

Revised Feb 18, 2012

## Consolidated Trust Indenture

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What follows is a revised version of the Trust Indenture. Our goal was to make the document more readable to clarify rights and obligations. Some areas had no change, some a small amount of change, and other areas had major changes.

To ease in reviewing the document, parts that have no change, or only a minor change (such as numbering or capitalizing of defined terms will be shaded). That said, we strongly recommend that you read the entire document.

### 1. Interpretation

**Comments:** The intention here is to define a lot of the terms used in the Trust Indenture and the Regulations. Defining terms provides for greater clarity. It also allows us to define things in a way that creates what is called a legal fiction. That means that the definition used for the document may not be the meaning we would use in normal language.

The other thing we did is move most of the definitions from the Regulations, other than where the term only has meaning within the Regulations.

Where a term has been defined, you will note that it then appears with capitals in the document.

You will also notice that in the body of the trust indenture, we define terms. A term is defined where you see the following format: (the "Approved Budget"). The purpose of defining terms is to get better clarity.

1.01 “**Access Roads**” shall mean those portions of the Estate on the plan annexed hereto as Schedule “A” shown as dotted on sites 22 to 26 inclusive (the “Gate 5 Access Road”) with access rights subject to Section Q of the Trust Indenture Schedule B.

1.02 “**Administrator**” shall mean Lillooet Lake Estates Ltd. or any successor corporation.

1.03 “**Beneficial Owner**” shall mean the beneficial owner of a Site, and shall where the context permits include the legal or common-law spouse of such person, any person occupying a Site through such beneficial owner, and the guests of or visitors to such beneficial owner.

1.04 “**Common Asset**” shall mean any property owned by the Administrator for the benefit of the Beneficial Owners.

1.05 “**Common Property**” shall mean those parts of the Estate on the plan annexed hereto as Schedule “A” which are neither outlined in dark outline nor shaded, but including any area on Sites 68 and 69 shown as dotted on such Schedule and used for access by other Sites.

1.06 “**Estate**” shall mean all the land comprised of the Sites, Common Property, Limited Common Property, and including tenures on Provincial Crown land and easements on the BC Hydro right-of-way and Cataline Creek corridor that is part of Lillooet Lake Estates as shown on Schedule “A”.

1.07 “**Group One Sites**” shall mean all Sites which abut Lillooet Lake, but excluding any Group Four Sites.

1.08 “**Group Two Sites**” shall mean all Sites between the Group One Sites and the area designated as “B C Hydro R/W Plan A 1705” on the plan annexed hereto as Schedule “A” (the “**Road**”), but excluding any Group Four Sites.

1.09 “**Group Three Sites**” shall mean all Sites above the Road, but excluding any Group Four Sites.

1.10 “**Group Four Sites**” shall mean all Sites on which there is no structure suitable to be used as a residential structure, on either a temporary or permanent basis, as decided by the Administrator. Should a structure be constructed on a Group Four Site that Site shall be re-designated as a Group One Site, a Group Two Site, or a Group Three Site depending upon the location of that Site.

1.11 “**Heather Jean**” shall mean [the legal description needs to be added]

1.12 **“Limited Common Property”** shall mean such portions of the Common Property as have been designated as limited common property for the exclusive use of the holders of one or more classes of Non-Voting Common Shares in the capital of the Administrator.

1.13 **“Majority Vote”** shall mean a vote in favour of a resolution by more than ½ of the votes cast by eligible voters who are present in person or by proxy at the time the vote is taken and who have not abstained from voting.

1.14 **“Notice of Assessment”** shall mean any written notice, regardless of form provided to a Beneficial Owner that sets out an amount of money payable to the Administrator whether assessed pursuant to the Trust Indenture or the Regulations.

1.15 **“Notice of Default”** shall mean any written notice, regardless of form, provided to a Beneficial Owner by the Administrator in which the Beneficial Owner is told of any conduct that is contrary to the terms of this Trust Indenture or the Regulations.

1.16 **“Notice of Fine”** shall mean any written notice, regardless of form, provided to a Beneficial Owner, that sets out an amount of money payable to the Administrator for a breach a provision in the Regulations.

1.17 **“Remainder”** shall mean all the land within District Lot 4901 that is not part of the Estate, as shown on Schedule “A”.

