

WILLOWBEND HOMEOWNERS' ASSOCIATION PURCHASE OPTION AGREEMENT

THIS WILLOWBEND HOMEOWNERS' ASSOCIATION PURCHASE OPTION AGREEMENT ("Agreement") is made this 12th day of September, 1986, by and between GOLF COURSES OF AMERICA, INC. ("Owner") a Kansas corporation, and WILLOWBEND HOMEOWNERS' ASSOCIATION, INC. (the "Association"), a Kansas non-profit corporation.

WHEREAS, Owner is in the process of developing single-family residential lots ("Lots") upon real estate located in Sedgwick County, Kansas, currently in the process of being platted as Willowbend First, Second, Third and Fourth Additions, Wichita, Sedgwick County, Kansas (the "Additions"), for sale to the public at large; and will become members of the Association; and

WHEREAS, subject to certain restrictions, purchasers of Lots will become members of the Association; and

WHEREAS, the Association has been formed, among other things, in order to further the common interests of the owners of Lots; and

WHEREAS, Owner has committed to construct and maintain an 18-hole golf course, a clubhouse containing locker rooms and a pro shop, and golf practice areas, including a practice putting area and driving range, on reserves located within the Additions (all of such facilities being collectively referred to in this Agreement as the "Golf Facilities"); and

WHEREAS, the Association shall have the right and option to acquire the Golf Facilities; and

WHEREAS, the parties desire to document their respective rights and obligations in connection with the development, maintenance and operation of such Golf Facilities, as more specifically provided herein.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Design and Construction. Owner hereby agrees to design and construct the Golf Facilities. Prior to the date hereof, Owner has initiated design and construction of a portion of the Golf Facilities, and following execution hereof, Owner intends to complete construction of the Golf Facilities so that they will be open for use sometime during the calendar year 1987. It is understood that Owner, in its sole discretion, will determine the design and specifications of the Golf Facilities and the time when the Golf Facilities are ready for use.
2. Use of Golf Facilities. Owner has agreed to make use of the Facilities available to certain individuals and has designated Willowbend Golf Club as an unincorporated association in which such individuals become Members of the such Club. Attached hereto as Attachment 1 are the current Bylaws ("Bylaws") of the Willowbend Golf Club, which set forth the criteria for rights, privileges and obligations of Members, together with some of the applicable conditions and limitations of membership in the Willowbend Golf Club.
3. Maintenance and Operation Obligations. Subject to any provisions contained elsewhere in this Agreement, and in particular, subject to the Association's option to purchase contained in Article 4 hereof, Owner shall maintain and operate the Golf Facilities in accordance with standards determined by Owner from time to time, in its sole discretion, from completion of the construction thereof until the expiration of fifty (50) years from the date hereof. Notwithstanding Owner's obligation hereunder, in the event of any loss, damage or destruction to all or any part of the Golf Facilities during the 50-year period of Owner's operation and maintenance thereof, Owner shall have no responsibility other than to replace,

repair or restore any lost, damaged or destroyed Golf Facilities with the insurance proceeds and the payments, awards or other sums, if any, received by Owner on account of such loss, damage or destruction. Furthermore, Owner's obligations hereunder are subject to the exercise of eminent domain rights by any authorized authority and any sales of Golf Facilities by Owner to any such authorized authority in lieu of condemnation proceedings. In either of such events, Owner shall only be required to utilize any proceeds received from any such condemnation proceeding or sale in lieu of condemnation in order to restore the Golf Facilities as nearly as practicable to their condition existing prior to the taking. In no event shall Owner be required to expend any of its own funds to accomplish the necessary repair, replacement or restoration resulting from casualty loss, Acts of God, flood, storm, tornado, explosion, earthquake or other such events or occurrences, vandalism, eminent domain or sales in lieu of condemnation.

If as a result of any eminent domain or sale in lieu thereof, there is insufficient real estate, in Owner's opinion, for continuing operation of an 18-hole golf course, golf practice areas and clubhouse, then Owner may discontinue operation of the Golf Facilities entirely. Furthermore, if the insurance proceeds resulting from any loss or destruction referred to above are insufficient, in Owner's opinion, to repair, replace or restore the Golf Facilities to a usable, functional 18-hole golf course and necessary clubhouse and golf practice facilities, then Owner may discontinue operation of the Golf Facilities entirely. If Owner discontinues operation of the Golf Facilities in accordance with the terms hereof, Owner shall be free to utilize the real estate underlying the Golf Facilities and any improvements located thereon for any use or purpose it desires.

