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Cottage and Family Recreational Property Trusts

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Do you have a family cottage, hunting property, river property, or recreational property? Have you created many memories on this property with your family? Do your children or grandchildren love the place as much as you do?

If you answered yes, you probably want to find a way to preserve that property for your family after your death. I'm, always saddened when I hear that an heirloom property was sold because there was not a workable plan to keep it in the family.

Each family, property, and use is different. Even between family members, uses and interests differ. As part of any plan, your love of the property, your desires for the property after your death, whether the taxable value of the property will be uncapped, and the differing interests of your descendants need to be balanced and considered.

A stand-alone trust, provisions inside of your existing estate plan, or an LLC can be avenues to provide for the future preservation and management of a property that is special to you. It is important that you contact an attorney that specializes in "cottage trusts" and has extensive experience preparing this type of plan. Based on the overlap between cottage trusts and the formation of LLCs, I recommend your attorney also be proficient in small business/LLC formation and maintenance.

After listening and learning how your family property has been used and how you expect that the property will be used after your death, the attorney should work with you to come up with a solution that meets your desires and also deals with the management of the property, the payment of expenses, the use of the property, the withdrawal of a family member, and the ultimate disposition of the property. This solution needs to be workable for your descendants. There are many models and variations that can be used. You and your attorney can be as creative as necessary to make

sure you are comfortable with the succession plan for your cottage or recreational property.

If you have a family cottage, hunting property, river property, or recreational property that is important to you and the people you love, they will be very glad you took steps to create a formal plan for the future.