

RESOLUTION

WHEREAS; Lake Ridge Estates Home Association, Inc., is a party to a lease with J.J.&J., Inc., dated March 6, 1985, and amendments thereto and

WHEREAS it is the desire of Lake Ridge Estates Home Association, Inc., that said lease be amended to incorporate the terms and conditions of a Memorandum of Understanding dated March 22, 1999, be it therefore

RESOLVED by the Board of Directors of Lake Ridge Estates Home Association, Inc., that the terms and conditions set forth in the attached Memorandum of Understanding dated March 22, 1999, be and are hereby approved and accepted and constitute a binding amendment to the terms of the lease dated March 6, 1985, between Lake Ridge Estates Home Association, Inc., and J.J.&J., Inc.

Judy Hason
Secretary

STATE OF KANSAS)
) ss:
COUNTY OF JEFFERSON)

Judy Hason, of lawful age, being first duly sworn on her oath, deposes and says:

That she is the Secretary in the above entitled action; that she has read the above and foregoing Resolution; knows the contents thereof, and that the allegations and averments therein contained are true.

Judy Hason
Secretary

Subscribed and sworn to before me this 24th day of August, 1999.

Melissa M Taylor
Notary Public

My Commission Expires: 6-7-2003

MELISSA M. TAYLOR
Notary Public - State of Kansas
My Appt. Expires 6-7-2003

FINAL MEMORANDUM OF UNDERSTANDING

March 22, 1999

This agreement is entered this 22nd day of March, 1999 between J.J.&J., Inc. and Lakeridge Estates Homeowners Association, Inc. "Homeowners," Lakeridge Estates Golf and Country Club, Inc. "Golf Club," and Rural Water District Number 11, Jefferson County, Kansas, collectively known as "Defendants."

1. The Defendants hereby withdraw all Notices to Quit and any other notices of default. They agree that upon the signing of this Agreement that J.J.&J., Inc. is not currently in default. J.J.&J., Inc. agrees to dismiss its suit in the District Court of Jefferson County, Kansas, Case No. 96-C-33, and Defendants agree to dismiss all counterclaims. All dismissals shall be with prejudice.

2. The Golf Club and Homeowners, together known as "Landlord," and J.J.&J., Inc. agree to make the following amendments to the Lease of March 6, 1985 and Amendments thereto. These amendments shall control to the extent they are inconsistent with any other agreement of the parties.

A. Arbitration: The parties will try to negotiate all disagreements informally. If they are unsuccessful, all disagreements or disputes over the meaning and/or application of Section 5: Repairs of the lease, or the interpretation or application of any other terms of the lease and this agreement or the actions or inactions of each other, shall be submitted to binding arbitration. When a party requests arbitration, the other party shall be given written notice of the request. No arbitration shall be set less than 30 days nor more than 60 days from the notice, unless agreed by the parties. During the interim the parties shall continue to

resolve any conflict informally. The arbitrator and the date of the arbitration shall be jointly agreed upon by the Landlord and Tenant. If, however, they shall be unable to agree, the arbitrator shall be appointed:

I. By the Administrative Judge of the District Court of Jefferson

County, Kansas; or

ii. If the Administrative Judge declines to make the appointment, the Kansas office of the American Arbitration Association shall provide an arbitrator.

In the event the parties fail to agree on the date for arbitration, the arbitrator shall set the date after conferring with the parties.

The arbitrator shall make a decision within seven (7) days and determine from the evidence whether either party is in breach or is required to perform any action under the lease and the reasonable time period in which the party shall complete the same, but not less than the period of time provided in Section 11 of the Lease for the cure of an defects or default. Failure to perform any such action determined to be required by the arbitrator within the time prescribed constitutes a default upon which a notice of eviction may issue. The fees of the arbitrator shall be paid as determined by the arbitrator based on the merits of the action.

All disputes between the parties shall be resolved by such arbitration. However, Landlord may file an action in district court for default for eviction for the failure to pay rent or the parties may file an action to enforce the arbitration decision.

B. Expiration of notice of alleged lease defaults: The parties agree that if J.J.&J., Inc. shall receive a notice of an alleged lease default, the notice shall expire 90 days after issuance, unless it is extended in writing or arbitration has been filed. Landlord is free at any

time to issue additional notices of default, when justified from the facts and circumstances under lease provisions.

