

LAKE LIMERICK COUNTRY CLUB INC.
ANNUAL MEETING MINUTES
APRIL 26, 1997

- The Meeting was called to order @ 2:00 P.M. by President Dan Robinson
1. Opening introductions Dan Robinson
 - a) Introduction of Board of Trustees
 - b) Thank you to those Board Members who are leaving for being involved
 - c) Introduction of Committee Chair-people and others to be noted
 2. Financial Report Bill Buff
 - ◆ Bill Buff reviewed the handouts as per attached.
 3. Presentation of Citizen of the year Jerry Soehnlein
 - ◆ Dan Robinson was elected Citizen of the year
 4. Water Department Kirk Osborne
 - ◆ Kirk reported that the Water System has had a clean bill of health for the past three years.
 - ◆ The meter base installations have been started. The rate structure (once all meters are in place) is still to be determined. All funds for this project are in place, no raise in rates is expected.
 - ◆ Conservation will be in effect again this year beginning in June and ending in September, the even/odd system will be used.
 - ◆ The emergency generator status was reviewed.
 5. Lake Management Status Dan Robinson
 - ◆ The Follow-On Weed Management Grant has been approved for \$50,000.00
 - ◆ May 20, 1997 a weed survey will be done to determine summer of 1997 treatments.
 - ◆ May 20, 1997 the Department of Fish & Wildlife will do electro-fishing in Lake Leprechaun to determine the number of grass carp in the lake
 - ◆ The Department of Ecology has granted LLCC a no interest loan, LLCC will have 5 years to use the loan funds, and 5 years to repay the loan.
 6. Questions from the Membership
 - a) Ballot Issue #1 ~ General Manager
 - b) Ballot Issue #2 ~ Animal Control
 - c) General Question and Answer Period
 7. Introduction of Candidates Grace Nystrom
 - a) Board of Trustees
 - b) Water Committee
 - c) Questions for Candidates
 8. Introduction of Election Committee Dan Robinson
 9. Recess for Voting 3:39 p.m.
 10. Reconvene Announce Results of Elections
 - ◆ General Manager Ballot Issue ~ failed by a vote of 273 to 114
 - ◆ Animal Control Ballot Issue ~ passed by a vote of 345 to 68
 - ◆ Board Member #1 ~ Nan Stricklin
 - ◆ Board Member #2 ~ Dick Lombard
 - ◆ Board Member #3 ~ George Buckley
 - ◆ Board Member #4 ~ John Bykonen
 - ◆ Water Committee Member #1 ~ Henry Yates
 - ◆ Water Committee Member #2 ~ Morgan Terwillegar
 1. Recess to Closed Officer Election Meeting
 2. Return to Announce New Officers Martha Fairbanks
 - ◆ President ~ Dick Lombard
 - ◆ Vice President ~ Gary Ayers
 - ◆ Treasurer ~ Bill Buff with Nan Stricklin as Assistant Treasurer
 - ◆ Secretary ~ Esther Springer-Johannesen
 3. Adjourn 4:58 p.m.

LAKE LIMERICK COUNTRY CLUB INC.

AGENDA

ANNUAL MEETING

APRIL 26, 1997

2:00 P.M.

1. Opening introductions Dan Robinson
 - a) Introduction of Board of Trustees
 - b) Thank you to those Board Members who are leaving for being involved
 - c) Introduction of Committee Chair-people and others to be noted
2. Financial Report Bill Buff
3. Presentation of Citizen of the year Jerry Soehnlein
4. Water Department..... Kirk Osborne
5. Lake Management Status Dan Robinson
6. Questions from the Membership
 - a) Ballot Issue #1 ~ General Manager
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9. Recess for Voting
10. Reconvene Announce Results of Elections
11. Recess to Closed Officer Election Meeting
12. Return to Announce New Officers..... Martha Fairbanks
13. Adjourn

1996-1997 Budget Expenditures

| CAPITAL IMPROVEMENTS BOT 7/29/96 | | 1996-1997 | | Date | Actual Paid |
|------------------------------------|---------|-----------|-------------|----------|--------------|
| ADMINISTRATION: | | | | | |
| REPLACEMENT OF TOILETS | | \$ 1,000 | | | |
| REPLACEMENT OF CARPETS | | | | | |
| Magpies paid \$2,200.00 additional | | \$ 4,500 | | 1/21/97 | \$ 4,595.44 |
| TOTALS: | | | \$ 5,500 | | |
| LAKE/DAM | | | | | |
| RESTOCK CARP | | \$ 1,000 | | | |
| REPLACE WEIR BOARD | | \$ 1,000 | | | |
| REPLACE VEHICLE | | \$ 3,000 | | 12/16/96 | \$ 2,197.66 |
| TOTALS: | | | \$ 5,000 | | |
| MAINTENANCE | | | | | |
| CHAIN LINK FENCE | | \$ 7,500 | | 11/26/96 | \$ 7,838.24 |
| TRUCK REPLACEMENT | | \$ 3,000 | | 12/16/96 | \$ 2,197.66 |
| TOTALS: | | | \$ 10,500 | | |
| SECURITY | | | | | |
| SECURITY | | \$ 10,000 | | | |
| TOTALS: | | | \$ 10,000 | | |
| YOUTH & PARKS | | | | | |
| TRUCK REPLACEMENT | | \$ 3,000 | | 12/16/96 | \$ 2,197.66 |
| TOTALS: | | | \$ 3,000 | | |
| GOLF | | | | | |
| | | | BOT 3/15/97 | | |
| GAS HEATER FOR SHOP | \$2,500 | \$ 1,712 | | 12/3/96 | \$ 1,712.37 |
| EMPLOYEE LOCKERS | \$500 | canceled | | | |
| BACKPACK BLOWER | \$500 | canceled | | | |
| JACOBSEN BLOWER ATTACH | \$3,500 | canceled | | | |
| REPLACE CHEVY S-10 | \$4,000 | \$ 2,930 | | 12/16/96 | \$ 2,930.21 |
| GREENS MOWER | \$3,691 | canceled | | | \$ - |
| 2 - WEED EATERS | \$1,000 | canceled | | | |
| CUSHMAN UTILITY TRUCK | | \$ 11,049 | | | |
| TOTALS: | | | \$ 15,691 | | |
| LOUNGE | | | | | |
| LOUNGE EQUIPMENT | | \$ 1,000 | | | |
| TOTALS: | | | \$ 1,000 | | |
| RESTAURANT | | | | | |
| RESTAURANT EQUIP | | \$ 2,500 | | | |
| TOTALS: | | | \$ 2,500 | | |
| WATER | | | | | |
| Meters | | \$ 50,000 | | | |
| #3B Well Pump Replace | | \$ 3,000 | | | |
| Leak Detector | | \$ 2,000 | | 11/26/96 | \$ 1,798.54 |
| Paint Tank #1 | | \$ 7,000 | | | |
| Computer Upgrade | | \$ 5,000 | | | |
| Truck (11/18/96) | | \$ 4,000 | | 12/16/96 | \$ 2,930.21 |
| TOTALS: | | | \$ 71,000 | | |
| Total Capital Improvements | | | \$ 124,191 | | \$ 23,802.55 |

LECC REPORT
Comparative Statement of Income/Budget For Year To Date
1996-1997
Oct 1996 to Mar 1997

| SIX MONTHS OCT 96 TO MAR 97 | 6 Months | 6 Months Budget | Net Change |
|-------------------------------------|---------------------|------------------------|-----------------------|
| Gross Revenue | \$ 418,814.20 | \$ 449,427.50 | \$ (30,613.30) |
| Assessment Adjustments | \$ - | \$ - | \$ - |
| Cost of Good Sold | \$ 32,043.61 | \$ 31,575.60 | \$ 468.01 |
| Operating Expenses | \$ 307,399.21 | \$ 311,116.92 | \$ (3,717.71) |
| Other Income & Expenses | \$ (46,510.81) | \$ (27,510.00) | \$ (19,000.81) |
| Valve Fail 1994-1995 | \$ - | \$ - | \$ - |
| Septic/ADA Inn/Pro Shop | \$ - | \$ - | \$ - |
| Timber Harvest | \$ - | \$ - | \$ - |
| Net Profit (Loss) | \$ 32,860.57 | \$ 79,224.98 | \$ (46,364.41) |
| Income by Department | 6 Months | 6 Months Budget | Net Change |
| Golf | \$ 32,213.71 | \$ 39,268.20 | \$ (7,054.49) |
| Administration | \$ 204,958.44 | \$ 204,550.00 | \$ 408.44 |
| Lounge moved to Rest | \$ - | \$ - | \$ - |
| Restaurant | \$ 56,111.13 | \$ 72,993.30 | \$ (16,882.17) |
| Social Events | \$ 1,438.00 | \$ 2,000.00 | \$ (562.00) |
| Water Dept. | \$ 121,542.92 | \$ 127,766.00 | \$ (6,223.08) |
| Youth/Parks | \$ - | \$ - | \$ - |
| Lake Management | \$ - | \$ - | \$ - |
| Septic/ADA Inn/Pro Shop | \$ - | \$ - | \$ - |
| Architectural | \$ 2,550.00 | \$ 2,850.00 | \$ (300.00) |
| Total: | \$ 418,814.20 | \$ 449,427.50 | \$ (30,613.30) |
| Cost of Good Sold | 6 Months | 6 Months Budget | Net Change |
| Social/Shirts | \$ - | \$ - | \$ - |
| Lounge moved to Rest | \$ - | \$ - | \$ - |
| Restaurant | \$ 32,043.61 | \$ 31,575.60 | \$ 468.01 |
| Total: | \$ 32,043.61 | \$ 31,575.60 | \$ 468.01 |
| Expenses by Dept. | 6 Months | 6 Months Budget | Net Change |
| Golf | \$ 56,361.61 | \$ 54,980.50 | \$ 1,381.11 |
| Administration | \$ 104,129.42 | \$ 100,506.40 | \$ 3,623.02 |
| Lounge moved to Rest | \$ - | \$ - | \$ - |
| Restaurant | \$ 52,938.16 | \$ 53,057.70 | \$ (119.54) |
| Septic/ADA Inn/Pro Shop | \$ - | \$ - | \$ - |
| Valve Fail 94 | \$ - | \$ - | \$ - |
| Social Events | \$ 2,761.06 | \$ 1,578.40 | \$ 1,182.66 |
| Water Dept. | \$ 38,730.16 | \$ 45,346.10 | \$ (6,615.94) |
| Architectural | \$ 4,284.77 | \$ 3,770.00 | \$ 514.77 |
| Total: | \$ 259,205.18 | \$ 259,239.10 | \$ (33.92) |
| Non-Revenue supported Depts. | 6 Months | 6 Months Budget | Net Change |
| Community Support | \$ - | \$ 250.00 | \$ (250.00) |
| Lake/Dam Dept. | \$ 4,148.38 | \$ 5,162.50 | \$ (1,014.12) |
| Long Range Planning | \$ - | \$ - | \$ - |
| Maintenance Dept. | \$ 30,483.28 | \$ 26,972.30 | \$ 3,510.98 |
| Security Dept. | \$ 7,903.30 | \$ 14,418.60 | \$ (6,515.30) |
| Youth Parks/Net | \$ 1,771.24 | \$ 2,420.82 | \$ (649.58) |
| Lake Management | \$ 3,887.83 | \$ 2,653.60 | \$ 1,234.23 |
| Total: | \$ 48,194.03 | \$ 51,877.82 | \$ (3,683.79) |
| Total Expenses: | \$ 307,399.21 | \$ 311,116.92 | \$ (3,717.71) |
| Other Income Expense | 6 Months | 6 Months Budget | Net Change |
| Gain Disposal/Others Water Reserve | \$ (34,794.49) | \$ (27,510.00) | \$ (7,284.49) |
| Septic/Inn/Pro Shop Assmt | \$ - | \$ - | \$ - |
| Timber Harvest | \$ (11,716.32) | \$ - | \$ (11,716.32) |
| Valve Fail 94 | \$ - | \$ - | \$ - |
| Total: | \$ (46,510.81) | \$ (27,510.00) | \$ (19,000.81) |
| NET INCOME: | \$ 32,860.57 | \$ 79,224.98 | \$ (46,364.41) |

