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Your Lake Home: Questions to Consider in Planning for the Future Ownership of your Lake Home

Current Ownership

1. Who currently owns the Lake Home?
2. Is there currently a mortgage or mortgages on the Lake Home property?
3. If there is a mortgage, is it your plan to pay the mortgage off during your lifetime?
4. Is there anyone in the family, other than yourself, that does a significant amount of the maintenance of the Lake Home or the property? Is there any family member that is using their own money to maintain or improve the property, pay the taxes or other costs?
5. If you are unable to physically get to the home or work on maintaining it, is there a family member who will be doing that work?

Future Ownership While You are Living or at Your Death

6. Do you have plans to sell the Lake Home during your lifetime? Do you want the Lake Home to stay in the family if you are no longer able to use it, or would you want it to be sold? If you want to sell the Lake Home during your lifetime or after your death, is there anyone that you want to have the first option to purchase the Lake Home? If yes, would this be at the fair market value at the time, or at a favorable reduced price?
7. Are there certain members of the family that are more likely to use the Lake Home? Are there certain members of the family who definitely do not want to own the Lake Home or that you do not think would be interested in owning the home?
8. Are you interested in making a gift of the Lake Home during your lifetime? If yes, would that gift be to more than one person?
9. If only some of the family receives the Lake Home as a gift or inheritance, do you want to give other assets of similar value to other family members, to keep everyone "equal"?
10. Is there a particular person that you want to be in charge of making decisions concerning the Lake Home?
11. If a family member is not interested in co-owning the Lake Home with other family members, should they be able to sell their share to the other family members? If so, should they receive full price for their share or a reduced price in order to discourage a forced sale?
12. Do your family members get along or is there likely to be immediate disagreement between them if they own a Lake Home together?
13. Could the property be divided into separate lots? If so, is this an option you are considering?

14. What is or will be the system for determining time spent at the time Lake Home? For example, will there be a rotation among family members for selection of dates? What system is being used or what system will work for your family?
15. Can future owners decide to sell the Lake home, or must it be kept in the family as long as at least one person wants to own it? Can a majority decide they want to sell it?
16. What if a family member who is an owner subsequently passes away – can they will their share to their spouse or children, who would then become a co-owner? Do you have any in-laws that you would like to see have the right to remain as an owner in the future or the ability to use the Lake Home?
17. Are you interested in setting up an operating fund to pay for the routine expenses of maintaining the Lake Home? Do you want to set aside a sum of money for this purpose in your Will?
18. Do you have plans to spend a lot of money within the next few years to improve or repair the Lake Home?
19. We frequently recommend that if there is going to be more than one owner, that the Lake Home be owned by a Limited Liability Corporation or LLC. If this fits your situation, what name are you interested in using for your LLC?
20. Are there any other important considerations that we should be aware of?

You may wish to discuss these with one or more members of your family. Please feel free to give us a call to answer any of your questions while you are giving these your consideration.

For more information, or if you have any questions, please feel free to contact any of the following attorneys in our Estate Planning & Business Succession Planning Practice Group.

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