C. Monthly Rent: J.J.&J., Inc. will pay monthly rent to Landlord in accordance with the attached schedule commencing April 25, 1999 in lieu of all other rent provisions, including those in Section 25 of the Lease and Amendment. In consideration of the same, Landlord will no longer have any rights under Section 26 of the Lease to inspect or receive any accounting or bookkeeping data of J.J.&J., Inc. regarding income or expenses or for any other purpose. Rent will be payable on the 25th of each month. Late charges will be assessed at the rate of 18% per annum commencing on the first day of the following month.

D. Water and Sewer: The parties agree that the nonpotable water used by J.J.&J., Inc. will not be billed to plaintiff at a rate that exceeds 15% more than the amount that the Water District pays. Tenant will be responsible for all costs and expenses pertaining to the maintenance and repairs of the irrigation system, including lines and pumps. The Rural Water District No. 11 shall maintain the meter, at its expense. J.J.&J., Inc. will not be billed for potable water at a rate in excess of that charged to homeowners in the district. Tenant will be charged the same rate for sewer as homeowners.

E. Insurance: J.J.&J., Inc. will maintain all required coverages and name Landlord as an additional Insured and require the Insurer to provide Landlord with proof of such insurance and notice of intention of cancellation. J.J.&J., Inc. shall give Homeowners all copies of letters from the Insurance Carrier regarding inspections of the structures. J.J.&J., Inc. shall maintain adequate insurance for the replacement cost of the premises in an amount of at least as much as recommended by the Insurer's agent. Landlord shall have sixty (60) days following receipt of the insurance policy declarations to contact J.J.&J., Inc. in writing with any objections

or recommendations regarding insurance coverages and loss payable/additional insured designations. If J.J.&J., Inc. does not voluntarily make the changes, all disputes shall be resolved by arbitration.

F. There are no subleases of the premises currently in place. From time to time J.J.&J., Inc. may employ a Golf Pro and allow him or her to supplement his or her income from sales of merchandise owned and sold by the Golf Pro. This arrangement, if used in the future, shall not be considered a sublease requiring approval by Landlord.

G. Attached as Exhibit B is the list of the Clubhouse Furniture and Equipment leased to J.J.&J., Inc. J.J.&J., Inc. will annually provide to Homeowners a list of the location of said equipment or its equivalent replacement. Attached as Exhibit C is the list of the Golf Course Equipment leased to J.J.&J., Inc. J.J.&J., Inc. will annually provide to Landlord the location of said equipment or operating replacements of the same. J.J.&J., Inc. buys and sells equipment throughout the year to meet changing needs. J.J.&J., Inc. uses equipment from other courses on Landlord's grounds, and sometimes uses listed equipment at other courses, but it is the intention of all parties that Landlord will own the listed equipment at the termination of the lease and said listed equipment, or its replacement, shall be located on the Landlord's premises at the termination of the lease. All equipment purchased in addition to the listed replacement equipment is the exclusive property of J.J.&J., Inc.

H. Cart Paths: Many of the cart paths were concreted over the location of the pre-existing path without benefit of survey. It is possible that some of these protrude on land owned by others. If the landowner requests J.J.&J., Inc. that the path be removed from his or her premises, J.J.&J., Inc. will relocate the cart path to Landlord's property. If the location was "inherited" by J.J.&J., Inc. from the pre-existing path, Landlord will reimburse J.J.&J., Inc. its

reasonable costs in moving the same. If the path was not in that location in 1990, J.J.&J., Inc. will solely bear the expense of relocating the same. Landlord will reimburse J.J.&J., Inc. for its reasonable costs in repairing damage to any cart paths or greens caused by contractors servicing or moving any water or sewer lines.

I. Landlord Approval of Improvements: J.J.&J., Inc. shall seek and obtain written approval from Landlord solely for alterations, repairs, additions or improvements to the clubhouse or other buildings, the cost of which are reasonably expected to equal or exceed \$2,500. Said approval is unnecessary for maintenance, and in any event shall not be unreasonably withheld. All changes not expressly disapproved in writing within 30 days after Landlord receives notice of the requested change, shall be deemed to be approved. If the parties cannot resolve their differences, the same shall be submitted to arbitration.

