



## Lease Transfer Policy & Process

The Executive Director (hereafter ED) is responsible for communications and records regarding any business or transactions related to the Residential Property Lease or real property owned by the Lake Louise Christian Community (LLCC). It shall be the ED's responsibility to communicate accurate information regarding policies or lease matter, keep accurate records and files for all residential property leases, to communicate to the Trustees any matter requiring Board action, and the outcomes to that action to cottagers or other related parties. The ED shall also have oversight of the Lease Application and Approval Process, welcomes new cottagers into the community, and educates new cottagers and the community about responsibilities inherent in the Residential Property Lease or policies affecting cottagers. Where appropriate and required the ED shall involve the attorney retained by the Community to handle matters related to the Residential Property Lease.

An attorney shall be retained by the Trustees to handle any legal matters related to real property owned by the Community and the Residential Property Lease. Per a policy adopted by the Trustees in 2002, the Community's attorney *shall* be involved in any lease transaction or change in the assignment of a lease, or any other legal matter related to real property owned by the Community and administered by the Board of Trustees and its Executive Director.

There is a lease transaction fee of \$500.00 + the fees of LLCC's attorney for any lease transaction or change in a lease assignment. The fee must accompany any requested change.

### **Permissible and Prohibited Lease Transfers, Holdings, and Rules**

The following are the permissible transfers, prohibited transfers, and policies, rules and restrictions related to the Residential Property Lease.

#### **Lease Interests Held by Individuals or Married Couples**

In the case of two or more individuals or married couples holding a lessee's interest, they shall hold it as joint tenants with rights of survivorship. Interests that are held by married couples shall be held by them as tenants by the entireties.

#### **Tenancies in Common**

Effective August 13, 2010, Lake Louise Christian Community does **not** permit tenancies in common.

#### **Corporations, Limited Liability Companies, Partnerships**

Corporations, limited liability companies, partnerships, or other such entities are **not** permitted to be lessees.

#### **Trusts**

Lake Louise Christian Community will allow trusts to hold the lessee's interest under the following conditions:

1. A complete copy of the subject trust must be provided to Lake Louise Christian Community for review and approval by its attorney.



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2. The trust must contain language acknowledging that the subject property is leased from LLCC, is always subject to the terms of the Lease, and is subject to the rules, regulations and policies of the lessor (LLCC).
3. The trustee and any successor trustee must go through the same approval process as any individual.
4. LLCC must be provided with the names and addresses of all beneficiaries of the trust at the time that the lessee's interest is transferred to the trust.
5. The trustee must sign an agreement by which the trustee agrees to promptly notify LLCC of any change in the identity of the beneficiaries of the trust and any change in the identity of the trustee. Any successor trustee must go through the same approval process as the initial trustee.

## **Transfers by Inheritance**

Transfers by inheritance are **not** automatically approved. The person or persons who are inheriting the leasehold interest must go through the same approval process and are subject to the same prohibitions, rules and regulations as any other individual.

## **Enhanced Life Estate Transfers**

Lease transactions reserving an Enhanced Life Estate are permitted so long as the transaction otherwise complies with all other requirements in this policy. Each remainderman must be approved as members to the community the same as any other individual prior to the transaction. Remaindermen must be conveyed as joint tenants with rights of survivorship. Transaction fees are due at the time the enhanced life estate is reserved. An additional transaction fee must be paid for each subsequent transaction or change in remaindermen. There is no transaction fee for the complete revocation or cancellation of the enhanced life estate transaction.

## **Community Buy-In Fee**

All transfers are subject to the policy of the Board regarding the Community Buy-In Fee, where that fee would normally be applicable.

## **Transfer Procedures**

All requests for Lease Transactions or any change in lease assignment must be submitted to the Executive Director in writing, and the following procedures shall apply:

### **Add a Party to a Lease**

To add someone to a Lease a prospective leaseholder must provide the following to the Executive Director:

1. Written request to add a party to a lease;
2. Completed Application for Community Membership and Lease from anyone to be added to a Lease;
3. Affirmation of Mission, Vision, and Core Values;
4. Two (2) references; and
5. Transactional payment.



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## **Remove a Party from a Lease**

To remove someone from a Lease a leaseholder must provide the following to the Executive Director:

1. Written request to remove a party from a lease;
2. Death certificate (if applicable); and
3. Transactional payment.

## **Transfer To Other Persons or To a Trust**

To transfer a lease interest to other persons or into a trust, leaseholder or prospective leaseholder must provide the following to the Executive Director:

1. Written request to transfer a lease;
2. Completed Application for Community Membership and Lease from anyone to be added to a Lease, including trustees and successor trustees;
3. Affirmation of Mission, Vision, and Core Values;
4. Two (2) references;
5. Transactional payment, and Community Buy-In Fee, if applicable.

## **Transaction Completion**

If a Lease transaction is approved by the Board of Trustees, the Executive Director shall involve Board's attorney and provide all necessary documentation to complete the transaction, including (if applicable):

1. The name(s), address(es), and telephone number(s) of all persons who are parties to the Lease and who are to become or remain parties to the Lease;
2. Copy of the Lease and any prior assignments or amendments that are the subject of the transaction; and
3. A copy of the Trust in the case where the Lease is being transferred to a Trust.

## **Mortgages and Lien Agreements**

Any transaction that is to be financed in whole or in part by a mortgage, assignment of lease, or in any other such manner must be done in accordance with LLCC's Lien Agreement Policy and all documentation required by the Board, including the then current Lien Agreement, must be completed by all necessary parties.

## **Lease Transaction Completion**

A Lease transaction is not completed until the Board's attorney has completed all legal documentation that the Board, in its discretion, deems necessary and the Executive Director has filed the originals in LLCC's offices.

## **Records**

Original copies of any Lease transaction documents, including, but not limited to, the documents set forth in Procedures, above, as well as any Lease assignment or quit claim deed documents prepared by the Board's attorney, shall be maintained by the Executive Director in the LLCC office.

Adopted by the Board of Trustees

August 13, 2010      Revised November 5, 2018