

## **LECA'S CONTRIBUTION STRUCTURE**

When the original community beach easement was re-negotiated in 2004/05 between the Developer and CLE homeowners, to relocate it from the northern end of the lake to its present location, certain conditions were imposed by the Developer for the right of residents to use the beach facilities. Those conditions include a hefty annual liability payment by LECA and proper maintenance and repair of the beach facilities. Should the community fail to meet these conditions, the right to use the beach facilities would be rescinded and the Developer would have complete discretion of that beach property.

The source of monetary funds required to meet those conditions was not addressed by the Developer. That is, a LECA fee structure for strata and freehold homeowners was not established through property titles. It was left up to individual homeowners to voluntarily pay a membership fee. This imbalance may have been influenced by the fact that the Beach Agreement was drafted by the Developer's lawyers who also represented the opposing interests of CLE homeowners.

To ensure sufficient annual revenue to meet its financial obligations, CLE homeowners formed the Beach Club, with membership fees going to the beach easement, which did not generate sufficient revenue. Essentially there was no legal process in place to obligate homeowners to become members of the Beach Club nor to pay a mandatory membership fee.

Recognizing the value of having the use of the Beach Easement, the Beach Club was replaced with LECA and all the CLE Stratas agreed in principle to donate or give up a flat \$100 from each of their homeowners annual strata fees to submit to LECA. As strata fees increased over the years the LECA portion has remained to present, at \$100 per year. This LECA amount that the Stratas donate to LECA is not stipulated in the By-Laws of any of these Stratas. It is simply a line item on the Stratas Proposed Annual Budget, which is approved each year at their respective AGM.

Although a good number of freehold properties are members of LECA, other residents are not, even though in most cases, they use the beach facilities. This creates an unfair imbalance but there is no legal mechanism at our community's disposal to enforce paid membership in LECA. The informal agreement with the Stratas was the only possible way to generate enough income for LECA to meet its financial obligations and for the community to continue to have use of the beach facilities.

This system has worked well and LECA continues to encourage membership among freehold properties, emphasizing not only the enjoyment of the beach facilities but also the added value it brings to every property owner in CLE.

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