1.18 **“Section”** shall mean the Sites beneficially owned by the holders of one class of Non-Voting Common Shares in the capital of the Administrator.

1.19 **“Section Budget”** shall mean a budget adopted by a Section for the purpose of maintaining or improving Section Common Property to a degree greater than the maintenance or improvement provided by the Administrator.

1.20 **“Section Directors”** shall mean those Directors of the Administrator nominated by a Section.

1.21 **“Section Owners”** shall mean the Beneficial Owners of the Sites comprising a Section.

1.22 **“Site”** and **“Sites”** shall mean the 151 lots set forth on the plan annexed hereto as Schedule “A” which are outlined in dark outline.

1.23 **“Site’s Proportionate Share”** shall mean the Site’s Tax Value divided by the Tax Allocation Base, expressed as a percentage.

1.24 “**Special Levy**” shall mean a lump sum contribution as provided in section 4.16 paid by the Beneficial Owners to cover either unplanned, unexpected or underestimated expenditure, and which is approved at a time other than when the annual budget is set.

LLE already does special levies, but we decided to specifically provide for it and set out procedures.

1.25 “**Special Majority**” shall mean a vote in favour of a resolution by more than 2/3 of the votes cast by eligible voters who are present in person or by proxy at the time the vote is taken and who have not abstained from voting.

Note that we have changed the definition of special majority from 3/4 to 2/3 vote. This is in keeping with the provisions of the *Business Corporations Act*.

1.26 “**Special Purpose Fund**” shall mean a fund approved by the Beneficial Owners to be used for a specified purpose.

As with special levies, LLE also creates special purpose funds. Money is approved by the owners for a particular purpose, such as the water fund.

1.27 “**Tax Allocation Base**” shall mean the sum of each Site multiplied by the Tax Value of such Site.

1.28 “**Tax Value**” shall mean:

- (a) for each Group One Site, the number one (1);
- (b) for each Group Two Site, the number 5/10 (.5);
- (c) for each Group Three Site, the number 1/4 (.25);
- (d) for each Group Four Site, the number 15/100 (.15).

1.29 “**Trustee**” shall mean the DL4901 Lillooet Lake Holding Company Ltd or any successor trustee.

## 2. Trustee to hold Estate and Remainder

**Comments:** This is an extremely important part of the Trust Indenture, as it deals with the duty of the trustee. Little has been changed, other than adding capitals to defined terms.

2.01 The Trustee covenants and agrees to hold as a bare Trustee:

- (i) the Common Property for the Administrator;
- (ii) the Sites for the Beneficial Owners thereof determined in accordance with the terms of this Indenture;
- (iii) the Remainder for Heather Jean.

**Comment:** No change was made.

2.02 The obligation of the Trustee hereunder shall be that of a bare Trustee and restricted to the obligation to act in accordance with the terms of this Indenture. The Trustee in consequence of so acting shall be indemnified by the Beneficial Owners of the Estate against all claims and liability imposed or sought to be imposed upon the Trustee by virtue of the Trustee's holding the Estate and by the Beneficial Owner of the Remainder against all claims and liability imposed or sought to be imposed upon the Trustee by virtue of the Trustee's holding the Remainder. The Trustee shall not be responsible for the acts or omissions of the Administrator or the Beneficial Owners of Sites and shall be under no obligation to see to the administration by the Administrator of its responsibilities under this Indenture.

**Comment:** No change was made.

2.03 The Trustee may resign from the obligations created by this Indenture by giving written notice to the Administrator specifying the date when such resignation shall take effect which date shall be not less than ninety (90) days from the date of the notice. Such resignation shall take effect on the date specified in the notice unless at or prior to such date a successor trustee shall be appointed as herein provided.

**Comment:** No change was made. As LLE controls the Trustee, the reality of a resignation is essentially non-existent; however, we decided to keep the current wording.

2.04 The Administrator shall have the right to remove the Trustee from office hereunder by giving written notice to the Trustee specifying the date when such removal shall take effect, which date shall be not less than ninety (90) days from

the date of the notice. Such removal shall take effect on the date specified in the notice unless at or prior to such date a successor trustee shall be appointed as herein provided.