FISCAL YEAR Oct. 1, 1996 - Sep. 30, 1997

| Individual Item Expenditure Authorization & Payment Record | | | | | | | | | | | |
|------------------------------------------------------------|------------|------------------------|--------------|---------------------------------------|-------|----------------------|----------------------|----------------|-------------|----------------|----------------------------------------------|
| Minimum Limit \$250.00 | | | | | | | | | | | |
| Date | Committee | Exec/Board Auth'd Date | Item | Description | PO # | Dept. Budget Account | Expenditure Schedule | Planned Amount | Actual Paid | Y-T-D By Dept. | 1996-1997 Accumulative Planned Costs To Date |
| ADMINISTRATION #5 | | | | | | | | | | | |
| 2/28/97 | Admin. | Pres. 2/13/97 | Desks | 4 Desks, 2 hutches for Office | 11935 | General | Feb-97 | \$ 1,425 | \$ 1,425 | \$ 1,425 | \$ 1,425 |
| GOLF #65 | | | | | | | | | | | |
| 3/31/97 | Greens | Chprm 1/31/97 | Flexbrush | Toro Flexbrush for Greensmaster | 11467 | Capital | Mar-97 | \$ 531 | \$ 531 | \$ 531 | \$ 1,956 |
| LAKE/MANAGEMENT #20 | | | | | | | | | | | |
| 10/5/96 | Lk/Managmt | Pres. 10/5/96 | Weed Sample | R. Chaney Weed Samples Lk Leprechaun | 11886 | General | Oct-96 | \$ 300 | \$ 300 | \$ 300 | \$ 2,256 |
| 10/16/96 | Lk/Managmt | Exec 10/15/96 | Aquatic Plan | Weed Mang. Plan (Grant&Loan) | 11244 | General | Dec-96 | \$ 2,120 | \$ 2,120 | \$ 2,120 | \$ 4,376 |
| 12/31/96 | Lk/Managmt | Pres. 10/96 | Aquatic Plan | Weed Mang. Plan (Grant&Loan) | 11245 | General | Dec-96 | \$ 500 | \$ 618 | \$ 3,038 | \$ 4,994 |
| MAINTENANCE #30 | | | | | | | | | | | |
| 04/27/94 | Maint | Budget 11/21/92 | Lost Invoice | KDS Environmtl 3 gas tanks removed | 14630 | General | Apr-94 | \$ 3,220 | \$ 3,220 | \$ 3,220 | \$ 8,214 |
| RESTAURANT/LOUNGE #75 | | | | | | | | | | | |
| 10/11/96 | Restaurant | Pres. 10/11/96 | Dishwasher | Set Up and Annual Lease | 11057 | General | Oct. 96/Annual | \$ 2,252 | \$ 2,252 | \$ 2,252 | \$ 10,466 |
| 10/19/96 | Restaurant | BOT 10/19/96 | Contract | Ryan & Assoc. Restaurant Contract | N/A | General | Nov-96 | \$ 2,000 | \$ 588 | \$ 2,588 | \$ 11,053 |
| 10/19/96 | Restaurant | BOT 10/19/96 | Contract | Legal Jacob Restaurant Contract | N/A | General | Dec 1996 + Mar 1997 | \$ - | \$ 731 | \$ 3,319 | \$ 11,784 |
| WATER DEPARTMENT #95 | | | | | | | | | | | |
| 10/14/96 | Water | Wtr 11/18/96 | SEMCON | Community Water Plan (State Required) | N/A | General | Jan-97 | \$ 9,575 | \$ 2,738 | \$ 12,313 | \$ 14,522 |

6 MONTH FINANCIAL REVIEW PRESENTATION TO MEMBERSHIP

Looking at the Gross Revenue:

| | |
|-------------------------------------|----------------------|
| Revenue Producing Departments: | |
| Golf..... | \$ 32,213.71 |
| Restaurant/Lounge..... | \$ 56,111.13 |
| Social Events..... | \$ 1,438.00 |
| Architectural..... | \$ 2,550.00 |
| Water..... | <u>\$ 121,542.92</u> |
| Sub-Total..... | \$ 213,855.76 |
| Dues, Assessments, Misc Income..... | <u>\$ 204,958.44</u> |
| TOTAL INCOME..... | \$ 418,814.20 |

Looking at the Expenses:

| | |
|----------------------------|-----------------------|
| Expenses by Departments: | |
| Golf..... | \$ 56,361.61 |
| Restaurant/Lounge..... | \$ 52,938.16 |
| Social Events..... | \$ 2,761.06 |
| Architectural..... | \$ 4,284.77 |
| Water..... | \$ 38,730.16 |
| Administration..... | \$ 104,129.42 |
| Maintenance..... | \$ 30,483.28 |
| Security..... | \$ 7,903.30 |
| Youth/Parks..... | \$ 1,771.24 |
| Lake Management..... | \$ 3,887.83 |
| Lake/Dam..... | <u>\$ 4,148.38</u> |
| Sub-Total..... | \$ 307,399.21 |
| Cost of Goods Sold..... | \$ 32,043.61 |
| Other Income/Expenses..... | \$ 43,510.81 |
| Provision for Taxes..... | \$ 3,000.00 |
| Total Expenses..... | <u>\$ 385,953.63</u> |
| Net Income (Loss)..... | <u>\$ 32,860.57</u> ✓ |

The Departments that have been most actively questioned in the past Town Meetings have been:

- GOLF
- RESTAURANT/LOUNGE
- LAKE

In anticipation of these questions I have prepared the following analysis for your review:

1. Golf

Revenue from Members:

| | | |
|-----------------------|--------------------|--------------|
| Annuals..... | \$ 16,663.74 | |
| Dailies..... | \$ 1,295.64 | 66% |
| Cart Shed Rental..... | \$ 4,356.00 | |
| Trail Fees..... | <u>\$ 1,500.00</u> | |
| Sub-Total..... | | \$ 23,815.38 |

Revenue from Non-Members:

| | | |
|--------------------------------------------|-------------|---------------------|
| Annuals..... | \$ 3,081.54 | |
| Dailies..... | \$ 6,035.36 | 34% |
| Trail Fees..... | \$ 50.00 | |
| Pro Shop Lease arrangement..... | \$ 3,000.00 | |
| Sub-Total of Revenue from Non-Members..... | | <u>\$ 12,166.90</u> |

Total Revenue..... \$ 35,982.28

Total Expenses..... \$ 60,130.18

Net Income(Loss)..... (\$ 20,379.33)

2. Restaurant/Lounge

Revenue from Members:

| | | |
|-------------------|------------------|--------------|
| Lounge..... | | \$ 27,464.82 |
| Beer/Wine..... | \$ 7,603.23 | |
| Liquor..... | \$ 18,343.64 | |
| Cigarettes..... | \$ 1,128.69 | |
| Darts/Prizes..... | \$ <u>389.26</u> | |

Revenue from Non-Members:

| | | |
|-------------------|----------------|-------------|
| Lounge..... | | \$ 3,475.54 |
| Beer/Wine..... | \$ 933.95 | |
| Liquor..... | \$ 2,541.59 | |
| Cigarettes..... | \$ 0.00 | |
| Darts/Prizes..... | \$ <u>0.00</u> | |

55%

Revenue from Members:

| | | |
|-----------------|------------------|--------------|
| Restaurant..... | | \$ 20,498.78 |
| Restaurant..... | \$ 16,285.97 | |
| Bar Menu..... | \$ 222.82 | |
| Banquets..... | \$ 3,589.99 | |
| Hall Rent..... | \$ <u>400.00</u> | |

Revenue from Non-Members:

| | | |
|-----------------|-----------------|-------------|
| Restaurant..... | | \$ 4,681.99 |
| Restaurant..... | \$ 781.85 | |
| Banquets..... | \$ 3,830.14 | |
| Hall Rent..... | \$ <u>70.00</u> | |

Total Revenue..... \$ 56,121.13

Total Expenses..... \$ 84,991.77

 Cost of Goods Sold..... \$ 32,043.61 (57%)

 Direct Expenses..... \$ 52,948.16

Net Income(Loss)..... (\$ 28,870.64)

3. Lake Management - Lake/Dam

| | | |
|-----------------------|--------------------|---------|
| Service Contract..... | \$ 4,010.00 | > Diver |
| General Expenses..... | <u>\$ 3,982.32</u> | > Labor |
| Total Expense..... | <u>\$ 7,992.32</u> | |

To: **GENERAL MEMBERSHIP**
Subject: **GENERAL MANAGER**

In response to inquires to the Board of Trustees, the following has been prepared to answer questions of the membership about the proposed General Manager.

Q. Why do we need a General Manager?

- Provide a full time professionally trained person to manage our \$760,000 budget and up to 27 employees.
- Provides continuity from one administration to another and continuity of the supervision of our employees.
- Relieves the burden and uncertainties of volunteers to manage our facilities.

Q. What will the General Manager do?

- Please refer to the attached job description on back.

Q. Who will the General Manager report to?

- The General Manager will be responsible to the Board of Trustees and report to the Executive Committee.

Q. Can the General Manager be a resident of Lake Limerick Country Club?

- No, there could be a perceived conflict of interest in the administration of his/her duties.

Q. What is the salary for the General Manager?

- Top range of \$65,000.00/year to include all benefits, social security, etc., or approximately \$45,000. - \$50,000./year base salary.

Q. How will the salary be paid for?

- The membership is being asked to approve a one time only special assessment for \$42,230.00 (\$32.00/lot) as part of this salary. The remainder \$22,770.00 (3% of the budget) is assumed to be saved the first year by increased operating efficiency by the manager and his/her complete salary after that.

Q. How will the General Manager interact with the different committees?

- The committees and their members are the backbone of our club, without them we would not have the great community we have. The General Manager will work directly with each committee, attend their meetings and coordinate employee/contractor activities to execute the appropriate desires of the committees.

Q. Where will the General Manager be located?

- He/she will occupy the present office space used by the Board of Trustees President.