J. Taxes: J.J.&J., Inc. shall provide evidence to Landlord of the payment of all property taxes immediately upon payment of the same.

K. Communication: The parties agree that informal communication between them is important for the future success of the relationship. J.J.&J., Inc. states that Rick Farrant or Linda DeMaranville are authorized to communicate with the Landlord on its behalf until or unless the Landlord is notified in writing to the contrary. The Landlord will establish a committee to meet regularly with J.J.&J., Inc. At times of mutual convenience unless or until Landlord advises J.J.&J., Inc. of a change in communication procedure.

L. Tennis Court: When a new tennis court is constructed by Landlord, J.J.&J., Inc. will maintain the same, by painting, buying and keeping nets in good condition, controlling the use schedule and upkeep of the fence. J.J.&J. Inc. members can schedule to use the courts.

M. Ponds: Landlord will take over the responsibility for an maintenance involved with the pond water. No structural changes will be made without agreement of both parties. Any chemical treatment of the water must be approved by J.J.&J., Inc.

N. Swimming Pool: A new pool will be constructed by the Landlord. Efforts will be made to complete the same in 1999. J.J.&J., Inc. shall contribute \$15,000 toward the same. The same shall be paid when Landlord is ready to commence construction. J.J.&J., Inc. will make an annual tournament available to the Recreation Committee on the same basis as it did during 1998. J.J.&J., Inc. will be responsible for all pool maintenance and day to day operation. However, at the time the pool liner needs to be replaced, the parties will share equally the expense that is not covered by insurance or warranty. All guests of the Golf club members and Home Association members shall be charged the same rate. All members and their immediate families shall not be charged a fee. Immediate family shall be defined as spouse, and children, whether natural, adopted or step, who are under 24 and are living at home or attending college or other higher education.

O. Shelter House and Playground: The Landlord is proposing to construct a new playground and shelterhouse near the clubhouse on its own grounds. In which event J.J.&J., Inc. shall be responsible for landscape maintenance, mowing and trash removal. J.J.&J., Inc. members and guests may use these facilities, subject to prior reservation by Home Association members through the Home Association office.

Executed this 22nd day of March, 1999.

William Randolph Carpenter
Hon. William Randolph Carpenter, Mediator

LAKERIDGE ESTATES
HOME ASSOCIATION, INC.

By: [Signature]
President L. M. JACOB

LAKERIDGE ESTATES GOLF
and COUNTRY CLUB, INC.

By: [Signature]
President L. M. JACOB

RURAL WATER DISTRICT NUMBER 11,
Jefferson County, Kansas

By: [Signature]
Title: President/Chairman RWD #11

[Signature]
Merrill Jacob

[Signature]
Richard A. Link

[Signature]
Mary Vincent

[Signature]
Vanessa Fechter

J.J.&J., INC.

By: [Signature]
President

[Signature]
Rick Farrant

[Signature]
Linda DeMaranville

AGREEMENT

THIS AGREEMENT is entered this 22 day of March, 1999, between J.J.&J., Inc. and Lakeridge Estates Homeowners Association, Inc., Lakeridge Estates Golf and Country Club, Inc., hereinafter known as "Landlord."


WHEREAS, the parties have entered into a Lease Agreement dated March 6, 1985 and Amendments thereto; and

WHEREAS, lot owners at Lakeridge Estates have certain responsibilities to mow and maintain their lots, else Landlord has the right to enter their premises to perform such maintenance; and

WHEREAS, Landlord desires to delegate this right and responsibility to J.J.&J., Inc., and J.J.&J., Inc. agrees to assume this right and responsibility;

IT IS THEREFORE BY THE PARTIES AGREED that unless Landlord advises J.J.&J., Inc. in writing to the contrary, J.J.&J., Inc. shall have Landlord's right to enter the vacant lots that are not being maintained which adjoin the subject golf course and mow and maintain the same in an appropriate manner.


LAKERIDGE ESTATES
HOME ASSOCIATION, INC.

By: 
President L.M. JACOB

J.J.&J., INC.

By: 
President

LAKERIDGE ESTATES GOLF
and COUNTRY CLUB, INC.