**Comment:** No change was made.

2.05 In case at any time the Trustee or any successor to it shall resign or be removed, the Administrator agrees to appoint a successor trustee to fill such vacancy. Upon the appointment of a successor trustee the Estate shall immediately vest in the new trustee without the necessity of any further conveyance or transfer.

**Comments:** No change was made.

### 3. Beneficial Ownership of Sites

**Comments:** As with Part 2, this is also an extremely important part of the Indenture, as this creates the rights of the beneficiaries of the trust.

Only minor changes were made. The most important change is to clause 3.03 where we make it clear that the proof of ownership is a share in LLE. Given how important the proof of ownership is, we thought it important to be specific.

We also changed 3.04 to allow the administrator to charge fees, as opposed to the trustee, as it is the administrator who actually keeps the records.

Finally, as HJD has long left the picture in terms of being the first Beneficial Owner, the old first clause is no longer needed.

3.01 Beneficial ownership of a Site shall entitle the Beneficial Owner, subject to the terms and on conditions of this Indenture including the Regulations attached as Schedule "B", to the exclusive right to the possession, use, occupancy, and enjoyment of the Site.

**Comments:** The only change was to change regulations to Regulations. The numbering also changed.

3.02 Beneficial ownership of a Site shall be evidenced by a Class "A" Voting Common Share in Lillooet Lake Estates Ltd. (the "Share Certificate"), the number of the Share Certificate (excluding the share class reference and the issue

number appearing in squared brackets) and as recorded in the Register of Members of such company identifying the Site beneficially owned.

**Comments:** No change was made other than numbering.

3.03 Transfers of beneficial ownership of Sites shall be in writing signed by the Transferor endorsed on the reverse side of the Share Certificate and accompanied by a certificate for a Class “B” Non-Voting Common Share in Lillooet Lake Estates Ltd. in the name of the Transferor relating to such Site, similarly endorsed.

**Comments:** For purposes of clarity, we added that the Class B share is a Class B share in LLE Ltd. The numbering also changed.

3.04 The Administrator may make reasonable charges to defray the cost of issuing shares and recording transfers.

**Comments:** We changed it to the Administrator who could make reasonable charges, rather than the trustee. The numbering also changed.

#### 4. Management of the Estates

**Comments:** This is the area where most of the changes have been made. The goal was to try and make the Indenture mirror what we are now doing, as opposing to trying to get our practices to fit a rather complex document.

Changes will be explained throughout this part of the Indenture.

As you will see, this part of the Indenture has been expanded quite a bit on some areas, but reduced in other areas.

4.01 The Administrator shall manage the Estate on a mutual co-operation basis for the sole use, pleasure, and year-round recreation of the Beneficial Owners of the Sites.

**Comments:** All we added was reference to “year-round” use, mainly to allow those unfamiliar with LLE to know this is not just a summer place.

4.02 The Administrator shall have power to propose Regulations for the control, management, maintenance, use, and enjoyment of the Sites, Common Property and Common Assets and the common pleasure and enjoyment of the Beneficial Owners, for the control or abatement of nuisances committed or liable to be committed on the said Estate, or to ensure the quiet enjoyment by the Beneficial Owners of their Sites, provided that any such Regulations must be ratified by Special Majority Vote of the Beneficial Owners at a general meeting.

**Comments:** This amendment would allow the Administrator to propose Regulations, and have the members vote at a general meeting. This is what is presently being done and the provision merely codifies how we actually set our budgets each year.

As the Regulations are part of the Trust Indenture, they require a special majority for amendment. As noted above, we have changed the definition of special majority. To amend the Trust Indenture or the Regulations, 2/3 of the people present at a General Meeting have to vote in favour of the amendment.

The wording also places limits on the types of things that can be the subject of a Regulation. It is similar to the current wording, but includes common assets as well.

There are current provisions dealing with the power of the Board to make regulations and rules, but it is not clear about the vote that is needed.

4.03 All costs relating to the operation and management of the Estate and Trustee's costs shall be met and paid for by assessments made against the Beneficial Owners of Sites.

**Comments:** No changes were made in terms of saying that all costs of operating the estate fall to the beneficial owners. However, significant changes were made to the steps and procedures we will follow to make that happen. Those are substantially changed.

4.04 The Administrator shall pay, or cause to be paid, out of monies received by the Administrator, all taxes, charges, and expenses payable in respect of the Estate in accordance with the terms of this Indenture.