GENERAL MANAGER JOB DESCRIPTION

Draft 8/1/96

PART I

GUIDELINES:

- The General Manager reports directly to the Executive Committee, or authorized representative. S/He also works in tandem with the Board of Trustees.
- The General Manager serves in the capacity of Chief Operating Officer of the entire club and implements the policy established by the governing authorities, including the Water Committee.
- The General Manager is responsible for creation and implementation of standard operating procedures for all areas of the club.
- The General Manager will coordinate with the club treasurer to prepare the annual budget and, after board approval, manages and controls the operations to attain the established goals.
- The General Manager directly supervises all department heads, including but not limited to the Inn Manager, Golf Course Superintendent, Maintenance Supervisor and the Office Manager.
- The General Manager coordinates all management functions of the club.

PART II

GENERAL MANAGEMENT JOB DESCRIPTION:

I. POSITION:

General Manager

II. JOB SUMMARY:

Serves as chief operating officer of the club: manages all aspects of the club including its activities and the relationships between the club and its Board of Trustees, members, guests, employees, community, government and industry. Coordinates and administers the club's policies as defined by its Board of Trustees. Develops operating policies and procedures and directs the work of all department managers. Implements and monitors the budget; monitors the quality of the club's products and services, and ensures maximum member and guest satisfaction. Secures and protects the club's assets, including facilities and equipment.

III. JOB TASKS (Duties):

1. Implements general policies established by the Board of Trustees; directs their administration and execution
2. Develops specific operational procedures and methods in concert with Club policies.
3. Coordinates the development of the club's long range and annual (business) plans.
4. Develops, maintains, and administers a sound organizational plan; initiates improvements as necessary.
5. Establishes a basic personnel policy; initiates and monitors policies relating to personnel actions and training and professional development programs.
6. Coordinates development of operating and capital budgets according to the budget calendar; monitors monthly and other financial statements for the club; takes effective corrective action as required.
7. Coordinates and serves as ex-officio member of all club committees.
8. Welcomes new club members
9. Provides advice and recommendations to all committees about construction, alteration, maintenance, materials, supplies, equipment and services not provided in approved plan and/or budgets.
10. Consistently assures that the club is operated in accordance with all applicable local, state and federal laws.
11. Oversees the care and maintenance of all the club's physical assets and facilities.
12. Coordinates membership relations programs to promote the club's services and facilities to potential and present members.
13. Ensures the highest standards for all club services.
14. Establishes and monitors compliance with purchasing policies and procedures.
15. Reviews and initiates programs to provide members with a variety of activities.
16. Analyzes financial statements, manages cash flow, and establishes controls to safeguard funds. Reviews income and costs relative to goals; takes corrective action as necessary.
17. Works with subordinate department heads to schedule, supervise, and direct the work of all club employees.
18. Monitors and coordinates all contract services; submits performance reviews and related recommendations to the Board of Trustees.
19. Attends meetings of the Club's Executive Committee and Board of Trustees.
20. Participates in outside activities that are judged as appropriate and approved by the Board of Trustees.

IV. REPORTS TO:

Executive Committee

V. JOB QUALIFICATIONS

(to be determined)

LAKE LIMERICK COUNTRY CLUB, INC.
BOARD OF TRUSTEES
ELECTION OF OFFICERS
APRIL 26, 1997

The meeting was called to order by Gary Ayers at 4:45 p.m.

Members attending were: Esther Springer-Johannesen, Martha Fairbanks, Ted Mason, Bill Buff, Gary Ayers, Dick Lombard, Nan Stricklin, and George Buckley.
John Bykonen was not able to attend.

The purpose for this meeting was to elect officers, no other business was conducted.

Nominations were open for the position of President.

A motion was made by Ted Mason seconded by Nan Stricklin to nominate Doyle Wilcox for President:
A motion was made by Bill Buff seconded by Esther Springer-Johannesen to nominate Dick Lombard for President:

A motion was made by Bill Buff, seconded by Ted Mason and passed as follows:
To close the nominations

Dick Lombard was elected President by ballot, it was passed with a vote of 7 to 3.

Nominations were open for the position of Vice President.

A motion was made by Ted Mason seconded by Esther Springer-Johannesen to nominate Martha Fairbanks for Vice-President:

A motion was made by Bill Buff seconded by Pat Paradise to nominate Gary Ayers for Vice-President:
A motion was made by Ted Mason, seconded by George Buckley and passed as follows:
To close the nominations

Gary Ayers was elected Vice President by ballot, it was passed with a vote of 7 to 3.

Nominations were open for the position of Treasurer.

A motion was made by George Buckley, seconded by Esther Springer-Johannesen to nominate Bill Buff for Treasurer:

A motion was made by Ted Mason, seconded by George Buckley and passed as follows:
To close the nominations

*Bill Buff was elected Treasurer by acclamation, it was passed unanimously.
Nan Stricklin will act as Assistant Treasurer*

Nominations were open for the position of Secretary.

A motion was made by Gary Ayers, seconded by Bill Buff to nominate Esther Springer-Johannesen for Secretary:

A motion was made by Gary Ayers, seconded by Ted Mason and passed as follows:
To close the nominations

Esther Springer-Johannesen was elected Secretary by acclamation, it was passed unanimously.

A motion was made by Bill Buff, seconded by George Buckley and passed as follows:
To adjourn the meeting at 4:58 p.m.

Respectfully Submitted by:
Sheila Hedlund
Executive Administrative Assistant

Preliminary Minutes, not approved by the Board of Trustees. For Review Only.

MEMORANDUM

DATE: April 29, 1997
TO: George Buckley
John Bykonen
Nan Stricklin
Bill Buff
FROM: Dick Lombard
RE: New Board Workshop

The New Board Member Workshop will be held May 10, 1997 @ 11:00 a.m.

I will look forward to seeing you there.



Dick Lombard

President

LAKE LIMERICK COUNTRY CLUB, INC.

LAKE LIMERICK COUNTRY CLUB, INC.
E. 790 ST. ANDREWS DRIVE
SHELTON, WA 98584

BOARD OF TRUSTEES

April 19, 1997

The meeting was called to order by president Dan Robinson at 9:00 a.m.

ROLL CALL: Gary Ayers

Trustees attending the meeting: Vice President Jerry Soehnlein, Secretary Gary Ayers, Trustee Doyle Wilcox, Trustee Esther Springer-Johannesen, Trustee Betty Malloy-Braget, Trustee Ted Mason, Trustee Martha Fairbanks, and Trustee Pat Paradise.

Treasurer Bill Buff was excused. Trustee Shirley Reichner was absent.

APPROVAL OF MINUTES:

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

To approve the minutes of the March 15, 1997 board meeting as written.

FINANCIAL REPORT:

Secretary Gary Ayers read the March Financial Reports provided by Treasurer Bill Buff.

Motion made by Tr. Jerry Soehnlein, seconded by Tr. Esther Springer-Johannesen and carried by the Board as follows:

To approve the March 1997 financial report as presented.

ITEMS FROM THE CONSENT AGENDA:

Consent Agenda Item 1. Security - Security Gate Status

Chair person Neil Jones prepared a report that was read by President Dan Robinson. The fence and gates are installed at Anglia Beach. PUD will need a \$100.00 check to hook up the meter, then the balance of the work can be completed. If the open pedestrian gate is a problem, we will address using a code to open it.

Consent Agenda Item 2. Water Committee - Meter Installation Bid Results

Water Treasurer Jerry Soehnlein said the meter yoke installation bid for Phase I was awarded to Huston Excavation for the basic 294 installations without meters for \$40,100.00 w/o tax. The meters will be installed when all the meter yokes are in place.

Consent Agenda Item 3. Status of Emergency Generator - Inn & Pro Shop Evaluation

Water Chair person Kirk Osborne reported he has contacted a generator representative to assess what the water department needs for a generator. The representative will also evaluate the Inn and Pro Shop.

Motion made by Tr. Martha Fairbanks, seconded by Tr. Esther Springer-Johannesen and carried by the Board as follows:

The board will ask the Inn Committee and Greens Committee (for Pro Shop) to appoint members to work with the generator consultant in order to develop a procedure for the existing emergency generator.

Consent Agenda Item 4. Inn Committee - Janitorial Service

President Dan Robinson said Jora Lee submitted her resignation for Inn cleaning as of May 1, 1997 due to the loss of hall events. The new executive committee will schedule a meeting with Jora Lee since she offered to help set up another cleaning person.

Consent Agenda Item 5. Inn Committee - Grease Barrels Status.

Maintenance Chair person Gary Ayers reported there is a grease barrel at the Pro Shop but not at the Inn. Maintenance has installed the pole and chain and Mark Hanson needs to contact the company that provides the barrels. Tr. Esther Springer Johannesen will find out the status of the barrels.

Consent Agenda Item 6. Maintenance Committee - Ad-Hoc Committee for Street Light Proposals

Chairperson Gary Ayers reported Ted Mason and Wally Barker did a survey of transformers and lights. Gary worked up a map using these figures at intersections and determined there are 90 street lights needed excluding 5 existing lights. PUD would take care of installing and maintaining the lights. The cost to each lot owner would be about \$10.00+/- year. Gary suggests a vote of the community at the October Semi-Annual Meeting to approve the \$12,811.00 + expenditure.

Consent Agenda Item 7. Architectural Committee - Resolution of Stickley Tree Cutting Penalties

Chairperson Pat Feist said the Architectural Committee had not thoroughly examined the situation when they recommended the Board Of Trustees fine Stickley \$1,000.00 for non-permitted tree cutting. Pat read the letter he wrote to Mr. Stickley recommending the \$1,000.00 penalty be rescinded and that the application dated 2/27/97 along with the \$65.00 fee be accepted. Secretary Gary Ayers had previously written to Mr. Stickley voiding the Board approved fine.

Motion made by Tr. Doyle Wilcox, seconded by Tr. Gary Ayers and carried by the Board as follows: Abstained: Tr. Betty Malloy Braget ("the manner it was accomplished did not follow procedure")

The board approves the action recommended by the Architectural Committee as stated in the letter as follows:

April 15, 1997

RE: Div. 3/lot 501

Dear Mr. Stickley:

The Architectural Committee and the Board of Trustees made the decision at their March meetings to assess you a penalty of \$1,000.00 for non-compliance without all of the facts being known.

Due to this, we are recommending that the \$1,000.00 penalty be rescinded and that the application from you dated 2/27/97 along with the \$65.00 fee be accepted and approved.

We wish to apologize for any inconvenience this action may have caused you.

Sincerely, Pat Feist, Chairperson Architectural Committee

Break 10:00 a.m.

EXECUTIVE COMMITTEE:

1. Proposed Guidelines for Disciplinary Action

Tr. Betty Malloy Braget will have the updated Disciplinary Procedure for LLCC Restaurant and Lounge and Resulting Restrictions and Penalties for the next executive and board meetings.

2. Inn Service Contract Proposal

The attorney and accountant from Gig Harbor reviewed the contract and listed recommendations and noted that the liquor license issue still needs resolving. We can't assign someone else to use the license, according to Liquor Board Regulations.

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

The board will table the Inn Service Contract proposal until the next board meeting. The Liquor Board has been contacted with our questions. The results of the April elections and the Manager status will be known after Saturday's Annual Meeting.

3. Resolution Proposal for FHA/VA Loans

Attorney Rob Wilson Hoss wrote a letter regarding FHA/VA lending requirements. There are several items to be addressed as By Law Changes to be voted by the members.

