

TRUST AGREEMENT

This Trust Agreement is made this _____ of _____, 2009, by and between Lake Idlewild Lake Association, RR#1, Box 116C, Uniondale, PA 18470, hereinafter referred to as "Settlor" and Lake Idlewild Lake Association Trustee, RR#1, Box 116C, Uniondale, PA 18470, hereinafter referred to as "Trustee" of the Trust which shall be known as the Lake Idlewild Lake Association Trust hereinafter referred to as the "Trust".

Settlor, and the Executive Committee of Settlor defined as ordinary business hereby grants and conveys all of its right, title and interest in and to the real estate located under the waters of Lake Idlewild, including the parcel adjacent the dam, formerly known as Long Pond, up to the high water mark which premises are situate in the Township of Clifford, Susquehanna County, Pennsylvania, hereinafter referred to as the "Premises", which are more fully described in Exhibit "A", attached hereto and made a part hereof.

Disposition of Trust

FIRST:

- A. During the term of the Trust, with certain exceptions as noted herein, members of the Settler shall be entitled to use the Premises for recreational purposes.
- B. The Trustee shall promote the education of lake property owners and lake users about water quality and water safety.
- C. The Trustee, with the support of Members of Settlor, shall financially support issues that concern the general welfare of the lake, including conservation of the water supply in the lake and watershed and maintenance of the water quality at a level that is suitable for swimming, unrestricted boating – including motor-boating and use of personal watercraft, and the renewal of fish resources.
- D. The Trustee shall provide support, including financial support, for the measurement and evaluation of hydrological data of the lake so that the Trustee may take actions that best maintain the quality of the lake suitable for swimming, boating, including unrestricted motor-boating and use of personal watercraft, and the renewal of fish resources.

E. The Trustee will provide a forum for lake property owners and residents to raise concerns, become educated about problems, and provide solutions for matter regarding the lake. This forum will embrace cooperative resolution of difficult problems through the sharing of objectives, knowledge, skills and resources.

F. The Trustee will work with local and/or State governments for the greater good of the lake community and may help influence ordinances and regulations applicable to the lake community.

G. The Trust, once formed, will immediately and automatically authorize the Trustee to purchase the ground under the water of Lake Idlewild including adjacent parcels.

H. The Trustee and all successor Trustees shall, to the benefit of Settlor, enforce and abide by the LILA By-Laws. The Trustee shall have absolute and sole veto power over any amendment change or addition to the LILA By-Laws.

Appointment of Trustee

SECOND:

A. Initially, the Trustee shall either be a person, association or corporation appointed by the Settlor to serve as the Trustee hereunder.

B. Subsequently, the Trustee shall have the power to appoint additional and successor Trustees. In each case, a document shall be prepared at the direction of the Trustee and endorsed with the acceptance of the person, association or corporation so appointed. The document prepared by the Trustee may specify that such appointment shall take effect at a future time or upon the occurrence of an event such as the death of a Trustee then serving.

C. The Trustee shall not be a member of LILA.

Administrative Power of the Trustee

THIRD:

A. Trustee shall have the following powers, in addition to those given by law, to be exercised by it in its absolute discretion, which powers shall be applicable to all property held by the Trust:

- (1) To retain all real and personal property acquired by it:
- (2) To invest and reinvest at its discretion without the obligation to diversify and without restriction to so-called "legal investments", with the specific right to invest in stocks, bonds and real estate as well as in such common trust, diversified, money market and mutual funds as Trustee deems appropriate;
- (3) To compromise claims for and against the Trust;
- (4) To manage, operate, repair, alter, subdivide, partition, or improve real estate or other property, and to lease real estate and other property upon such terms and for such periods as Trustee deems advisable. All leases (if any ever) shall completely and absolutely conform to the LILA By-Laws.
- (5) To receive from Settlor or from any other source any real or personal property as additions to this Trust by Deed, Will or in any other manner;
- (6) The Trustee shall have full power and authority to delegate from time-to-time another Trustee by an instrument in writing any or all of such Trustee's rights, powers and duties hereunder to the end and purpose that such other Trustee may be entitled to act in all respects for both of such Trustees during the term of the delegation;
- (7) Each and every power, authority or discretion given to or vested in Trustees by the provisions of this Agreement or by law, whatever may be the nature of extent thereof, shall be freely exercisable by such Trustees at any time and from time-to-time in the Trustees; sole and absolute discretion, as the Trustees along shall determine. Each exercise thereof shall not be open to question in any manner whatsoever by, and shall be binding upon, each person having an interest in the Trust. No Trustee shall incur any personal liability of

any character whatsoever by reason of any matter of thing of whatsoever nature which may occur in connection with the administration of the Trust, save only liability arising from such Trustee's gross negligence or willful default;

(8) All powers, authorities and discretions given to or vested in Trustee by the provisions of this Agreement or by law shall be exercisable by Trustee only in a fiduciary capacity; and

(9) To do all other acts and things necessary or appropriate in the management, administration and distribution of the Trust created hereunder and additionally, to abide by and enforce to the benefit of the Settlor the Trustee and Successor Trustee shall have absolute and sole veto power over any amendment change or addition to the LILA By-Laws.

BOND

FOURTH:

A. No bond shall be required in any jurisdiction of the Trustees or of any successor Trustee or, if a bond is required by law, no surety on such bond shall be required.

COMPENSATION OF TRUSTEE

FIFTH:

A. While serving as a Trustee, no Member of the Settlor shall receive any compensation. Any other person, association or corporation appointed as a Trustee may (but need not) receive reasonable compensation for services as a Trustee. All such compensation shall be proposed by the Executive Committee of LILA defined as LILA ordinary business and agreed upon in writing prior to any payment to a Trustee.