**Comments:** No changes were made.

4.05 The Administrator shall prepare year-end financial statements for the past fiscal year for approval by a resolution to be passed by a Majority Vote at each annual general meeting (the "Year-end Financial Statements").

**Comments:** This is an accountability clause that ensures that the Administrator reports back to the owners on whose behalf the previous year's assessment or accumulated funds were spent.

4.06 The Administrator shall prepare a proposed annual budget for the upcoming fiscal year for approval by a resolution to be passed by a Majority Vote at each annual general meeting (the "Proposed Annual Budget"), which shall include the following elements:

- (i) the operating expenses of the Estate,
- (ii) the estimate of the fiscal year's land taxes that will be assessed on the Lillooet Lake Estates portion of District Lot 4901,
- (iii) the annual expenditure for public works,
- (iv) the costs of proposed capital acquisitions, if any, or maintenance and improvement of existing capital assets,
- (v) any contribution to the Special Purpose Fund,,
- (vi) such further costs as the Administrator feels is necessary or advisable to incur in the interests of the Beneficial Owners, and
- (vii) the proposed annual assessment (including land taxes) for each of the four groups of lots.

**Comment:** This is a substantial change from the current wording. The obligation is now to prepare a budget and get away from the structure under the current indenture. There is really no basis for the structure that we currently have in the TI. Further, we don't appear to follow the current rules in terms of voting on the different factors separately.

The proposed amendment requires a budget and breaks it down by broad categories. There is also a provision that allows the Owners to ear-mark money for special purposes. It may be something very specific of a general purpose.

Later in the proposed amendments, we allow the members to amend the proposed budget prior to the vote. What that effectively allows us to do is present a general budget touching on all issues that we expect to spend on. The

members can then debate the budget – make necessary amendments – and then they vote.

The purpose of this amendment is to have the indenture focus on content rather than form.

4.07 The Proposed Annual Budget for the new fiscal year shall be distributed with the Notice of Meeting for the annual general meeting and shall be accompanied by the Year-end Financial Statements for the preceding fiscal year.

**Comment:** This is the current practice. It allows owners to see what has been spent and what is proposed to be spent.

4.08 The Proposed Annual Budget may be amended by a Majority Vote at the annual general meeting before the budget itself is put to a vote.

**Comments:** This makes it clear that the budget presented by the Board can be amended before being accepted. It avoids an argument that the budget must be accepted in its entirety.

4.09 Within 2 weeks following the annual or special general meeting at which an annual budget or a special levy is passed under Section 4.16, the Administrator must inform the Beneficial Owners of their fees resulting from the new annual budget or special levy, unless the imposition of the special levy is set for a later date in the resolution passed at the general meeting (the “Notice of Assessment”).

**Comments:** This is just to make sure the budget issues are dealt with in a timely fashion.

4.10 If a Proposed Annual Budget is not approved at an annual general meeting, the Administrator must within 30 days, or such longer period as approved by a resolution passed by a Special Majority vote at the meeting, prepare a new budget and place it before a special general meeting for approval by a resolution passed by a majority vote.

**Comments:** This ensures that issues with respect to budgets are not left to languish.

4.11 Until a new budget is approved, the Administrator may spend money out of the existing funds, including any reserve fund or Special Purpose Fund in order to pay current expenses, up to an amount equal to the amount approved in the preceding year's annual budget. If required the Administrator may borrow money to ensure that current expenses are paid.

**Comments:** This ensures that if for some reason a budget is not approved, the Administrator can continue to spend money. In the past, we have occasionally had to use an interim loan or line of credit from the bank to tide us over until the annual Assessment is approved and the money starts to come in.

4.12 If an annual budget for the new fiscal year is not approved at an annual general meeting by April 4th, the Administrator may re-issue the same annual budget invoices as sent to owners in the previous fiscal year. The owners will be required to pay this contribution for the new fiscal year.

**Comments:** This ensures that if for some reason a budget is not approved, the Administrator can continue to spend money. Essentially what will happen is the previous year's budget will apply until a new one is approved.

4.13 The annual budget shall be assessed against the Beneficial Owners as follows:

- (i) the estimate of the fiscal year's land taxes that will be assessed on the Lillooet Lake Estates portion of District Lot 4901 shall be allocated to each Site on the basis of each Site's Proportionate Share as defined in Section 1.23; and
- (ii) all of the other costs shall be allocated equally among all Sites.