By: 
President L.M. JACOB

	6% Monthly Amount	COMPOUNDED 6% Annual Increase	6% Annual Amount
4/1/99	\$450.00		\$5,400.00
4/1/00	\$477.00	\$324.00	\$5,724.00
4/1/01	\$505.62	\$343.44	\$6,067.44
4/1/02	\$535.96	\$364.05	\$6,431.49
4/1/03	\$568.11	\$385.89	\$6,817.38
4/1/04	\$602.20	\$409.04	\$7,226.42
4/1/05	\$638.33	\$433.59	\$7,660.00
4/1/06	\$676.63	\$459.60	\$8,119.60
4/1/07	\$717.23	\$487.18	\$8,606.78
4/1/08	\$760.27	\$516.41	\$9,123.19
4/1/09	\$805.88	\$547.39	\$9,670.58
4/1/10	\$854.23	\$580.23	\$10,250.81
4/1/11	\$905.49	\$615.05	\$10,865.86
4/1/12	\$959.82	\$651.95	\$11,517.81
4/1/13	\$1,017.41	\$691.07	\$12,208.88
4/1/14	\$1,078.45	\$732.53	\$12,941.41
4/1/15	\$1,143.16	\$776.48	\$13,717.90
4/1/16	\$1,211.75	\$823.07	\$14,540.97
4/1/17	\$1,284.45	\$872.46	\$15,413.43
4/1/18	\$1,361.52	\$924.81	\$16,338.24
4/1/19	\$1,443.21	\$980.29	\$17,318.53
4/1/20	\$1,529.80	\$1,039.11	\$18,357.64

\$234,318.37

Exhibit A

Club House Furniture and Equipment

Description	Quantity	Status	Additions	Replacement	Location
End Tables	8	currently on hand -not being used		n/a	Shop - 2 in Clubhouse
Round Tables	4	currently on hand -not being used		n/a	Shop
Swivle Chairs	14	replaced		6 bar stools	bentwood
Couchs	8	currently on hand -not being used		n/a	Shop & 1 in Rick's office
Love Seats	2	currently on hand -not being used		n/a	Shop
Coffee Tables	3	currently on hand -not being used		n/a	Shop
White chairs - Padded	4	currently on hand -not being used		n/a	Shop
Brown Chairs - Padded	4	currently on hand -not being used		n/a	Shop
Desk Chairs	8	padded chairs			bentwood
Desk Chairs - Padded	10	padded chairs			bentwood
Desks - Metal	5	currently on hand		1 (Bentwood), 2 (Shop) & 1 (Ghin Handicap Room)	various
Desk Chairs - Swivle	2	replaced		1 in each office in the clubhouse	office
Kitchen Tables (Square)	2	Currently on hand		n/a	Snack Bar
Snack Bar Tables	n/a	n/a	4		Snack Bar
Snack Bar Chairs	n/a	n/a	20		Snack Bar
Kitchen Chairs - Padded	6	padded chairs			bentwood
Fold Up Chairs - Padded	4	fold chairs chairs			bentwood
Bumper Pool Tables	1	currently on hand		n/a	storage room in club house
Deep Freezer	1	replaced		Upright Freezer	Snack Bar
Cooler (Superior)	1	currently on hand		n/a	Snack Bar
ca Machine	1	has been replaced twice		Ice Machine	Snack Bar
Show Counters	2	replaced with two		Show Counters	Snack Bar
Cash Registers (NCR, Victor)	2	replaced		SHARP ER-2391 & SANYO ECR 270	Snack Bar & Pro-Shop
vacuum Cleaners	2	refurbished - on hand		n/a	Bentwood & Pro-shop
Copier	1	replaced		MITA DC-1255.	GHIN handicap room
Copier Stand	n/a	n/a	1		GHIN handicap room
File Cabinets	1	currently on hand		2 4 Drawer Black File Cabinets	Rick's office
Locker Cabinets	1	mens & womens		lockers	locker rooms
Time Clock	1	being replaced - spring 1999			Pro-Shop
Type Writer (Royal)	1	replaced		IBM Selectric	Back office
Moors Keg Tapper	1	currently on hand			Bentwood
Water Fountain (Halsey Taylor)	1	inoperable at beginning of lease		added two on course water fountains	golf course
Adding Machine (Odkner)	1	replaced		Unisonic XL-1257	office
First Aid Kit	1	currently on hand		n/a	Behind Pro-Shop Counter

Exhibit B