ENVIRONMENTAL PROVISIONS

SIXTH:

A. Before accepting any contributions of property to this Trust, the Trustee shall be entitled, in its absolute discretion, without cost to the Trustee, and as a prerequisite to accepting any such contribution to this Trust, to require evidence satisfactory to the Trustee that:

(1) the property is not contaminated by any hazardous or toxic materials or substances; and

(2) the property is not being used and has never been used for any activities directly or indirectly involving the generation, use, treatment, storage, disposal, release or discharge of any hazardous or toxic materials or substances.

B. Settlor warrants, represents and agrees that there is and has been no discharge or disposal by Settlor or any hazardous waste or other toxic substances (as those terms as defined by any applicable federal, state, or local governmental law, rule, ordinance, or regulation) on the real property, or contamination of the real property by any such substances; that there has been no storage or utilization of any hazardous or toxic substances on the real property.

WARRANTY BY SETTLOR

SEVENTH:

Trustee shall have the right to resign at any time it believes there is or may be a conflict between in its fiduciary capacity and in its individual capacity because of potential claims or liabilities which might be asserted against this Trust created because of the type of condition of the assets held in this Trust.

NON-LIABILITY FOR COMPLIANCE WITH LAWS IN CAPACITY AS MAJORITY SHAREHOLDER OR DIRECTOR (FOR USE IN CONJUNCTION WITH CLOSE CORPORATION POWERS)

EIGHTH:

A. Trustee (as owner of one or more interests in a closely held corporation), nor any officer or employee of Trustee (acting on behalf of the Trustee as an officer or director of such a closely held corporation), shall be personally liable for any claims made against this Trust arising from the exercise of decision-making authority in that capacity related to:

(1) the cleanup of or other response to the contamination of Trust property (including property owned or operated by a business in which Settlor's Trust owns and interest) by any substance or substance prohibited or regulated

by federal, state, or local law or that are known to pose a hazard to the environment or to human health; or

(2) the use of Trust or estate property (including property owned or operated by a business in which Settlor's Trust owns an interest) for any activities directly or indirectly involving the generation, use, treatment, storage, disposal, release, or discharge of any hazardous or toxic materials or substances.

Provided that the Trustee and its officers and employees shall not be excused from liability for their own negligence or wrongful or willful acts.

INSPECTION AND COMPLIANCE POWERS (ENVIRONMENTAL)

NINTH:

With respect to any real estate or other property owned by any Trust under this Agreement, to conduct environmental assessments, audits, and site monitoring to determine compliance with any environmental law or regulation thereunder; to take all appropriate or remedial action, whether at the instance of the fiduciary or in response to any actual or threatened violation of any environmental law or regulation; to contain, clean up, or remove any environmental hazard, including, without limitation a spill, relief discharge, or contamination; to institute legal proceedings brought by any local, state or federal agency concerned with environmental compliance or by a private litigant; to comply with any local, state or federal agency order or court order directing an assessment, abatement, or cleanup of any environmental hazards, and to employ, at the expense of the Trust, agents, consultants, and legal counsel to assist or perform these actions, without reducing the compensation of any fiduciary.

INDEMNIFICATION DURING ADMINISTRATION AND ON DISTRIBUTION

TENTH:

A. Notwithstanding any contrary provision of this Trust or any Trust created under this Agreement, Trustee may without a distribution to a beneficiary until receiving from the beneficiary an indemnification agreement in which the beneficiary agrees to indemnify the Trustee against any claims filed against the Trustee as an "owner" or "operator" under the Comprehensive

Environmental Response, Compensation and Liability Act of 1980, as from time to time amended, or any regulation under the Act.

REFORMATION OF TRUST

ELEVENTH:

A. Trustee may reform any of the provisions of this Agreement by a writing made and filed with the records of the Trust, at any particular time and without the necessity of obtaining the approval of any court, any of the provisions of this Agreement for the sole end and purpose of the meeting the requirements of Treasury Regulation Section 25.2702-59(c). Any such reformation shall be given such full retroactive effect as may be necessary to meet such requirements and shall for all purposes be binding and conclusive in all respects on every person having any interest whatsoever in the Trust.

GOVERNING LAW

TWELFTH:

A. This Agreement has been entered into in Pennsylvania and this Agreement and the Trust shall be administered and construed in all respects in accordance with the laws of Pennsylvania.

NUMBER AND GENDER

THIRTEENTH:

A. Whenever used in this Agreement, the singular shall include the plural, the plural shall include the singular, and the use of any gender shall be applicable to any other gender or to all genders.

FOURTEEN:

A. The Trust is intended to be and shall be irrevocable, and the Settlor hereby renounces any right, power and authority which Settlor otherwise might or could have to revoke, alter or amend the Agreement, any of the provisions hereof, or the Trust.

IN WITNESS WHEREOF, this Agreement has been duly executed on the day and year first written above.

LAKE IDLEWILD LAKE ASSOCIATION

Attest:

LAKE IDLEWILD LAKE ASSOCIATION
TRUSTEE

BY: _____
Trustee for Lake Idlewild Lake Association

Witness:

COMMONWEALTH OF PENNSYLVANIA }
 }SS
COUNTY OF SUSQUEHANNA

On this, the ____ day of _____, 2009, before me, the undersigned officer, personally appeared _____, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument and acknowledged that he/she executed the same, both individually and in fiduciary capacities, for the purposes therein contained.

IN WITNESS WHEREOF, I hereunto set my hand and seal.

Notary Public