**Comments:** This is proposed to have the TI line up with what we are doing. It also is consistent with the intention that all expenses be shared equally, other than tax, which is adjusted based on the relative "quality" of the Sites.

4.14 Funds raised by assessments against Beneficial Owners which are not required to meet operating expenses accruing during the fiscal year to which the annual budget relates must be dealt with in one or more of the following ways, unless the Administrator determines otherwise by a resolution passed by a Special Majority at an annual or special general meeting:

- (i) transferred into a Special Purpose Fund; or
- (ii) carried forward as part of the operating fund, as a surplus.

**Comments:** It is good to have a clear direction on what is to be done with surpluses, in the rare case that they arise.

4.15 If operating expenses exceed the total contribution to the operating fund, the deficit must be eliminated during the next fiscal year.

**Comments:** This is simply a good accountability issue. Debt accumulates quickly. Further, for the purposes of resale, buyers may have concern buying into place where debt exists.

4.16 The Administrator may raise money from the Beneficial Owners by means of a Special Levy, which must be approved by a Majority Vote of the Beneficial Owners at a general meeting. The resolution to approve a Special Levy must set out all of the following:

- (i) the purpose of the Special Levy;
- (ii) the total amount of the Special Levy;
- (iii) the method used to determine each Beneficial Owner's share of the Special Levy;
- (iv) the amount of each Beneficial Owner's share of the Special Levy; and
- (v) the date by which the Special Levy is to be paid or, if the Special Levy is payable in installments, the dates by which the installments are to be paid.

4.17 The provisions of this Trust Indenture that provide for assessments set at an Annual General Meeting apply to Special Levies, with the necessary changes.

**Comments:** This provision provides a power to make special levies. While it is implicit that we can do this, there are benefits in spelling it out, along with the restrictions.

4.18 The Administrator must manage the Special Levy funds as follows:

- (i) use the money collected for the purpose set out in the resolution, and
- (ii) inform the Beneficial Owners about the expenditure of the money collected

**Comments:** This is an accountability clause. When special levies are assessed, owners are entitled to know that the money was used for the purpose for which it was collected.

4.19 All taxes, rates, and other charges imposed by any government authority in respect of buildings and improvements contained on a Site shall be met by the Beneficial Owner of the Site. In the event that the Administrator shall be compelled to pay these taxes, rates or charges on behalf of the Beneficial Owner, such payment may be recovered from the Beneficial Owner using the same provisions provided for collection in relation to a Notice of Assessment.

**Comments:** There is a similar clause in the current TI, but it is extremely long and complicated. This is more direct. This clause ensures that owners know they are responsible for paying taxes that are attributed directly to their lot.

It also recognizes that the Government is assessing all improvements directly anyway. The current wording is extremely complex and would be very hard to administer. If for some reason, we started to get a general bill for all improvements, the existing wording would have to be varied any way to make it work. This allows the Administrator to recover any of these assessments that the Administrator pays on behalf of the Beneficial Owner in order to protect the interests of the Estates.

4.20 Expenses that have been incurred by the Administrator due to the actions or default of or for the benefit of the Beneficial Owner of a particular Site, or which have been incurred at the request of the Beneficial Owner of a particular Site and not at the request of the Administrator, shall be borne exclusively by such Beneficial Owner.

**Comments:** There was no change.

4.21 The amounts contained in any Section Budget established pursuant to the Regulations annexed hereto as Schedule "B" shall be allocated equally among the Beneficial Owners of the Sites forming such Section, unless those Beneficial Owners agree unanimously to some other allocation.

**Comments:** There was a change to allow for an allocation different from equal distribution. To depart from equal distribution, there must be unanimous approval of all owners within the section to avoid any potential unfairness to the minority.

4.22 The Administrator may make expenditures not set forth in the Annual Budget, including using funds in a Special Purpose Fund for a purpose other than as initially approved by the Beneficial Owners if, in its opinion, such expenditures are necessary to meet an emergency or are required due to unforeseen circumstances. Such expenditures shall be borne equally by all Beneficial Owners.

**Comments:** The clause was amended to ensure that the Administrator has the discretion to spend money in the budget, including money collected for a special purpose, if there are emergency circumstances that necessitate the spending.

