



***KEEPING THE “FAMILY”
in the Family Cottage***

LILICO BAZUK KENT GALLOWAY
Barristers & Solicitors

Financial Challenges

PARENTAL PRESSURES

- Non-income producing asset
- Payment of ongoing expenses
- Capital gains tax liability and funding

CHILDREN'S ISSUES

- Tied up capital
- Affordability of expenses

Family Challenges

THE FOUR C's

- Choosing children
- Compensation questions
- Coping with financial differences
- Co-ownership concerns

Family Responses

- Do nothing
- Ostrich syndrome
- Twisting arms
- Cottage Succession Plan

Cottage Succession Plan

- Effectively addresses the fundamental financial challenges
- Respects and reflects family dynamics
- Provides a firm foundation for future generations

Cottage Succession Process

THE PLANNING PROCESS

- Gather critical information
- Analyze capital gains tax liability
- Assess deferral or avoidance options
- Consider optimal owner children
- Provide alternative strategies
- Costs and timelines for implementation

Cottage Agreement

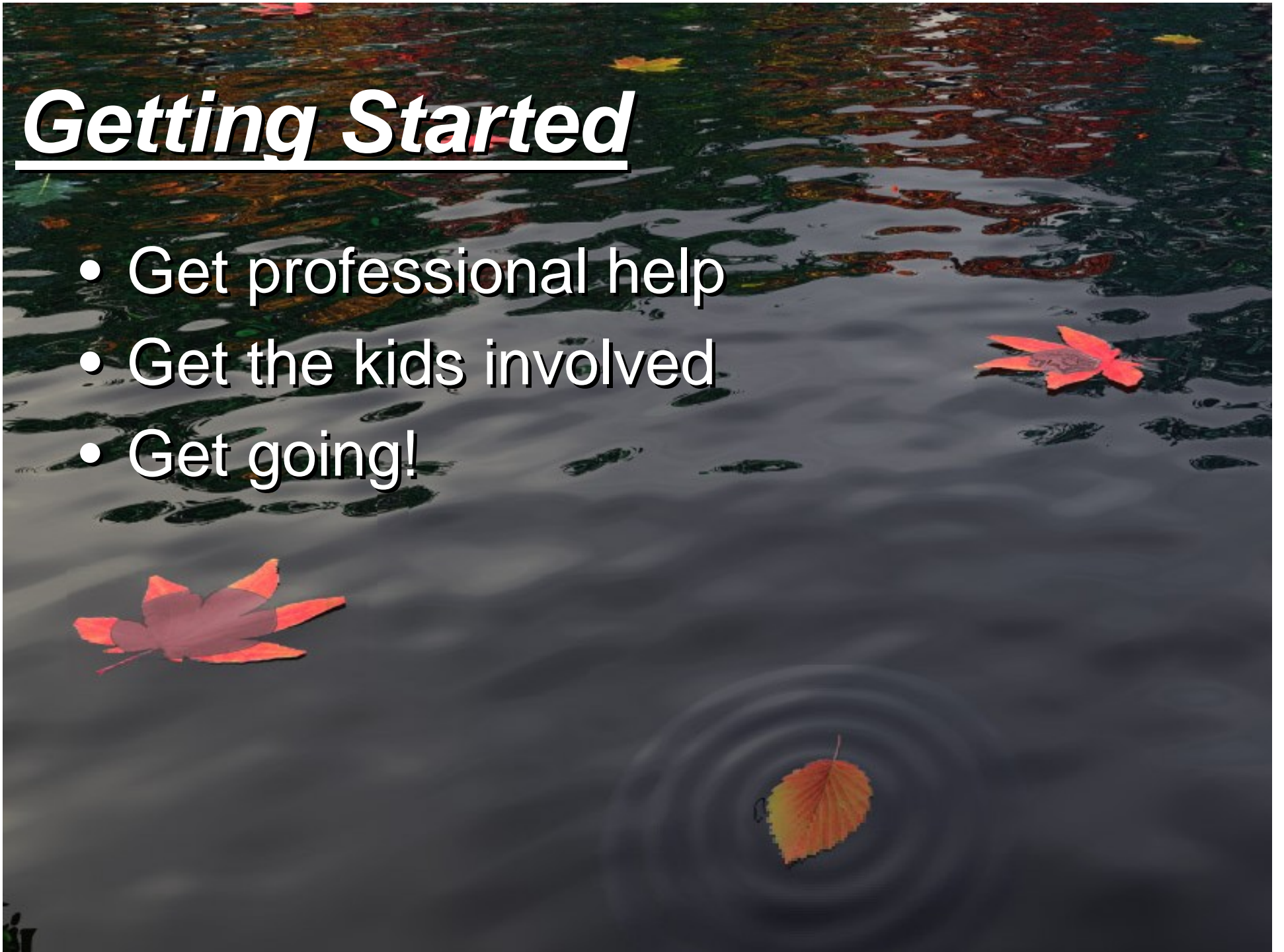
- Passing the torch
- Protecting the parents
- Providing for children
- Preserving the cottage

Cottage Agreement

- Sharing usage
- Dividing responsibilities
- Allocating expenses
- Avoiding adversity
- Restrictions on transfer
- Budgeting and financial reserves
- Family Council

Getting Started

- Get professional help
- Get the kids involved
- Get going!





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