4. Option to Purchase:

- A. Option Right. The Association shall have the option to purchase from Owner, in accordance with the terms of this Article 4, the Golf Facilities, together with all personal property and fixtures owned by Owner and located on or in the Golf Facilities and used by Owner exclusively in the operation and maintenance of the Golf Facilities, including but no limited to golf carts, mowing machines and other golf course maintenance equipment, golf range balls and equipment, but specifically excluding any pro shop or restaurant inventories, vending machines or expendable items such as chemicals or fertilizers used for maintenance of the Golf Facilities.
- B. Procedure to Exercise Option. Owner shall notify the Association in writing at such time as it has transferred title to 80% of the Lots; provided, however that any sale of all or substantially all of the Lots owned by Owner at any time to an entity intending to continue development of the Additions and resell Lots to the public shall not constitute a sale of Lots for purposes of triggering the Association's option to purchase hereunder or requiring Owner to notify the Association pursuant to this Article 4. The Association may exercise its option to purchase the Golf Facilities following receipt of such notice from Owner by notifying Owner of its desire to do so during either of the following two periods of time, in which event the Association shall be obligated to purchase the Golf Facilities and related equipment:
 - 1. A 30-day period commencing three months after the receipt of such notice by the Association; or

2. A 30-day period commencing fifteen months after receipt of such notice by the Association.
- C. Purchase Price and Closing. The purchase price payable by the Association for the Golf Facilities shall be Six Hundred Thirty Thousand Dollars (\$630,000.00). The closing of the sale of the Golf Facilities shall occur on or before sixty (60) days following Owner's receipt of notice of the Association's election to purchase such facilities (or, if such 60th day is a weekend or holiday, then the next business day) At the closing, Owner shall convey the Golf Facilities to the Association by means of a special warranty deed (subject to easements and restrictions of record and liens for then current taxes and special assessments, if any), and shall transfer all equipment and personal property to be transferred by Owner by a special warranty bill of sale, which deed and bill of sale shall be free and clear of liens (other than those for taxes and assessments noted above). All improvements, fixtures and personal property transferred by Owner to the Association shall be transferred "AS IS" and Owner shall disclaim any warranty as to merchantability, fitness for any particular purpose or condition of such property in the instruments of transfer. Following transfer of the Golf Facilities in accordance with this Agreement, Owner shall not have any further obligations hereunder to the Association or any of its members, to the Willowbend Golf Club Members and their Immediate Families or to the Corporate Founders or Corporate Lot Owners (as those terms are used in the Bylaws) concerning the Golf Facilities, including but not limited to Owner's obligations under Article 3 hereof.
- D. Owner's Prior Commitments. Following transfer of the Golf Facilities to the Association pursuant to this Article 4, the Association shall honor any golf tournaments, outings or special events previously scheduled by Owner and shall honor any arrangements in effect as to persons who are not Members of the Willowbend Golf Club or the Association for the remaining term of such arrangements (up to a maximum of one year). It is specifically understood and agreed by Association as a material part of the consideration for its option herein contained that the rights of Founder Members and Corporate Founders (as defined in the Bylaws) of the Willowbend Golf Club shall continue following the transfer of the Golf Facilities.
- E. Payment Terms: Security Documents. The purchase price for the Golf Facilities may be payable by the Association either in all cash at the closing or over a period of time from the date of conveyance to the Association according to the procedure hereinafter specified. If the Association elects to pay the purchase price over a period of time, then the Association shall, in addition, be obligated to pay Owner interest at the rate of either 6% per annum or the applicable federal rate imputed by the Internal Revenue Service on loan transactions in effect at the time of the closing, whichever is higher, on the outstanding unpaid portion of the purchase price until such purchase price has been paid in full. If the Association elects to pay Owner over a period of time, it shall remit to Owner, by the 20th day of each month following the closing of the sale of the Golf Facilities to the Association, 25% of the gross revenues collected by the Association, its contractors, concessionaires, employees and other representatives due to golf green fees for the use of the golf course,

including daily, monthly or annual fees therefore, golf cart rentals and revenues from operation of the driving range during the prior calendar month; provided, however, notwithstanding the sum of money actually paid to Owner according to the percentage payments described above, the Association shall pay to Owner, as a minimum annual payment, Eighty-two Thousand Dollars (\$82,000.00) per year. The Association shall have the right to prepay to Owner the outstanding and unpaid purchase price and accrued interest, in whole or in part, at any time without penalty. In addition to the foregoing, the Association shall pay and be responsible for all installments of special assessments accruing from and after the date of conveyance to the Association allocated to the Golf Facilities, in addition to then current taxes. Personal property and ad valorem taxes pertaining to the Golf Facilities shall be prorated as of the closing date.