4.23 All assessments, whether imposed pursuant to this Trust Indenture or pursuant to the Regulations annexed as Schedule "B" hereto, special levies, or fines imposed pursuant to the Regulations, shall be due and payable thirty (30) days after the date of the mailing of the Notice of Assessment or Notice of a Fine to the Beneficial Owner in accordance with Part O of such Regulations (the "Due Date") and if unpaid by the Due Date, shall bear interest from the date of the assessment, until paid in full, compounded monthly, at a rate approved annually by the Board of Directors of the Administrator, but which does not exceed 2% per month.

**Comments:** Slight change in wording. The most important change is to allow the owners to set an interest rate at each Annual General Meeting. The rate is capped at 2% per month.

This is being recommended for several reasons. First, the current rate does not encourage those with arrears to find alternative sources to pay their debts.

Second, the current formula is very difficult to calculate when we have had court actions.

4.24 The Administrator may grant relief from any terms of this Trust Indenture or the Regulations, if in the opinion of the Administrator, it would be in the best interests of the Beneficial Owners to do so. Any decision by the Board to grant relief shall be reported to the Beneficial Owners at the Annual General meeting.

**Comments:** This clause allows the board to grant relief from any term of the Trust Indenture where it seems the right thing to do. This could come up in attempts to settle a law suit, or where a person has some special need. The problem with not having an escape clause is that the Board has an obligation to comply with the terms of the Trust Indenture. This clause gives the Board some discretion. .

The owners should decide if they wish to give this authority to the Board.

4.25 The Administrator may refuse to register any change in Beneficial Owner of a Site, if the Beneficial Owner has any unpaid assessments, fines or other fees owed to the Administrator.

**Comments:** This will allow us to ensure we collect what is owed for assessments or fines prior to changing ownership of a site.

4.26 If any assessment, fine or any money owed pursuant to this Trust Indenture or its Regulations remains unpaid for one (1) year or longer after a Notice of Assessment or Notice of Fine has been given as provided by the Regulations, the Administrator may give notice to the Beneficial Owner that unless the assessment or fine is paid in full within 30 days of the date of receipt of the notice, as defined in the Regulations, the exclusive right of such Beneficial Owner to the use and possession of the Site shall cease and the Administrator shall be empowered to enter upon and sell the interest of the Beneficial Owner in the Site and to pay the proceeds of such sale in satisfaction of the outstanding assessments and charges. The balance of such proceeds, after expenses have been deducted, shall be paid to the defaulting Beneficial Owner. The Administrator shall register a transfer of such beneficial ownership to a purchaser certified by the Administrator to be entitled to beneficial ownership of the Site and the shareholding of the defaulting Beneficial Owner in the Administrator shall be transferred to the purchaser, each Beneficial Owner of a Site hereby appointing the Administrator its attorney for the purpose of effecting the transfer of such shareholdings.

4.27 Notwithstanding section 4.26, a Beneficial Owner who is in default, as defined in section 4.26 may restore his or her rights under this Trust Indenture upon paying the assessment or fine in full, along with all costs incurred by the Administrator when exercising its rights under section 4.26, provided payment is received prior to the Administrator accepting an offer to purchase.

**Comments:** Paras 4.26 and 4.27 is an attempt to strengthen our ability to seize and sell lots for non-payment of fees. We did a few things. First, default happens on the passage of time, not on our giving notice. Once the person is in

default, we can tell them they have 30 days to get the account in order. If the person does nothing, we can sell the lot.

The provision also has a clause similar to what is seen in mortgages. Provided we do not have an accepted offer to purchase, the person can pay off what is owned and they are re-instated.

This provides a number of protections for the owners, but also allows us to try and take steps similar to a mortgage action if an owner fails to pay their assessment.

4.28 The Administrator may take whatever further actions are necessary to protect the Administrator and ensure collection of arrears, including the use of collection agencies, the assignment of the debt to a third party, court actions, and other remedies provided by law. The costs of any of these procedures, including legal fees and disbursements, shall be added to the delinquent Site owner's accounts.

**Comments:** The clause was changed slightly to specify that LLE can incur legal expenses and recover those expenses against a debtor. As collection actions have become increasingly complex, lawyers are often needed. It also clearly recognizes the power of LLE to sell debt to a collection agency or some other third party.