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

The new board will appoint someone to research and prepare Declaration of Covenants, Bylaws, and Articles of Incorporation language changes to be voted on by the members. The members would also have to approve that LLCC liens are subordinate to first mortgage liens.

OLD BUSINESS:

1. Navy Easement

President Dan Robinson read the letter from the Dept. of Navy regarding the cart path easements on navy property.

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

The board accepts the Dept. of Navy annual fee of \$250.00 for the cart path easements provided there are no insurance costs to LLCC. If there is an insurance increase the Executive Committee will review the subject.

2. LLCC. Dam Drain Valve

The letter from Martig Engineering regarding the choice of a "butterfly" valve and the overtightened brass fittings on the valve during final installation was presented. The replacement fittings will be done in May with no cost to the club. LLCC will be billed for Ken Martig's engineering services.

NEW BUSINESS:

1. Annual Meeting Agenda

COMMENTS FROM MEMBERSHIP:

Club Manager Position: A member asked if the Manager position job description will be discussed at the Annual Meeting. There will be a handout for the members. Jerry Soehnlein will prepare questions and answers from the Long Range Planning Committee.

Dead Trees: There is concern the storm damaged dead trees may be a fire hazard this summer. A note in the next newsletter would be appropriate.

St. Andrews speeding: A member would like LLCC Secretary write another letter to the Sheriff's Department regarding the speeding cars on St. Andrews Drive.

Garbage Trucks: Ted Mason will call Mason County Garbage and let them know one of their trucks was driving on the wrong side of the road on St. Andrews.

Crime Watch: The next Board of Trustees are asked to get volunteers to reorganize the neighborhood watch.

We would like to thank the out going board members for their time and energy devoted to the community. - Dan Robinson, Betty Malloy Braget, Shirley Reichner, and Jerry Soehnlein.

CORRESPONDENCE:

Secretary Gary Ayers has responded to several dog complaint letters.

ANNOUNCEMENTS: President read the announcements

Annual Meeting and Elections - April 26, 1997

Coffee Hour with Candidates 12:30 p.m.

Magpie Bake Sale 10:00 a.m.

Fishing Tournament - April 27, 1997 starting at 6:00 a.m.

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

The Board will convene to closed session.

CLOSED SESSION

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

The Board will reconvene to open session.

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

The previous disciplinary action is upheld and a letter will be written.

ADJOURN:

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

To adjourn the meeting at 11:55 a.m.

Respectfully submitted,

Gary Ayers, Secretary

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

Mail Minutes to absent Board Members.

Lake Limerick Country Club, Inc.
790 St. Andrews Drive
Shelton, WA 98584
Phone: (360) 425-3581
FAX: (360) 426-8922

Department of the Navy
Engineering Field Activity, Northwest
Naval Facilities Engineering Command
19917 7th Ave NE
Poulsbo, WA 98370-7570

April 24, 1997

Attn. Jerry Knowles

Realty Specialist

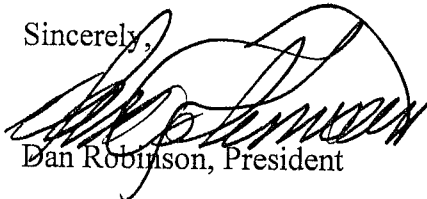
RE: License Number N4425597RP00T15

Dear Mr. Knowles:

Having received Board of Trustees approval of the proposed contract, a certificate of insurance from carrier, I have enclosed the three copies of the contract. Please note that our insurance carrier has declined to waive the right of Subrogation as requested in item #3 of your letter of April 14, 1997.

In accordance with your instructions we will issue the license payment upon receipt of the fully executed copy of the license.

Sincerely,



Dan Robinson, President

Lake Limerick Country Club, Inc.

DR/SCS

Enclosure: 3 copies of License No. N4425597RP00T15

Insurance Certificate issued to the Dept. of the Navy.

cc: File, Board of Trustees

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YY)
04/22/97

PRODUCER
DUNCAN & ASSOCIATES INC
2111 HARRISON AVE N-W.
PO BOX 1458
OLYMPIA WA 98507

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURED
Lake Limerick Co Club Inc
E 790 St Andrews Dr
Shelton WA 98584

COMPANIES AFFORDING COVERAGE

| | |
|---------------------|------------------------|
| COMPANY A | AMERICAN STATES |
| COMPANY B | |
| COMPANY C | |
| COMPANY D | |


COVERAGES
THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

| CO LTR | TYPE OF INSURANCE | POLICY NUMBER | POLICY EFFECTIVE DATE (MM/DD/YY) | POLICY EXPIRATION DATE (MM/DD/YY) | LIMITS |
|----------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|----------------------------------|-----------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| A | GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR OWNER'S & CONTRACTOR'S PROT | 02CC 602899-2 | 12/17/96 | 12/17/97 | GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000 PERSONAL & ADV INJURY \$ 1,000,000 EACH OCCURRENCE \$ 1,000,000 FIRE DAMAGE (Any one fire) \$ 50,000 MED EXP (Any one person) \$ 5,000 |
| A | AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS | 02CC 602899-2 | 12/17/96 | 12/17/97 | COMBINED SINGLE LIMIT \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE \$ |
| | GARAGE LIABILITY <input type="checkbox"/> ANY AUTO | | | | AUTO ONLY - EA ACCIDENT \$ OTHER THAN AUTO ONLY: \$ \$ \$ |
| | EXCESS LIABILITY <input type="checkbox"/> UMBRELLA FORM <input type="checkbox"/> OTHER THAN UMBRELLA FORM | | | | EACH OCCURRENCE \$ AGGREGATE \$ \$ |
| | WORKERS COMPENSATION AND EMPLOYERS' LIABILITY THE PROPRIETOR/PARTNERS/EXECUTIVE OFFICERS ARE: <input type="checkbox"/> INCL <input type="checkbox"/> EXCL | | | | WC STATUTORY LIMITS <input type="checkbox"/> OTHER <input type="checkbox"/> EL EACH ACCIDENT \$ EL DISEASE - POLICY LIMIT \$ EL DISEASE - EA EMPLOYEE \$ |
| | OTHER | | | | |

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS
It is understood and agreed that the United States of America Department of the Navy is an additional insured as their interest may appear. Re: Navy Real Estate

CERTIFICATE HOLDER
Dept. of the Navy
Eng.Field Activity NW
19917 7th Ave. NE
Poulsbo WA 98370-7570

CANCELLATION
SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL **30** DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.
AUTHORIZED REPRESENTATIVE
Jeanette Smith

| | | | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------|
| LICENSE FOR NONFEDERAL USE OF REAL PROPERTY SWDIV 11011/29 (1-92) | | LICENSE NUMBER | |
| THIS LICENSE TO USE U.S. GOVERNMENT PROPERTY HEREIN DESCRIBED IS ISSUED BY THE DEPARTMENT OF THE NAVY TO THE LICENSEE NAMED BELOW FOR THE PURPOSE HEREIN SPECIFIED UPON THE TERMS AND CONDITIONS SET FORTH BELOW AND THE GENERAL PROVISIONS ON THE REVERSE SIDE HEREOF AND ANY SPECIAL CONDITIONS ATTACHED HERETO. BY THE EXECUTION HEREOF THE LICENSEE AGREES TO COMPLY WITH ALL SUCH TERMS, CONDITIONS AND GENERAL AND/OR SPECIAL PROVISIONS. | | N4425597RP00T15 | |
| 1. NAVAL ACTIVITY (Property Location) Puget Sound Naval Shipyard | | 2. DATES COVERED (Inclusive) FROM 01 May 1997 TO 30 April 2002 | |
| 3. DESCRIPTION OF PROPERTY (Include room and building number where appropriate) Five parcels as described in Exhibit A, attached hereto and made a part hereof. | | | |
| 4. PURPOSE OF LICENSE Use of the five parcels described herein for golf cart paths within the real property identified as the Navy's Shelton-Bremerton-Bangor Railroad. | | | |
| 5. LICENSOR UNITED STATES OF AMERICA DEPARTMENT OF THE NAVY | | 5a. LOCAL REPRESENTATIVE (Name and address) COMMANDING OFFICER ENGINEERING FIELD ACTIVITY, NORTHWEST (CODE 24) 19917 7th Ave. NE Poulsbo, WA 98370-7170 | |
| 6. LICENSEE (Name and address) Lake Limerick Country Club, Inc. E. 790 Saint Andrews Drive Shelton, WA 98584 (360) 426-8922 | | 6a. LOCAL REPRESENTATIVE (Name and address) Mr. Daniel C. Robinson, President | |
| 7. CASH PAYMENT BY LICENSEE (Payable in advance) (If no cash payment is required, enter "None" under item 7a "Amount") | | | |
| a. AMOUNT (Each Payment) \$250 | b. FREQUENCY PAYMENT DUE Per Annum | c. FIRST DUE DATE 01 May 1997 | d. TO (Local Government representative) Commanding Officer, ENGFLDACT, West, NAVFACENGCOM, File No. 91769, P.O. Box 60000, San Francisco, CA 94160-1769 |
| 8. DEPOSIT FOR UTILITIES AND SERVICES (Payable in advance) (If no cash payment is required enter "None" under item 8a "Amount") | | | |
| a. AMOUNT (Each Payment) None | b. FREQUENCY PAYMENT DUE | c. FIRST DUE DATE | d. TO (Mailing Address) |
| 9. INSURANCE REQUIRED AT EXPENSE OF LICENSEE (If any or all insurance requirements have been waived, enter "None" in a,b,c, or d as appropriate) | | | |
| TYPE | | MINIMUM AMOUNT | |
| a. FIRE AND EXTENDED COVERAGE | \$ 0 | c. THIRD PARTY PERSONAL INJURY PER PERSON | \$1,000,000.00 |
| b. THIRD PARTY PROPERTY DAMAGE | \$ 1,000,000.00 | c. THIRD PARTY PERSONAL INJURY PER ACCIDENT | \$1,000,000.00 |
| 10. GENERAL PROVISIONS (See Reverse Side) | | | |
| II. EXECUTION OF LICENSE | | | |
| FOR | NAME, POSITION, AND TITLE | SIGNATURE | DATE |
| DEPARTMENT OF THE NAVY | ROBERT K. UHRICH Director of Real Estate Real Estate Contracting Officer | | |
| LICENSEE | Daniel C. Robinson, President Lake Limerick Country Club E. 790 Saint Andrews Drive Shelton, WA 98584 |  | 1/24/97 |

DESCRIPTION OF PROPERTY

EXHIBIT A

Said parcels are in the Southwest 1/4 of the Northwest 1/4 and the Southeast 1/4 of the Northwest 1/4 and the Northeast 1/4 of the Southwest 1/4 all in Section 27, Township 21 North Range 3 West of the Willamette Meridian, in Mason County, Washington described as follows:

Beginning at the West 1/4 corner common to Sections 27 and 28 thence east along the center line of said Section 27, N88° 32'22"E a distance of 1481.84 feet to the southerly property line of the Navy Railroad Right of Way; thence along the southerly property line of said Navy Railroad Right of Way; thence along the southerly property line of said Navy Railroad Right of Way, N78°33'00"W a distance of 230.55 feet to the TRUE POINT OF BEGINNING said TPOB is at railroad Mile Post 5+2369:

All of the following described parcels are 15 feet wide, 7.5 feet on each side of the following described centerlines:

Parcel "A"

- (1) Thence N22 06'42"E a distance of 79.50 feet;
 - (2) Thence N20 39'24"E a distance of 36.50 feet;
 - (3) Thence N06 39'24"E a distance of 34.85 feet;
 - (4) Thence N03 16'04"E a distance of 27.50 feet;
 - (5) Thence N06 47'03"W a distance of 24.20 feet to a point known as Point "A";
 - (6) Thence N48 07'03"W a distance of 9.34 feet to a point known as Point "A1";
 - (7) Thence N72 53'37"W a distance of 51.04 feet to a point known as Point "B";
 - (8) Thence N37 57'37"W a distance of 21.41 feet;
 - (9) Thence N18 13'25"W a distance of 8.02 feet to the northerly property line of the said Navy Railroad Right of Way and the terminus of this portion of the easement.
- The parcel described herein comprises .08 Acres

Parcel "B"

- Beginning at the point mentioned above as Point "A";
- (10) Thence S71 13'25"E a distance of 50.64 feet;
 - (11) Thence S77 44'58"E a distance of 71.54 feet;
 - (12) Thence S86 49'18"E a distance of 41.46 feet;
 - (13) Thence S55 15'24"E a distance of 21.04 feet; to the westerly edge of the Mason county road improvements and the terminus of this portion of the easement.

