



FAMILY VACATION HOME DISCUSSION TOOL

These questions and considerations are designed to assist family members who own or will own a family vacation home or camp and wish to arrange for an orderly transition of ownership to the next generation. Our firm regularly uses this tool for input in preparing a family cabin, cottage, or vacation home trust or ownership agreement.

1	2	3	4	5
<i>I firmly disagree with this statement.</i>	<i>I generally disagree with this statement.</i>	<i>I am ambivalent or not sure.</i>	<i>I generally agree with this statement.</i>	<i>I firmly agree with this statement.</i>

Who is completing this checklist?

GAUGING FAMILY INTEREST

1. I would like to see the family keep the home for future use by as many as can enjoy it.

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2. I personally want to be a part of any future ownership and use of the property.

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3. I foresee being able to contribute to maintaining the property, for example by financial contribution, management, or upkeep.

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4. If there were funds set aside to support the property for things like taxes, upkeep, and improvements, it would help us to keep the property for at least the next generation, if not longer.

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HOW DO YOU FEEL ABOUT OWNERS BEING ABLE TO TRANSFER THEIR SHARES TO OTHERS?

5. Family members should be able to sell their shares to non-family members.

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6. Family members should be able to sell their share to other owners in the family to buy them out.

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7. I'd like to see funds set aside if possible by the current owners to help with buying out a family member who is not interested "staying in."

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8. I'd like to be sure that the property does not have to be sold in order to settle a divorce or debt collection against an owner.

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9. I'd like to avoid the property having to be sold to pay for an owner's disability care or nursing home if the property could still be enjoyed by other members.

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HOW DO YOU FEEL ABOUT WHO SHOULD BE ABLE TO INHERIT THE PROPERTY (OR SHARES IN THE PROPERTY) NEXT?

10. Family member owners should be able to leave their share to their spouse or domestic partner.

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11. Owners should be able to leave their interest to their spouse or domestic partner for lifetime use only (the spouse can still use the property but has no vote or ownership interest).

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12. Owners should be able to leave their share of the property to their children or grandchildren.

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13. Owners should be able to leave their share of the property to their step children.

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STATUS AS A SILENT OWNER VS. COMPELLING A SALE

14. Members of the **next generation of owners** should have the right to compel a buyout of their share or else a sale of the whole property in order to get money for their share of the ownership.

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15. If **anyone** (for all time) inherits the property with others, they should have the right to compel a buyout of their share or else a sale of the whole property in order to get money for their share of the ownership.

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16. Anyone who wants to sell out should be bought out if there is cash set aside for this purpose, but for less money than they would get if the property were sold.

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CHOOSING AN APPROACH TO SELLING (DEMOCRATIC, UNANIMOUS, OR MANAGER'S CHOICE)

17. To avoid a forced sale by any owner, the decision to sell the property ought to be a **democratic** choice by majority vote that everyone must honor. The minority would be locked in by the result, but at least the majority would be satisfied.

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18. The decision to sell out should be **unanimous**. A single owner can lock the majority into continued ownership.

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19. Deciding whether it's time to sell should be left up to a **manager or management committee** of owners who have the best interest of all owners in mind.

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20. Deciding whether it's time to sell should be left up to **someone else who is not an owner**, like an independent trustee or trust advisor who would have to consider the best interests of all owners.

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21. A **tie breaker should exist**, like someone else who is not an owner or an independent trustee or trust advisor who would have to consider the best interests of all owners.

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HOW LONG SHOULD THE CO-OWNERSHIP GO ON FOR?

22. Assuming that the next generation of owners inherit the property from the current owner(s), how many years after that would you want the coownership to go on, approximately? (*A generation is approximately 30 years.*)

10 20 30 40 50 60 Indefinitely

THE USE, OPERATION, AND MAINTENANCE OF THE PROPERTY

23. All owners should pay their percentage share for maintenance and improvements.

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24. All owners should at least pay a modest fee for use of the property in addition to their share of maintenance and improvement.

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25. Owners should not pay for use of the property unless necessary to keep the lights on.

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26. A manager or management committee and successors should be chosen by the current owners in advance, one generation at a time.

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27. Unless chosen in advance, a manager or management committee should be elected by majority vote by the owners.

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28. A manager or management committee should decide on all expenditures related to the property.

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29. All owners should be involved in all decisions.

1 2 3 4 5

30. All owners should be involved in decisions on expenditures over a certain dollar amount (for example, \$10,000).

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31. The use of the property should be regulated by a fair sign-up procedure with limitations on length of stay, use on holiday weekends, number of guests, and, perhaps, the drawing of lots for choice of particularly desirable weeks like holiday weeks.

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32. I would abide by whatever agreement is set up by the current owners or agreed upon by a majority of owners in this regard.

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IF ANYONE CANNOT CONTRIBUTE THEIR FAIR SHARE FINANCIALLY OR BY HELPING WITH MANAGEMENT OR UPKEEP:

33. They should have a certain **grace period** to pay up.

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34. They should have to pay **interest or a penalty** if they do not pay by the end of the grace period but eventually do pay.

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35. **Instead of** paying interest or a penalty, if someone doesn't pay, they should **lose a part of their ownership** in relation to what they have failed to pay.

1 2 3 4 5

36. **Instead of** paying interest or a penalty, if someone doesn't pay, they should **lose their right to use the property**.

1 2 3 4 5

37. Others who pitch in and pay for an owner or do the owner's work should increase their ownership percentage as a result.

1 2 3 4 5

38. If the property is well endowed financially, others who do not fully contribute to the upkeep or management or in other material ways should **NOT** be penalized in any way. If the property is sold or handed down, even those who did not contribute to maintaining the property still get their original percentage of the proceeds.

1 2 3 4 5

39. Owners who do not contribute financially or by assisting with management or upkeep should **NOT** be penalized in any way even if it means that eventually the property has to be sold and those who could not contribute still get their original percentage of the proceeds.

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THANK YOU FOR YOUR INPUT

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