The obligations of the Association to Owner for payment of the purchase price shall be documented in a promissory note in form and substance satisfactory to Owner, which promissory note shall be secured by a real estate mortgage and fixture and personal property security agreement and financing statement covering the Golf Facilities and related personal property and fixtures, which security documentation shall be in form and substance satisfactory to Owner. Among other things, such security documentation shall provide that in the event Owner recovers possession of the Golf Facilities by exercise of any rights or remedies hereunder, or any other entity purchases the Golf Facilities in a foreclosure or other proceeding following default by the Association of its obligations under the promissory note or security documentation, then neither Owner nor such other entity shall have any obligation to operate the Golf Facilities as a golf course, but so long as all or any part of the Golf Facilities are operated by Owner, the Members of the Willowbend Golf Club shall have the right to use the facilities in operation on the basis described in the then current Willowbend Golf Club Bylaws. The Association shall pay the mortgage registration fee, filing fee, the cost of any title insurance the Association desires to purchase and any closing costs.

The Association agrees, for the purpose of ascertaining the correct amounts payable to Owner hereunder, to keep at the Golf Facilities proper books, records and accounts which show daily gross revenues generated in, on, from or through the Golf Facilities or businesses conducted thereon. At the time the Association remits payment to Owner, it shall deliver a sworn statement showing total gross revenues for the previous calendar month. Owner shall have the right, from time to time, to audit the books and records of the Association to verify the accuracy of the gross revenues, at Owner's cost and expense; provided, however, if the audit discloses a variance of more than a 5% understatement of the gross revenues, then the audit cost shall be borne by the Association and shall be paid immediately, together with the unpaid revenues due Owner and interest thereon at the rate of 18% per annum (or the maximum amount permitted by law, if lower), from the date such deficiency should have been paid.

The Association shall not transfer, convey, sell or give all or any part of the Golf Facilities to any other entity prior to repayment in full of the amount owed Owner, with Owner's prior approval.

- F. Owner's and Founder Members' Voting Rights. The Articles of Incorporation and other documents authorize Owner to vote more than one vote in the Association for each Lot it owns in the Addition. Owner hereby irrevocably waives its right to vote more than one vote per Lot owned by Owner in any voting of the Association to determine whether or not to purchase the Golf Facilities. Founder Members and Corporate Founders (as described in the Bylaws) are not members of the Association except to the extent such individuals may own Lots. In any election to determine if the Association will purchase the Golf Facilities, the Founder Members and Corporate Founders shall not be entitled to vote solely by reason of their membership in the Willowbend Golf Club.
5. Force Majeure. If Owner is rendered unable, wholly or in part, by force majeure to carry out its obligations under this Agreement, its obligations shall be suspended during but not longer than the continuance of the force majeure, but the use of such diligence shall not require settlement of strikes, lockouts or other labor difficulties contrary to Owner's wishes. As used herein, the term "force majeure" shall mean an act of God, strike, lock-out or other industrial disturbance, act of the public enemy, war, blockade, public riot, lightning, flood, fire, storm, explosion, governmental restraint, unavailability of equipment, any action, order or regulation by any other cause, whether of the kind specifically enumerated above or otherwise, which is not within Owner's control.
6. Miscellaneous.
- A. The terms, provisions and covenants contained herein shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. Owner may sell or otherwise transfer the Golf Facilities to a third party at any time, in which event the purchaser or transferee shall be bound by the terms hereof from and after the date of transfer and Owner shall be released automatically from any liability hereunder accruing from and after such date. The Association may not assign any of its rights or obligations hereunder without the prior written consent of Owner, which consent may be unreasonably withheld.
 - B. The article and section headings of this Agreement are inserted only for reference and in no way define, limit or describe the scope or intent of this Agreement or the effect of its terms and provisions.
 - C. This Agreement shall be governed exclusively by the provisions hereof and by the laws of the State of Kansas, as the same may from time to time exist.
 - D. Nothing contained herein shall be deemed or construed by the parties hereto, or by any third party, as creating the relationship of principle and agent, or of a partnership or joint venture between the parties hereto.
 - E. This Agreement contains the entire understanding of the parties hereto and no modification shall be effective unless evidenced by subsequent, duly executed written agreement.

EXECUTED the day and year first above written.

GOLF COURSES OF AMERICA, INC.

By: /s/ Frank A. Mills

Title: President

WILLOWBEND HOMEOWNERS' ASSOCIATION, INC.

By: /s/ Michael H. Urbom

Title; President