The parcel described herein comprises .06 Acres

Parcel "C"

- Beginning at the point mentioned above as Point "A1",
- (14) Thence N16 32'35"W a distance of 17.62 feet;
 - (15) Thence N16 17'36"E a distance of 10.79 feet, to the northerly property line of the said Navy railroad Right of Way and the terminus of this portion of the easement.
- The parcel describe herein comprises .01 Acres

Parcel "D"

Beginning at the point mentioned above as Point "B",

- (16) Thence N81 29'10"W a distance of 44.69 feet;
- (17) Thence N71 20'08"W a distance of 62.80 feet;
- (18) Thence N84 18'30"W a distance of 141.34 feet;
- (19) Thence N86 54'39"W a distance of 80.37 feet;
- (20) Thence S89 23'54"W a distance of 68.20 feet;
- (21) Thence S85 49'07"W a distance of 86.43 feet;
- (22) Thence N86 35'06"W a distance of 65.35 feet;
- (23) Thence N88 38'03"W a distance of 62.14 feet, to the northerly property line of

the said Navy Railroad Right of Way and the terminus of this portion of the easement.

The parcel described herein comprises .21 Acres

Parcel "E"

Beginning at the west 1/4 corner common to sections 27 and 28; thence, east along the center line of said section 27, N88 32' 22"E a distance of 1481 84 feet to the southerly property line of the Navy railroad right of way; thence along the southerly property line of said Navy railroad right of way S78 33' 00"E a distance of 255.37 feet to TRUE POINT OF BEGINNING said TPOB is at railroad Mile Post 5+2855:

- (24) Thence N07 49'24"E a distance of 20.76 feet;
- (25) Thence N12 38'38"W a distance of 14.51 feet;
- (26) Thence N39 12'23"W a distance of 23.66 feet;
- (27) Thence N83 43'59"W a distance of 28.58 feet;
- (28) Thence S83 33'05"W a distance of 41.58 feet;
- (29) Thence N89 50'18"W a distance of 19.15 feet;
- (30) Thence N67 56'44"W a distance of 57.16 feet;
- (31) Thence N70 04'46"W a distance of 56.67 feet;
- (32) Thence N77 42'18"W a distance of 73 44 feet, to the easterly edge of the Mason County road improvements and the terminus of this portion of the easement

The parcel described herein comprises .12 Acres

The parcels described herein comprise .48 acres.

LAKE LIMERICK COUNTRY CLUB, INC
E 790 ST. ANDREWS DRIVE
SHELTON, WA 98584
(360) 426-8581
FAX (360) 426-8922

To: Bill Buff
Scott Carey

April 21, 1997

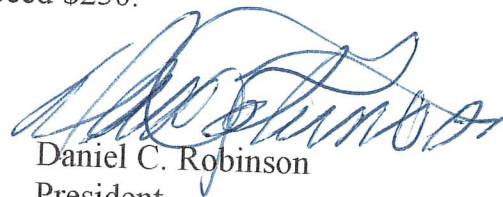
Subject: Emergency Power Generation

The Board of Trustees in their April 19, 1997 meeting, instructed me to seek your support in assessing the feasibility of providing emergency electrical power to the Inn, the Pro Shop, or both.

By way of background, the Inn committee, subsequent to the extended power outages throughout Lake Limerick during last winter's Christmas - New Years period, requested the Board of Trustees to consider means of providing emergency power to a Community building. The objective of this would obviously be to provide a warm, secure place for local residents during such power outages. The Water Committee has been evaluating the placement of a new emergency power generator at the Well No. 3 site, thus substantially freeing the existing generator at the Well No. 2 site, (adjacent to the pro shop), for use as a source of emergency power to the Inn, the Pro Shop, and the Stuth sewage handling system.

Some initial information has been secured by the Water Committee that will be of use in your evaluation. This information, copy attached, was prepared by a potential contractor for supply of generator or cabling services, and should be considered accordingly. The water committee plans no further effort toward evaluating the power needs of the Inn or Pro Shop.

Pursuant to the direction of the Board, you are requested to assign individuals to pursue this evaluation and report to the Board no later than the regular June meeting. Your report should include your recommendation regarding which of the two buildings, or both, should be cabled to the existing generator; the cost of cabling and switching emergency power to the Stuth system; and the cost of cabling and switching power to the recommended buildings. The Board expects that some consultant costs may be necessary to help make this assessment, and you should seek board approval of such costs that are expected to exceed \$250.



Daniel C. Robinson
President
Lake Limerick Country Club, Inc.

cc: Executive Committee

HEUSTON, SETTLE & JOHNSON

ATTORNEYS AT LAW
ANGLE BUILDING
P.O. BOX 1400
SHELTON, WASHINGTON 98584

B. FRANKLIN HEUSTON
BENJAMIN H. SETTLE
ROBERT W. JOHNSON

TELEPHONE
(360) 426-9728
FAX (360) 426-1902

April 21, 1997

Jerry Soehnlein
Treasurer
Lake Limerick Country Club, Inc.
E 790 St. Andrews Dr.
Shelton, WA 98584

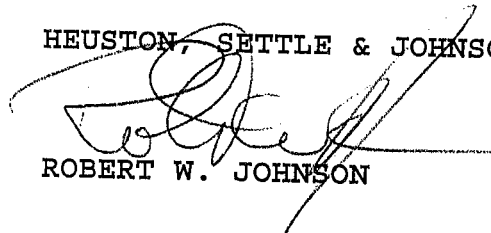
Re: Water Shut Off

Dear Jerry:

You requested a written opinion of this office of the ability of the Lake Limerick Water system to shut off water for non-payment of water bills. It is universally conceded that a water company may impose a rule or regulation shutting off the supply of water from a consumer who is in default for payment for service. The rule must be validly adopted and not be unreasonable, discriminatory, excessive, or erroneous. I find nothing in the covenants which would prohibit the association from adopting a bylaw which allowed for termination of water to delinquent customers.

Sincerely yours,

HEUSTON, SETTLE & JOHNSON


ROBERT W. JOHNSON

RWJ:fh

*a Water Camp
SET
legal*

Lake Limerick Country Club, Inc.

April 20, 1997

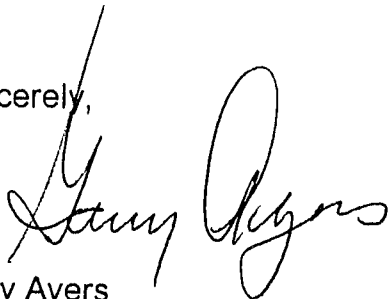
Mason County Sheriff
PO Box 1037
Shelton, Washington 98584
Attn: Steve Whybark, Sheriff

Reference: Traffic Problems at Lake Limerick Country Club

Good Morning:

At our April 19, 1997 Board of Trustees meeting residents have again registered complaints about cars and trucks exceeding the speed limit. This is our second letter written to you relative to this problem. As yet we have not received a reply from you or your office. As the Secretary of the Board of Trustees, I am asking for some additional attention toward control of this problem. I know you probably have your candle burning on both ends, but perhaps a few tickets or warnings to our residents may slow them down. Most of the complaints were in the morning and evening work commuting hours. One of our residents asked if a device that will measure traffic speed and the time of day could be located on St. Andrews Dr.? Thank you in advance for your help in this matter. We will look forward to your reply.

Sincerely,



Gary Ayers
Board Secretary
Lake Limerick Country Club
E. St. Andrews Dr.
Shelton, WA 98584

cc: Board of Trustees
John Hocker

LAW OFFICE OF
JACOB L. POTAK

3419 Harborview Drive
Gig Harbor, Washington 98332

Holly Fisher, Legal Assistant

BY FACSIMILE

April 7, 1997

Daniel Robinson
Lake Limerick Country Club
E. 790th St. Andrews Dr.
Shelton, WA 98584

RE: Lake Limerick Restaurant and Lounge Lease Agreement

Dear Mr. Robinson:

I have completed my review of the Restaurant and Lounge Lease Agreement that you provided to your accountant Bob Ryan and what follows is a list of my areas of concern. As a quick note, in the future if we have the opportunity to work together on contractual agreements, it would be easier for both of us if we worked from one base document. Problems are created when my draft document is retyped with your required adjustments and then I am asked to review the retyped worked. I would be happy to provide your typist or secretary with a computer disc copy which would make it easier for both your secretary and myself. Also, in the process of the retyping, I did note that numerous grammatical, spacing, paragraphing, and tabbing problems now exist in the document. I would recommend that prior to finalizing this document for signature, that your secretary re-examine the document and make the necessary changes I noted in the attached draft. The areas of concern that I will note below are numbered according to the numbered paragraphs found in the Lease Agreement:

✓ Paragraph 2: The last sentence which states, "Owner cannot withhold unreasonable extensions" is inconsistent with the "sole discretion" requirement found in the preceding sentence. My recommendation is that the last sentence be deleted.

✓ Paragraph 3(b): The arbitration mechanism which allows for the consideration schedule to be modified was stricken and replaced with a cancellation option for both parties if an agreement cannot be reached. While the arbitration clause may first appear to be overly cumbersome, it is quite practical in its application and is a good method to resolve disputes over increases in the consideration schedule and is a great aid in keeping the Lease Agreement together for the long term.

✓ Paragraph 4: The language "A late charge of 2% less than the current bank lending rate of said fees" is unworkable. Such language should be changed to "A late charge of 2% less than Seafirst Bank's prime rate on the date of default."

Daniel Robinson

April 7, 1997

Page 2

✓ Paragraph 5: The second to the last sentence which states, "Lessee shall comply with such rules and regulations in all LLC bylaws" should include language whereby the Lessee "acknowledges receipt of a copy of all such rules, regulations and bylaws".