4.29 No Beneficial Owner shall suffer or permit a lien or charge to be created upon the Estate because of any improvement done or caused to be done upon his or her Site. Should any lien or charge be so created, the Administrator may pay and discharge the same and any amount so paid, along with any costs incurred by the Administrator in discharging the lien, shall constitute a debt due by the Beneficial Owner to the Administrator.

**Comments:** There is change to allow us to collect our costs to deal with the lien against the person whose actions caused it to be registered.

4.30 A Beneficial Owner is liable to the Administrator for any costs to the Administrator that arise as a result of the action of the Beneficial Owner's family members, guests (paying or otherwise) or tenants, and for fines levied in respect of conduct by those people. Those costs may be collected in accordance with the terms of this Trust Indenture.

**Comments:** This is new. It makes Owners liable for things their guest do that lead to costs to LLE. This is especially important given that we have people who

are running B & Bs and for people who rent their cabin out. LLE has no way to collect against tenants or paying guests.

## 5. Dealing with the Estate

5.01 The Trustee shall, if directed in writing by the Administrator with the consent of a majority of the Beneficial Owners of Sites, at the expense of the Administrator create and apply to deposit in the Land Registry Office a Plan of Subdivision of the Estate and convey to the Beneficial Owners title to their Sites and make such further dedications, applications and arrangements as the Administrator shall reasonably require.

**Comments:** There are no changes.

5.02 The Administrator in the event of expropriation or threat of expropriation by empowered authority of all or part of the Estate may direct the Trustee to grant such rights or make such conveyances as to the Administrator seem appropriate and all net proceeds of such grants or conveyances shall be paid by the Trustee to the Administrator which shall make such distribution thereof to the Beneficial Owners of Sites as the Administrator considers just and equitable, having regard to the loss suffered by the beneficial owners of Sites.

**Comments:** There are no changes

## 6. Dealing with the Remainder

6.01 The Trustee, at the written direction of and expense of Heather Jean will execute and deliver such conveyances and assurances of the Remainder, as Heather Jean shall require.

**Comments:** There are no changes.

6.02 Heather Jean shall pay all taxes and charges determined by the Administrator to be imposed in respect of the Remainder and improvements thereon. In the event Heather Jean fails to pay such amounts when due and payable to the Administrator on demand, and shall bear interest from the date of the assessment, until paid in full, equal to the rate provided in section 4.23..

**Comments:** The only change is to make the interest rate that same as the rate we charge to Beneficial Owners.

## 7. Amendment

7.01 The Trustee and the Administrator may, without reference to the Beneficial Owners of Sites, alter, amend, enlarge or modify the provisions contained in this Indenture or any instrument ancillary or supplemental hereto if such alteration, amendment, enlargement, or modification is, in the opinion of the Administrator, beneficial to the Beneficial Owners' of Sites tax position or for the purpose of complying with any statute, or any order, rule or regulation made, pursuant thereto, of Canada or any Province of Canada.

**Comments:** The last power to amend was removed:

“or for the purpose of overcoming difficulties or the administration of the trust providing such alteration, amendment, enlargement or modification does not, in the opinion of the Administrator, prejudice the rights of the Beneficial Owners of Sites.”

The power is too broad to leave to the trustee or administrator to decide with approval of the owners.

7.02 If any event or matter shall arise in the administration of this trust which is not dealt with under the specific terms of this Indenture, the Trustee shall act as directed by the Administrator and if the Administrator shall refuse or fail to direct the Trustee within a reasonable time, the Trustee shall act as it deems in the best interests of the Beneficial Owners of Sites.

**Comments:** There are no changes.

7.03 The Trustee and the Administrator, may with the ratification by a Special Majority of the votes cast in person or by proxy at a General Meeting of Beneficial Owners make any alteration or modification in the provisions of this Indenture which shall be agreed to by the Administrator and the Trustee and may concur in and execute any Indenture supplemental to this Indenture embodying such modifications.

**Comments:** There are no changes.

## 8. Enduring Nature of the Trust Indenture

8.01 This Indenture shall endure to and be binding upon the parties hereto and the Beneficial Owners of Sites, their heirs, executors, administrators, successor's and assigns.

**Comments:** The only change was to add a heading.