice to the other, given at least thirty (30) days prior to the date of taking. If a taking of any part of the

building or the cost of restoration exceeds twenty percent (20%) of the value of the building or a taking shall otherwise in Owner's opinion impact the remaining portion thereof, Owner shall have the right within sixty (60) days of the taking, to terminate the Lease upon thirty (30) days written notice to Lessee. In the event of a taking, whether whole or partial, Owner shall be entitled to all awards, settlements, or compensation which may be given for the land and buildings. Lessee shall have no claim against Owner for the value of any unexpired Lease term.

15. TRASH AND GARBAGE. Lessee shall place all trash and garbage in such areas and containers and in such manner prescribed by Owner. Lessee shall not burn any trash and garbage in or about the Premises.

16. EXTERIOR SIGNS/ADVERTISEMENT. The design, type, location, color and installation of all signs on or exposed to the exterior of the Premises shall be approved by Owner in its sole discretion. Prior to termination of the Lease, Lessee shall remove all Lessee's signs and repair any damage caused by installation and removal thereof. Lessee is expressly prohibited from advertising any of his products and/or services to non-members. Such prohibited advertising includes mailers, newspaper or magazine advertisements, television or radio announcements, etc. However, Lessee may advertise his products and/or services to members of Lake Limerick Country Club with the consent of Owner in its sole discretion.

17. ASSIGNMENT AND SUBLETTING. Lessee shall not either voluntarily or by operation of the law, assign, transfer, convey or encumber this Lease or any interest under it, or sublet the Premises or any part thereof, or allow any other person to occupy or use the Premises, without Owner's prior written consent in its sole discretion. Lessee agrees to pay Owner a reasonable fee to reimburse Owner for expenses incurred by Owner in handling Lessee's request for consent. Owner's consent to an assignment shall not release the original named Lessee from liability for the continued performance of the terms and conditions of the Lease, unless Owner specifically and in writing releases said Lessee. Consent by Owner to one assignment or subletting shall not be deemed a consent to subsequent assignment or subletting. Any assignment or subletting without prior written consent of Owner shall be void and shall at the option of the Owner terminate this Lease.

18. OWNER'S RESERVATION. Owner reserves the rights, without liability to Lessee, to enter the Premises at reasonable hours with reasonable advance notice, to make inspections, repairs, alterations, or additions to the Premises.

19. DEFAULT. Lessee's failure to timely perform any of his obligations under the Lease shall constitute a default. If Lessee has not remedied a default arising from nonpayment of fees or other charges due and payable to the owner, within ten days after written notice thereof from Owner, or any other default within thirty (30) days after written notice thereof, then Owner may, at its option, without further notice of demand: (a) Cure the default at the risk and expense of Lessee, which expense shall be deemed additional fees due on the first of the following month; or (b) Re-enter and take possession of the Premises, remove all persons and all equipment, fixtures, and personal property therefrom at Lessee's risk and expense, and (1) terminate this Lease, or (2) without terminating the Lease or in any way affecting the rights and remedies of Owner or the obligations of Lessee, re-let the whole or any part of the Premises, as agent for Lessee, on such terms and conditions as Owner may deem advisable. In the event of any default by Lessee, any moneys received from Lessee and any deposit or other amounts held by Owner may first be applied by Owner to damages suffered by Owner as a result of Lessee's default including without limitations, costs and expenses incurred on re-entry and re-letting, any unamortized tenant improvements and real estate commissions, cleaning, repairs, restoration and alterations, and any commissions incurred on re-letting, and the balance may be applied toward payment of other sums due Owner. If the Premises are re-let for Lessee's account, Lessee shall pay to Owner monthly any deficiency.

The failure of Owner to terminate this Lease at any time for Lessee's default in any of its terms shall be deemed only an indulgence of Owner, and shall not be construed to be a waiver of the rights of Owner as to any continued or subsequent default. The above remedies are cumulative and in addition to RCW 59.12 or any other remedies now or hereafter allowed by law or elsewhere provided for in this Lease.

20. COSTS AND ATTORNEYS' FEES. If Owner/Lessee finds it necessary to retain an attorney in connection with a default by the other party of any of the terms or conditions of

this Lease, the non-prevailing party shall pay the reasonable attorneys' fees and all other reasonable costs and expenses incurred by the prevailing party in connection with the default. If a legal action is instituted by reason of default by either party to this Lease, the losing party agrees to pay all reasonable costs and attorneys' fees for both parties in connection therewith, including any appeal. Any action brought under the terms of this Lease shall be maintained in Mason County, Washington.

21. LIENS AND INSOLVENCY. Lessee shall keep the Premises free from any liens arising out of any work performed for, material furnished to, or obligations incurred by Lessee and shall hold Owner harmless against the same. If Lessee is declared insolvent or bankrupt, or if an assignment of Lessee's property is made for the benefit of the creditors or otherwise, or if Lessee's leasehold interest is levied upon or seized under writ of any court of law, or if a trustee, receiver or assignee is appointed for the property of Lessee, whether under operation of State or Federal statutes, then Owner may, at its option, immediately, without notice (unless required by law), terminate this Lease and take possession of said Premises.