✓ Paragraph 6: A reference is made to an "Appendix" which was not included in the draft lease. *(needs to be added)*

✓ Paragraph 7(b): It is my opinion that an issue continues to exist regarding the Club's liquor license under these circumstances. RCW 66.20.020, a copy of which is included for your reference, states that any assignment of a liquor license is improper and therefore the Club will continue to be responsible for the liability regarding the use of liquor on the premises notwithstanding any agreements in this lease made to the contrary.

✓ Paragraph 9(A): The last clause in the paragraph regarding smoking on the premises should state, "(e) Permit smoking within the restaurant, except in accordance with current Lake Limerick policies."

✓ Paragraph 9(B)(viii): The language should read, "Lessee agrees to coordinate at least quarterly with the executive committee...". It is necessary to require the Lessee to coordinate with the executive committee in order to allow the forecasting of events and scheduling of additional food, drink, etc.

✓ Paragraph 9(B)(ix): The last clause of this item states, "shall be paid by lessee in four equal installments". However the language fails to state over what period those four installments are to be paid.

✓ Paragraph 9(B)(x): The last sentence states, "This shall also apply to bar tabs and dinner tabs". The word "This" is not readily understood in the context of the paragraph and needs to be defined.

✓ Paragraph 9(B)(xii): The language should read, "Lessee shall be responsible for discrepancies recorded by the County Health Department and any associated fines or penalties levied."

✓ Paragraph 9(B)(xiii): The language should read, "Banquets and restaurant, classed by Owner as non-Lake Limerick events, will be limited to 24 per year."

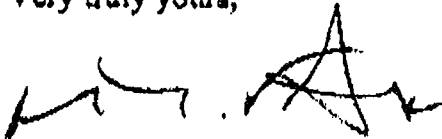
✓ Paragraph 9(B)(xiv): An additional sentence should be added on to the end of this paragraph stating, "Both the security codes and keys must be safeguarded by Lessee and provided only to Lessee's key employees".

Daniel Robinson
April 7, 1997
Page 3

Paragraph 9(C)(ii): The first sentence of this subparagraph should read, "Owner will identify and provide an individual to work with Lessee on a daily basis who will have authority to arrange special events and resolve problems in interpreting this contract in a manner to address any unforeseen situations that may occur."

The remaining non-substantive issues are in my notes which can be found in the draft agreement. Please feel free to contact me if you have any further questions or concerns regarding this lease. I have enjoyed working with you on this project.

Very truly yours,



Jacob L. Potak

JLP/hlf

Enclosure

Apr-16-97 08:49A William J. Buff
Apr. 7 '97 14:22 JORGENSEN & ASSOC.

360-432-0866
FAX 2068512074

P.04
P. 1

RCW 66.20.020 Permits not transferable--False name or
address prohibited--sacramental liquor, wine.

>> CITESEARCH <<

6620020

(1) Every permit shall be issued in the name of the applicant therefor, and no permit shall be transferable, nor shall the holder of any permit allow any other person to use the permit.

(2) No person shall apply in any false or fictitious name for the issuance to him of a permit, and no person shall furnish a false or fictitious address in his application for a permit.

(3) Nothing in this title shall be construed as limiting the right of any minister, priest or rabbi, or religious organization from obtaining wine for sacramental purposes directly from any source whatsoever, whether from within the limits of the state of Washington or from outside the state; nor shall any fee be charged, directly or indirectly, for the exercise of this right. The board shall have the power and authority to make reasonable rules and regulations concerning the importing of any such liquor or wine, for the purpose of preventing any unlawful use of such right.

[1993 ex.s. c 62 § 13; RRS § 7306-13. Formerly RCW 66.12.100, 66.20.020, and 66.20.030.]

Memorandum

DATE: April 21, 1997
TO: Board of Trustees
FROM: Dan Robinson
RE: Inn Service Contract

In accordance with Liquor Board Regulation (RCW 66.20.020 attached) and as confirmed by a liquor board spokesman, LLCC cannot delegate, lease, or sub contract the Club's Liquor Permit to another entity. This rule has the effect of prohibiting LLCC from leasing the lounge operation to a non LLCC person or company.

Further, if LLCC were to give up it's existing lounge operation and a lessee were to acquire his own license, the operation could no longer be operated as a private club and would have to be open to the public. Should LLCC find a contractor willing to serve food only, and LLCC was to keep the lounge operation under it's own private club license no liquor could be served in the Restaurant, as our private club license does not allow service to the public.

Should a contractor come in and obtain his own liquor license for the public, LLCC can keep their own private club liquor license for LLCC Club Events, (i.e. dances).

Dan Robinson, President

LAKE LIMERICK COUNTRY CLUB, INC.

**LIMERICK RESTAURANT AND LOUNGE
LEASE AGREEMENT**

4-18-97

THIS LEASE AGREEMENT, dated this ____ day of _____, 1997; by and between the Lake Limerick Country Club, (the Owner), _____ and _____ (the Lessee).

Management for the Owner in all matters with the Lessee shall be represented by the Executive Committee 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 Kitchen, Dining Room, and Lounge. The Lake Limerick Country Club Proper, is centrally located at E. 790 Andrews Drive, Shelton, Washington 98584.

2. TERM This Lease shall be for a term of ____ years, commencing on _____ and terminating on _____. The Owner in its sole discretion may provide Lessee with 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 on the first day of each month, the sum of _____ as a fee for the use of the premises.

(b) The parties agree that on or about November 15th of each lease year during the term of this lease to re-negotiate a fair and reasonable consideration schedule that is commensurate with any increase in the value or costs of the property herein described over and above the present value at the date of execution of this lease. On or about November 1st of each year. Lessee shall turn over to Owner his financial records for that calendar year. Owner may have such records reviewed by an Independent Certified Public Accountant prior to the November 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. Parties agree to abide and accept the consideration schedule of said Board of Arbitration as final and binding upon the parties. The Owner and Lessee shall jointly and equally share in arbitrators cost.

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 five (5) days following the date such fees are due and payable, a late charge of 2% less than Seafirst Bank's prime rate on the date of default, 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, driveways and truck service ways, sidewalks, landscaped areas, and other areas and facilities now or hereafter provided for the joint or non-exclusive use and benefit of Lessee's employees, agents, customers, and invitees. Owner reserves the right to exercise control and management of the common area, 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 all LLCC bylaws 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 his own expense and at all times keep and maintain the Kitchen, Dining Room, Lounge (including without limitation, improvements, appliances, exterior doors, entryways and windows). Lessee shall at his own expense and at all times further provide any necessary janitorial work and supplies, including maintenance of appliances. The owner shall furnish all such premises with all facilities, furnishings, fixtures, and floor coverings, in a reasonable condition necessary for Lessee to operate the restaurant and lounge. *(see appendix) After reasonable written notice from Lessee of the need thereof, The owner shall repair the roof, exterior walls (excluding doors, storefronts, entryways, and windows) except that Lessee shall pay for the repair of any damage caused by Lessee, his/her agents, employees, or invitees.

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

(a) All charges for water, sewer, garbage disposal, lights, heat, gas, power and any other utilities and services and like charges, furnished to or consumed in, on or about the Premises. However, 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, and any other governmental fees and taxes applicable to the leased property of Owner. However, Lessee shall be responsible for its business and occupation taxes and any other governmental fees and taxes applicable to the restaurant and lounge business, and his/her own telephone service.*

8. EXAMINATION OF THE PREMISES. Lessee shall examine the Premises before taking possession thereunder. 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 Restaurant and Lounge and such other purposes as Owner may approve in writing.

A. General Conditions of Use. All such use shall comply with all applicable governmental laws, and ordinances, and insurance requirements, and 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, no manufacturing or processing activity (except such as is usual and incidental to, and customarily performed in a restaurant and lounge) shall be conducted on the Premises. Lessee shall not (a) make or permit waste upon or in any manner abuse the Premises or common areas: (b) make or permit any noise or odor to emit from the Premises which is objectionable to the public, to other tenants, or to Owner: (c) create, maintain or permit a nuisance on the Premises: (d) 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 (e) Permit smoking within the restaurant, except in accordance with current Lake Limerick Policies.

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 Inn Committee, and render such advice, opinions, assistance, and services with reasonable notice 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 adequately train all his employees to perform duties related to the kitchen, table service, bartending, and janitorial work, necessary to the operation of the Restaurant and Lounge in accordance with Lake Limerick Policies, WA State Liquor Laws, and County Health Codes.
- (iv) Lessee shall at all times be responsible for the conduct and appearance of his/her employees, and shall conduct himself /herself at all times in accordance with the Club's Policies. Lessee shall ensure that no loitering occurs in or around the leased premises,
- (v) Lessee is prohibited from providing any on site child care facilities for his employees.
- (vi) Lessee agrees to attend or have a designee attend all regular and special meetings of the Inn Committee, for the purpose of improving the over all service to Club Members and other patrons.
- (vii) Lessee agrees to maintain the following minimal hours for the operation of the restaurant.

*** Restaurant:**

| | |
|----------------------|------------------|
| Friday & Saturday | 5:00 - 9:00 p.m. |
| Sunday | 4:00 - 8:00 p.m. |
| Monday & Tuesday | Closed |
| Wednesday | 6:00 - 9:00 p.m. |
| Thursday | 5:00 - 8:00 p.m. |
| * (To be negotiated) | |

***Lounge:**

| | |
|------------------------------|-------------------|
| Sunday, Wednesday & Thursday | 4:00 - 10:00 p.m. |
| Friday - Saturday | 4:00 - 12:00 p.m. |
| Monday and Tuesday | Closed |
| * (To be negotiated) | |

However, the Lessee may close the restaurant on Federal legal holidays. If Lessee desires to modify the established business hours set forth above, he /she must present a written request to the Inn Committee chairperson detailing the specific time changes requested and the reasons associated thereto.

- (viii) Lessee agrees to coordinate with the Executive Committee the scheduling of the use of the restaurant for banquets on specified dates. Owner shall have priority on all such dates.

(ix) Lessee agrees to purchase from Owner all inventories in place as of _____. The value of such inventory items shall be determined by both parties conducting a physical inventory prior to date and assigning reasonable values to all product inventory items. The aggregate price for the inventory items shall be paid by Lessee in four (4) equal installments as follows:

First Payment Due on: _____

Second Payment Due on: _____

Third Payment Due on: _____

Fourth Payment Due on: _____

(x) Lessee shall maintain a record of all LLCC members, guests and social privilege card holders, by requiring that they sign the register when entering the bar and/or the restaurant with date, name, lot and division number. Social privilege card holders to use card number. Signatures are also required on bar tabs and dinner tabs.

(xi) Lessee will allow use of conventional charge cards and will pay charge card fees.

(xii) Lessee shall be responsible for unpaid charges and tabs. Lessee will be responsible for discrepancies recorded by the County Health Department and any associated fines or penalties levied.

(xiii) Banquets in restaurant classed by Owner as non Lake Limerick events, will be limited to 24 per year.

(xiv) Lessee will be given two (2) security codes for the Inn and will be provided with an adequate number of keys to restaurant, lounge, and entry door. Both the security codes and keys must be safeguarded by Lessee and provided only to Lessee's key employees.

(xv) Lessee will be responsible for a monthly plan of operation, including Wednesday night dinner menu selections and all hours of operation.

(xvi) Lessee will arrange deliveries of food, beverages, and supplies for the times when he/she is present to receive and sign for them.

(xvii) Lessee will maintain starting level of durable inventory (dishes, glassware, platters, etc) at his/her expense.

(xviii) Lessee will be responsible for setting prices, coordinating, and billing for dining room banquets.

C. Specific Requirements of Owner

(i) Acknowledging the integral nature of the relationship between the Owner and Lessee, Owner agrees to assume the partial financial responsibility for the support role the restaurant and lounge will play in the operation of its club and therefore agrees to pay Lessee the annual sum of _____ in consideration for the services provided to its membership.

(ii) Owner will identify and provide an individual to work with Lessee on a daily basis, who will have authority, to arrange special events and resolve problems in interpreting of this contract in a manner to address any unforeseen situations that may occur, such individual may seek directions from the Executive committee and/or the Board of Trustees in resolving such problems. Problem resolution will be documented by Owner representative And become an addendum to the contract.

(iii) Owner will provide billing service where LLCC members run tabs in restaurant/lounge.

(iv) Owner will provide reader board update service.

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 save 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 Owners request.

11. INDEMNITY. Owner or its agents shall not be liable for any injury, death or damage to persons or property sustained by Lessee, his employees, or others in or about the Premises. Lessee agrees to defend and hold Owner and its agents harmless from any claim, action or judgment for injury, death or damage to persons or property suffered in or about the Premises by any person, firm or corporation, unless caused solely by Owner's 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 reasonable 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 will not be canceled 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/her option by written notice to the Owner within 10 days. 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 of 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 restaurant and lounge 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. Prior to termination of the Leases, Lessee shall remove all Lessee's signs and repair any damage caused by installation and removal thereof. **Lessee is expressly prohibited from directly advertising any of his services to non-members.** Such prohibited advertising includes mailers, newspaper or magazine advertisements, television or radio announcements, etc. However Lessee may advertise his services to members of Lake Limerick County Club upon the advice and consent of Owner.

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. 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 RESERVATIONS.

(i) Owner reserves the rights, without liability to Lessee to enter the Premises at reasonable hours to make inspections, repairs, alterations, or additions to the Premises.

(ii) The Owner reserves the right to hold it's traditionally established functions as listed on the "annual calendar" at no cost to the Owner for using the building or grounds for such function.

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, within ten (10) days after written notice thereof from Owner, or any other default with thirty (30) days after written notice thereof, the 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, or such terms and conditions as Owner may deem advisable. In the event of any default by Lessee, any monies 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 the 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. COST 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 (notice being expressly waived), terminate this Lease and take possession of said Premises.

22. SURRENDER OF POSSESSION. Prior to 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 and codes and durable inventory 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 or 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 expirations 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:

LESSEE:

Lake Limerick Country Club
E 790 St Andrews Drive
Shelton, WA 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.

LAKE LIMERICK COUNTRY CLUB INC.

AGENDA

ANNUAL MEETING

APRIL 26, 1997

2:00 P.M.

1. Opening introductionsDan Robinson
 - a) Introduction of Board of Trustees
 - b) Thank you to those Board Members who are leaving for being involved
 - c) Introduction of Committee Chair-people and others to be noted
2. Financial Report Bill Buff
3. Presentation of Citizen of the yearJerry Soehnlein
4. Water Department.....Kirk Osborne
5. Lake Management StatusDan Robinson
6. Questions from the Membership
 - a) Ballot Issue #1 ~ General Manager
 - b) Ballot Issue #2 ~ Animal Control
 - c) General Question and Answer Period
7. Introduction of Candidates Grace Nystrom
 - a) Board of Trustees
 - b) Water Committee
 - c) Questions for Candidates
8. Introduction of Election CommitteeDan Robinson
9. Recess for Voting
10. Reconvene Announce Results of Elections
11. Recess to Closed Officer Election Meeting
12. Return to Announce New Officers Martha Fairbanks
- 11 Adjourn

HOSS and WILSON-HOSS

ATTORNEYS AT LAW

366 WEST BIRCH STREET

SHELTON, WASHINGTON 98584

RICHARD T. HOSS
ROBERT D. WILSON-HOSS

AREA CODE 360
426-2999 FAX 426-6715

FAX NO. 1-360-426-8715

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DATED: April 15, 1997

TIME

SEND TO: Bill Buff

FROM: Robert D. Wilson-Hoss/
Susie

FIRM: Lake Limerick

FILE: FHIA/VA Lending

FAX NO.: 1-360-426-8922

NUMBER OF PAGES: 5

DOCUMENTS: Correspondence

SPECIAL INSTRUCTIONS

NOTE: If you do not receive the total number of pages indicated, please call (360) 426-2999 immediately and ask for Susie.

HOSS and WILSON-HOSS

ATTORNEYS AT LAW

236 WEST BIRCH STREET

SHELTON, WASHINGTON 98584

AREA CODE 360

426-2999 FAX 426-6715

RICHARD T. HOSS
ROBERT D. WILSON-HOSS

April 15, 1997

FACSIMILE 360-426-8922

Bill Buff

Board of Directors

Lake Limerick Country Club, Inc.

E. 790 St. Andrews Drive

Shelton, Washington 98584

Re: FHA/VA (HUD) Lending Requirements

Dear Bill:

As we have discussed, I am somewhat familiar with the lending requirements of FHA and VA, both of which are subject to the authority of HUD

Again, as I have told you, the technical requirements of FHA and VA for loan approval in a homeowners' association such as Lake Limerick are impossible for homeowners' associations to meet, in most circumstances.

The reason I say this is because the requirements are simply either foreign to most organizational documents, or inappropriate to those documents. For example, FHA and VA require that, within the Declaration of Covenants (and not within the Bylaws and Article) language containing the following must be found:

1. A legal description of the real estate (most have this);
2. A legal description of the common areas, either within the covenant or by reference (I assume a reference to a plat map is sufficient);
3. Provisions requiring each owner to be a member of the association (some do, some don't);
4. Provisions establishing and describing the voting rights of each member (very few do this);

Bill Buff

April 15, 1997

Page - 2

5. Provisions for the election, removal and replacement of members of the Board of Directors (there is the possibility that these could be placed in the Articles of Incorporation, however most of them are in the Bylaws);
6. Provisions for amendment (must do not contain any provision for amendment. Usually an amendment requires unanimous consent of the owners, which will never happen);
7. Granting certain easements to members, and rights of access (I do not ever recall seeing this provision in covenants);
8. Provisions for maintaining the common areas (often this language is included in the Articles of Incorporation, but not the covenants);
9. Provisions for the adoption of an annual operating budget and imposition of collection of assessments (again, often found in the Articles and Bylaws, but not the covenants);
10. Provisions for a lien-supported assessment, and making "the assessment lien of any assessment levied by the association subordinate to the lien of a first mortgage." (I don't think I have ever seen this in covenants, although I may be wrong, usually it is found in the Bylaws);
11. Provisions for the collection of assessments (again, usually in the Bylaws, not the covenants);
12. Provisions for enforcement of the association documents (same response);
13. Provisions regarding appropriate types of insurance (rarely included anywhere);
14. Provisions for reconstruction of the common areas after condemnation or casualty loss (again, not a common provision);
15. Provisions guaranteeing mortgagees and agencies notice of amendments (I have never seen this one); and so on.

My initial review suggests that Lake Limerick does not comply with numbers 2, probably 3, 4, 5, 6 (Limerick specifies 55% of the total area, HUD requires 67% of the members present and voting), 7, 9, 10, 11, 13, 14, and 15.

The Bylaws requirements are a little more appropriate, and relate somewhat to provisions within actual homeowners' association bylaws, but I know of no homeowners' association that needs all of these provisions.

Bill Buff
April 15, 1997
Page - 3

The "suggested legal document for planned-unit developments" offered by HUD make for interesting reading. Again, perhaps if we were forming a homeowners' association now, we would be careful to include all of these provisions. However, back in the 1960's not much thought, if at all, was given to many of these requirements. In order to comply now, the declarations would have to be amended. Most homeowners' associations do not allow for amendment by anything less than 100% of their members, although Lake Limerick does.

Articles and Bylaws are easier to amend. However, each would have to be amended extensively to comply.

I have spoken to the person responsible for these matters with the VA; I am awaiting a return call from the responsible person at FHA, who has been very hard to get a hold of. I know that at least the VA considers homeowners' associations to be planned unit developments for the purposes of these rules. As a matter of fact, I have a client who has received a letter from the VA in February pointing out three concerns. In my opinion, the VA missed about 15 other concerns where this particular homeowner's association does not comply with their rules.

However, one of the concerns in that case is that "we cannot consider this property for VA financing until such time as there are valid covenants, giving the right to impose assessments, which are subordinate to a first mortgage or deed of trust. In order to place valid covenants on the land at this point, there will have to be an unanimous (100%) consent of everyone who has an interest in this property. That includes, at the very least, the owners of the land and all lien holders such as mortgagees."

This is an impossible condition to comply with. I also note with interest that the VA thinks that mortgagees get to vote on amendments to covenants. This, in my opinion is a unique vision, as most of us do not consider that mortgagees get to vote on the election of officers, Bylaw changes, or anything else, including covenant changes.

Also, the letter from the VA to this homeowners' association is copied to FHA, reinforcing my belief that the two work together.

I cannot tell you how to proceed, given what I consider to be the arbitrary nature of not only the rules, but their application. I know that some homeowners' associations have passed the scrutiny of either VA or FHA; I can tell you that my guess is that if I were to carefully apply HUD requirements to the organizational documents of such homeowners' associations, I would probably disagree with the VA or FHA approval, unless the organizational documents have been recently amended with the specific intent of meeting the HUD requirements.

Bill Buff
April 15, 1997
Page - 4

Perhaps the best thing to do is to amend your Articles of Incorporation and Bylaws to provide that your liens are subordinate to first mortgage liens. This would be fairly easy, as long as you could get the votes.

However, this would not be an amendment to the covenants, and theoretically, this would not be good enough.

Perhaps the best solution is political. I know that the presidents of many of my homeowners' association clients meet monthly. Perhaps some dialogue between a group of Boards and VA and FHA might help.

If I do hear from the FHA person responsible for these decisions, and learn anything else, I will let you know immediately.

Sincerely,

Robert D. Wilson-Hoss
ROBERT D. WILSON-HOSS

RWH:ss

TREASURER'S REPORT
APRIL 19th
BOARD OF TRUSTEES MEETING

Due to a planned vacation I am not able to attend this Board of Trustees Meeting. I have prepared the following presentation to be read by the Secretary for Board of Trustees approval of the March 31, 1997 Financial Report.

In light of this being our 6th month period of our fiscal year. I will report on our performance first by the Month ending March 1997 and then an overview of the presentation that will be made to the membership April 26th.

Gross Revenue in review looks as if in 1996 there was almost twice the income. In fact this is due to an adjustment that was made in the Water Dept Reserve Fund. If the Reserve Fund of \$39,288.50 was *not* in this Gross Revenue figure the comparable income between 1997 and 1996 would be closer showing a \$9444.07 which would be a deficit from 1996 performance. Also the Other Income & Expenses of (\$5417.13) includes a \$6461.36 adjusting entry to correct an overstated Account Receivable transaction.