22. SURRENDER OF POSSESSION. Upon the termination of this Lease or of Lessee's right to possession, whether by expiration, default or otherwise, Lessee shall remove from the Premises all trade fixtures and unattached personal property which Lessee is entitled to remove and those alterations, additions, improvements or signs required by Owner to be removed pursuant to Paragraphs 10 and 16 and shall repair or pay for all damage to the Premises caused by such removal. All property remaining and every interest of Lessee in the same shall be conclusively presumed to have been conveyed by Lessee to Owner under this Lease as a bill of sale, without compensation, allowance or credit to Lessee. Upon termination of this Lease or of Lessee's right of possession, Lessee shall deliver all keys to Owner and peacefully quit and surrender the Premises without notice, neat and clean and in as good condition as when Lessee took possession, except for reasonable wear and tear. Any damage caused by moving of Lessee's trade fixtures or furniture in and out of the Premises shall promptly be repaired or paid for by Lessee.

23. HOLDING OVER. If Lessee, with Owners' implied or express consent, holds over after the expiration of the Lease term, Lessee shall remain bound by all terms and conditions of the Lease, except Lessee's tenancy shall be from month to month.

24. NOTICE. Any notice required to be given by either party to the other pursuant to the provisions of this Lease or any law, present or future, shall be in writing and shall be deemed to have been duly given or sent if either delivered personally or deposited in the United States Mail, postage prepaid, registered or certified, return receipt requested, addressed as follows or to such other address as either party may designate to the other in writing from time to time.

OWNER:

President (or his appointee)  
Lake Limerick Country Club  
E. 790 Andrews Drive  
Shelton, Washington 98584

LESSEE:

Terry O'Hara  
Lake Limerick Pro Shop  
E. 790 Andrews Drive  
Shelton, Washington 98584

25. ENTIRE AGREEMENT. This Lease is the entire agreement of Owner and Lessee and there are no promises, agreements, conditions, understandings, inducements, warranties, or representations, oral or written, express or implied, other than as expressly set forth in this Lease. This Lease shall not be modified in any manner except by an instrument in writing and executed by the parties.

26. BINDING ON HEIRS, SUCCESSORS, AND ASSIGNS. The covenants and agreements of this Lease shall be binding upon the heirs, executors, administrators, successors and assigns of the parties.

27. TIME IS OF THE ESSENCE OF THIS AGREEMENT.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands the date first above written.

OWNER:

LESSEE:

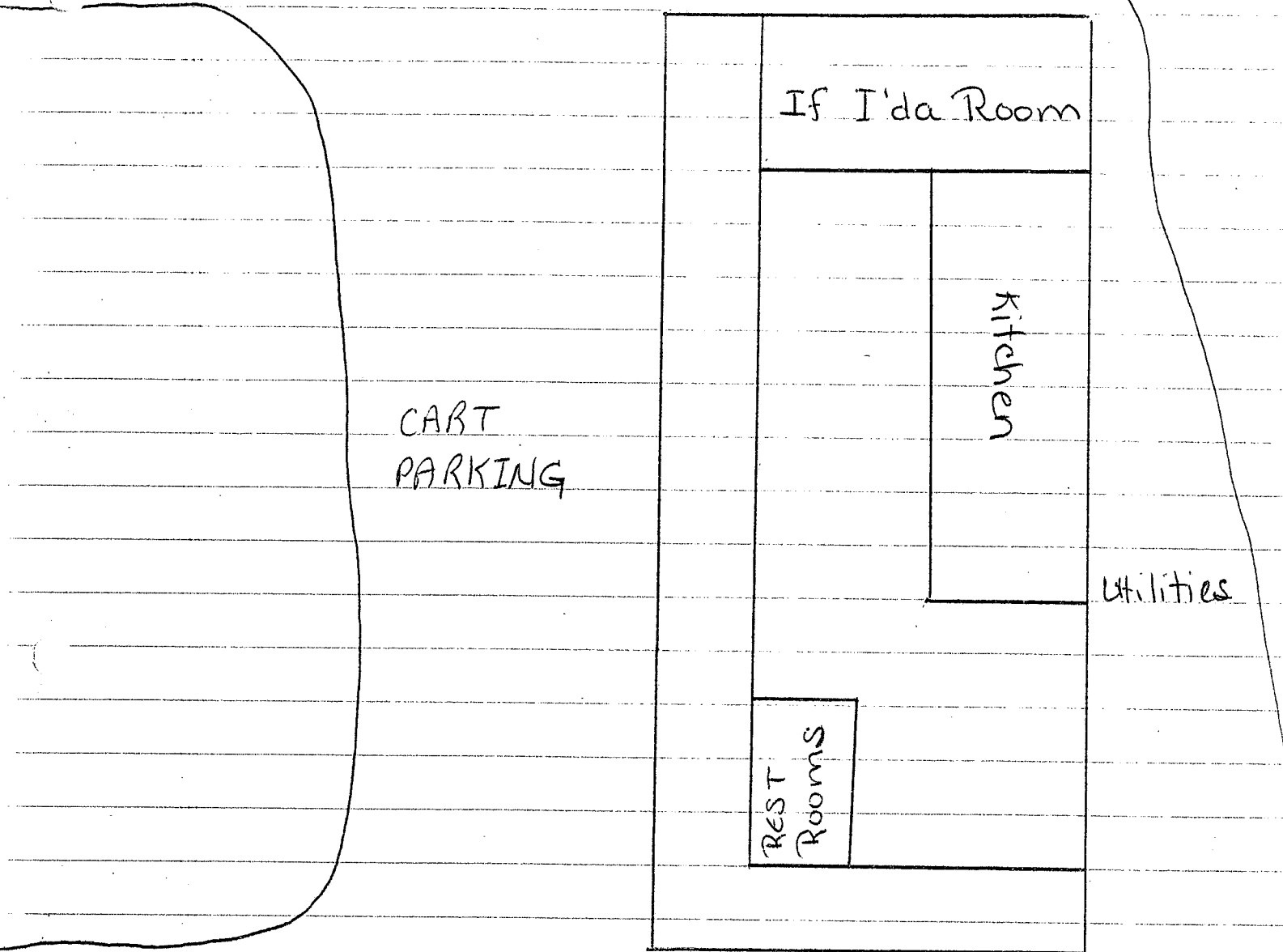




\_\_\_\_\_  
NOTARY PUBLIC in and for the State  
of Washington, residing at \_\_\_\_\_  
My commission expires: \_\_\_\_\_  
Printed Name: \_\_\_\_\_

Sketch of  
Pro Shop

Schedule 1A



St. Andrews Dr.

**SCHEDULE 1B**

**PRO SHOP EQUIPMENT LIST TO BE FURNISHED BY LLCC**

4/1/96

M #	DESCRIPTION	COUNT	* ITEM #	DESCRIPTION	COUNT
1	SHARP CASH REGISTER	2	* 52	STAINLESS BOWLS LARGE	4
2	SILVIE KING FREEZER	1	* 53	KETTLE 3 GALLON	1
3	MICROWAVE OVEN	1	* 54	FRY PAN	2
4	TRUE GDM 26 BEVERAGE COOLER	1	* 55	SAUCE PAN	2
5	GARLAND GAS RANGE WITH HOOD	1	* 56	CUTTING BOARDS	4
6	PITCO DEEP FRYERS	2	* 57	STORAGE CONTAINERS PLASTIC LARGE	4
7	SLIVER KING DELI FRIDGE	1	* 58	STORAGE CONTAINERS PLASTIC SMALL	4
8	SOUP BOWLS	16	* 59	COLANDER	1
9	SMALL BOWLS	12	* 60	MONITOR FOR GOLF COURSE	1
10	COFFEE CUPS	40	* 61	PITCHERS	2
11	TEA POTS	4	* 62	ELECTRIC CAN OPENER	1
12	SYRUP DISPENSER	6	* 63	PLASTIC TRAYS	5
13	SALT & PEPPER DISPENSER SETS	12	* 64	FIRE EXTINGUISHERS	2
14	SAUCERS	18	* 65	BATHROOM TRASH BINS	2
15	DINNER PLATES	30	* 66	LG PLASTIC TRASH BINS	2
16	PLATTERS	8	* 67	CARPET SWEEPER	1
17	DINNER FORKS	40	* 68	PLASTIC BUS TRAYS	3
18	DINNER KNIVES	40	*		
19	TEA SPOONS	40	*		
20	SOUP SPOONS	30	*		
21	STAINLESS STEEL TABLE	1	*		
22	CROCK POTS	2	*		
23	COMMERCIAL TOASTER	1	*		
24	2 DOOR STAINLESS FRIDGE	1	*		
25	DISHWASHER	1	*		
26	STAINLESS TRIPLE SINK	1	*		
27	KNIVES LONG SLICING	4	*		
28	GRILL SCRAPER	1	*		
29	BACON PRESS	2	*		
30	LARGE SPATULA	2	*		
31	SMALL SPATULA	2	*		
32	LARGE WHIPS	2	*		
33	GRATER	1	*		
34	SERVING SPOONS	4	*		
35	LADLES	4	*		
36	NAPKIN DISPENSERS	10	*		
37	COUNTER STOOLS	8	*		
38	CHAIRS	16	*		
39	SMALL TABLES	4	*		
40	ICE MAKER	1	*		
41	WHIRLPOOL FREEZER	1	*		
42	COLD SPOT REFRIGERATOR/FREEZER	1	*		
43	STAINLESS BAKING SHEETS	2	*		
44	HOTEL PAN	1	*		
45	GE FREEZER	1	*		
46	REFR FREEZER	1	*		
47	STORAGE RACK SS	1	*		
48	VACUUM CLEANER	1	*		
49	MOP AND BUCKET	1	*		
50	PUSH BROOM	1	*		
51	BROOM AND DUSTPAN	1	*		