The net affect to the actual performance of 1996 to 1997 with these two transactions backed out would result in a Net Income(Loss) of:

1997 Net Income(Loss) \$1044.23 vs 1996 Net Income(Loss) (\$407.35)

INCOME BY DEPT REPORT:

From analyzing income by department Golf, Restaurant/Lounge and Water Department all show weak performances. Golf is off due to weather. The Restaurant/Lounge due to lack of Sales. The Water Dept is showing the Reserve Account in Income instead of in the appropriate Reserve Account at the bottom of the financial. This entry was corrected in April of 1996 to reflect proper financials.

EXPENSES BY DEPT REPORT:

This months review is very encouraging. All departments seem to staying within Forecasted Budgeted amounts. The only big exception from last year monthly performance is the Water Department. But even with an almost \$2000 increase over 1996 performance it is still \$2,475.67 under Budgeted March 1997 expenditures. This is due to a savings in Salaries and Wages.

NON-REVENUE SUPPORTED DEPTS REPORT:

This months review is also very encouraging. All departments are staying within their forecasted budgeted expenses or very close to it.

Other Income & Expenses:

Due to the Water Reserve in 1996 being improper stated in Income and the adjusting entry in 1997 this area of the financials has been explained above.

6 MONTH FINANCIAL REVIEW PRESENTATION TO MEMBERSHIP

Looking at the Gross Revenue:

| | |
|-------------------------------------|----------------------|
| Revenue Producing Departments: | |
| Golf..... | \$ 32,213.71 |
| Restaurant/Lounge..... | \$ 56,111.13 |
| Social Events..... | \$ 1,438.00 |
| Architectural..... | \$ 2,550.00 |
| Water..... | <u>\$ 121,542.92</u> |
| Sub-Total..... | \$ 213,855.76 |
| Dues, Assessments, Misc Income..... | <u>\$ 204,958.44</u> |
| TOTAL INCOME..... | \$ 418,814.20 |

Looking at the Expenses:

| | |
|----------------------------|----------------------|
| Expenses by Departments: | |
| Golf..... | \$ 56,361.61 |
| Restaurant/Lounge..... | \$ 52,938.16 |
| Social Events..... | \$ 2,761.06 |
| Architectural..... | \$ 4,284.77 |
| Water..... | \$ 38,730.16 |
| Administration..... | \$ 104,129.42 |
| Maintenance..... | \$ 30,483.28 |
| Security..... | \$ 7,903.30 |
| Youth/Parks..... | \$ 1,771.24 |
| Lake Management..... | \$ 3,887.83 |
| Lake/Dam..... | <u>\$ 4,148.38</u> |
| Sub-Total..... | \$ 307,399.21 |
| Cost of Goods Sold..... | \$ 32,043.61 |
| Other Income/Expenses..... | \$ 43,510.81 |
| Provision for Taxes..... | \$ 3,000.00 |
| Total Expenses..... | <u>\$ 385,953.63</u> |
| Net Income (Loss)..... | <u>\$ 32,860.57</u> |

The Departments that have been most actively questioned in the past Town Meetings have been:

- GOLF
- RESTAURANT/LOUNGE
- LAKE

In anticipation of these questions I have prepared the following analysis for your review:

1. Golf

| | |
|--------------------------------------------|-----------------------|
| Revenue from Members: | |
| Annuals..... | \$ 16,663.74 |
| Dailies..... | \$ 1,295.64 |
| Cart Shed Rental..... | \$ 4,356.00 |
| Trail Fees..... | \$ 1,500.00 |
| Sub-Total..... | \$ 23,815.38 |
| Revenue from Non-Members: | |
| Annuals..... | \$ 3,081.54 |
| Dailies..... | \$ 6,035.36 |
| Trail Fees..... | \$ 50.00 |
| Pro Shop Lease arrangement..... | \$ 3,000.00 |
| Sub-Total of Revenue from Non-Members..... | \$ 12,166.90 |
| Total Revenue..... | \$ 35,982.28 |
| Total Expenses..... | \$ 56,361.61 |
| Net Income(Loss)..... | <u>(\$ 24,147.90)</u> |

2. Restaurant/Lounge

| | |
|---------------------------|-----------------------|
| Revenue from Members: | |
| Lounge..... | \$ 27,464.82 |
| Beer/Wine..... | \$ 7,603.23 |
| Liquor..... | \$ 18,343.64 |
| Cigarettes..... | \$ 1,128.69 |
| Darts/Prizes..... | \$ <u>389.26</u> |
| Revenue from Non-Members: | |
| Lounge..... | \$ 3,475.54 |
| Beer/Wine..... | \$ 933.95 |
| Liquor..... | \$ 2,541.59 |
| Cigarettes..... | \$ 0.00 |
| Darts/Prizes..... | \$ <u>0.00</u> |
| Revenue from Members: | |
| Restaurant..... | \$ 20,498.78 |
| Restaurant..... | \$ 16,285.97 |
| Bar Menu..... | \$ 222.82 |
| Banquets..... | \$ 3,589.99 |
| Hall Rent..... | \$ <u>400.00</u> |
| Revenue from Non-Members: | |
| Restaurant..... | \$ 4,681.99 |
| Restaurant..... | \$ 781.85 |
| Banquets..... | \$ 3,830.14 |
| Hall Rent..... | \$ <u>70.00</u> |
| Total Revenue..... | \$ <u>56,121.13</u> |
| Total Expenses..... | \$ 84,991.77 |
| Cost of Goods Sold..... | \$ 32,043.61 (57%) |
| Direct Expenses..... | \$ 52,948.16 |
| Net Income(Loss)..... | <u>(\$ 28,870.64)</u> |

3. Lake Management - Lake/Dam

| | |
|-----------------------|--------------------|
| Service Contract..... | \$ 4,010.00 |
| General Expenses..... | <u>\$ 4,022.83</u> |
| Total Expense..... | <u>\$ 8,032.83</u> |

Security - Fence report 4-21-97
from Neil Jones

Good morning, John and I apologize for not being able to attend. Hopefully the following information is what the Board is looking for.

The fence and gate are installed. The phone line is in and ready to connect. The meter base and breaker box are scheduled to be installed next week with the state inspection being completed by the end of the week (best guess for inspection). The electrical contractor coordinated with the fence company consequently all electrical and gate controls will be installed in a metal security box and securely attached to the bathroom wall (this caused a slight delay but is well worth it).

We found out Friday that our phone call to PUD engineering department was not sufficient for them to schedule work. They faxed us an application which needs to be turned in on Monday in order to keep this project moving along. The application is attached and needs a \$100 check submitted with it (if that is too soon to get a check I will pay and subsequently request a reimbursement). We were hoping Ken could be the contact person with PUD since John and I are not available during the day. When this form is completed please call Neil (427-5361) and I will get it to PUD immediately (Becky in engineering is expecting it).

As soon as PUD hooks up the meter we can dig the trench from the bathroom to the gate. When that is completed the fence company will come out and install the gate motor, entry/exit keypads, gate controls and related equipment. They have everything programmed, tested and ready to install.

We are still not sure the exact programming involved on our part yet and exactly how the temporary division and lot number entry codes will work with the system. As soon as the information is solidified we will need to make the appropriate signs to post on the gate.

We have been trying to get some type of agreement form from an existing homeowner's association as to the expected use of the gate codes and secured area as well as code cancellation for misuse of facilities. To date we have had two promises to try to get them but have not seen anything yet. Perhaps the board has resources in that area.

We are checking with tow companies to post "tow away" signs for cars parked on Country Club property without the Lake Limerick window sticker. We will have to have signs made up of our own as well indicating that parking stickers are needed. Brian from PPS has suggested Tow King and we have also checked with Jim's in town. It is a relatively simple process to set that up.

The fence company has been in contact with the Fire Chief who indicated that the department is pleased with what Lake Limerick is doing. As soon as the gate is fully functional they are going to hold a training session so that local firefighters are familiar with the emergency KNOX entry system being installed (this is second hand information from the fence company but they have not lied to us yet).

We have talked to 3 Deputies who are also pleased with our proactive approach.

It appears that the \$1000 we budgeted for phone/power installation is going to be enough provided the verbal quotes from PUD and US West hold true. If we have forgotten anything please feel free to call. Thank you for your time and effort on this project.

John Probert 426-1342

Neil Jones 427-5361



Lake Limerick

COUNTRY CLUB, INC.

April 15, 1997

Mr. Harley Stickley
P.O. Box 1639
Shelton, Wa. 98584

RE: Division Three Lot 501

Dear Mr. Stickley;

The Architectural Committee and the Board of Trustees made the decision at the March meetings to assess you a penalty of \$1000.00 for non-compliance without all of the facts being known.

Due to this, we are recommending that the \$1000.00 penalty be rescinded and that the application from you dated 2-27-97 along with the \$65.00 fee be accepted and approved.

We wish to apologize for any inconvenience this action may have caused you.

Sincerely,

Pat Feist, Chairperson
Architectural Committee

BOT
file
Dam/Valve

MARTIG ENGINEERING
2116 Lakemoor Drive S.W.
Olympia, WA 98512
(360) 754-9687

April 18, 1997

Lake Limerick Country Club, Inc.
E. 790 St. Andrews Dr.
Shelton, WA 98584

Attn: ^{Dan Robinson} Bob Robertson

Re: Lake Limerick Dam Drain Valve.

Dear Mr. ^{Robinson} Robertson:

It has been brought to my attention in conversations with Jerry Soehnlein that a question regarding the application of a "Butterfly" style valve for use as your Lake Limerick Dam drain valve has been raised within your Community.

During the valve selection process for replacement of your failed original drain valve in late 1994, the "Butterfly" style was chosen for several reasons.

One important reason among the several is that it was a valve style recommended by the U. S. Corps of Engineers as their preferred choice at the time. In fact, we had recently been involved with the design and construction of a dam with a similar reservoir depth, at the dam valve's location, where these valves had also been the valve of choice.

This dam is located on the Makah Indian Reservation, creating a reservoir on Educket Creek that forms the main water supply storage for Neah Bay, Washington.

The selection/review process for the Makah Dam involved the United States Department of Interior, Bureau of Indian Affairs, and Army Corps of Engineers as well as the Washington State Department of Ecology Dam Safety Division.

It is important to note that the present problem with the Lake Limerick Dam drain is not with the valve itself, but, with failed brass fittings connecting air supply hoses to the valve actuator. These fittings were overtightened during final installation.

The installed Butterfly valve has successfully passed two open/close tests after its final installation, once when installation was finished and once during the final inspection.

Although the overtightened fittings did not fail during tests above water or during the first two underwater tests, it was clearly evident upon inspection of the fittings (once retrieved by a diver during inspection in 1996) that failure was imminent due to the stretching that occurred when they were tightened. There was no visual or physical way to tell during our inspections and testing of the valve actuator system, either before final valve placement or after placement, that these fittings were stretched to the point of pending failure.

I am currently working under your directive to coordinate the replacement of the failed fittings under terms you have already arranged, and look forward to completing the repairs in May 1997.

Should additional questions remain, I would be happy to meet with those who raise them.

Sincerely:



Kenneth W Martig Jr. PE