



Reynolds Mirth Richards & Farmer LLP

BARRISTERS

SOLICITORS



LEGAL ASPECTS OF SUCCESSION PLANNING FOR THE FAMILY COTTAGE

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TRANSFERRING THE FAMILY COTTAGE THROUGH GENERATIONS:

- Joint Tenancy
- Undivided Interests (Tenancy in Common)
- Trust
- Corporation



1. JOINT TENANCY

- Right of survivorship
- Last surviving owner takes all
- All owners must agree on a transfer
- Equal ownership
- Equal contribution to expenses



Joint Tenancy Succession

1. Dad & Mom
2. Dad & Mom & John & Jane
3. D~~X~~d & Mom & John & Jane
4. D~~X~~d & M~~X~~m & John & Jane
5. D~~X~~d & M~~X~~m & John & J~~X~~ane

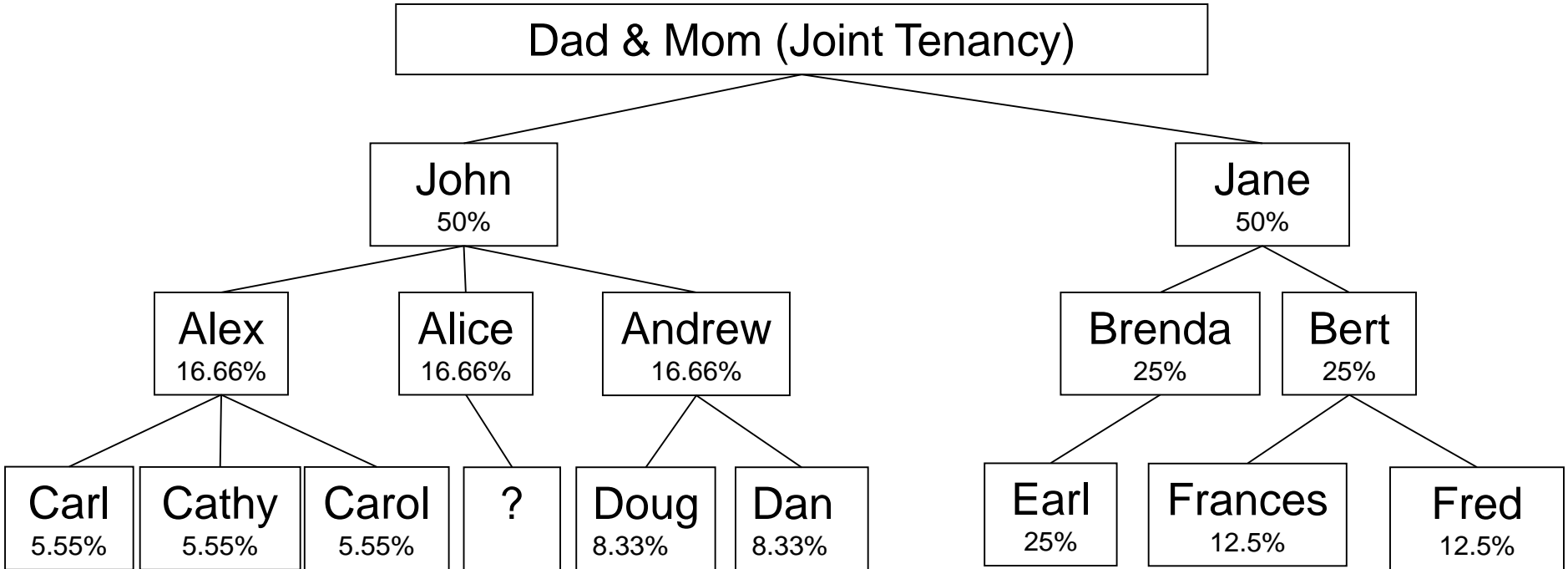


2. Undivided Interests (Tenancy in Common)

- Each owner receives an undivided interest
- Ownership may not be equal
- Each owner can transfer his/her share without seeking agreement from the other owners
- Prorata contribution to expenses



Undivided Interests





3. Trust

- Appoint trustee(s) and mechanism to appoint replacement trustee(s)
- Name beneficiary(ies)
- Establish fund to pay expenses
- Trust agreement establishes trust and sets out:
 - rules governing the trust and the property
 - rights of the beneficiaries
 - responsibilities of the trustees



4. Corporation

- Corporation holds beneficial and legal interest in property
- Shareholders hold shares in corporation
- Shareholders appoint directors
- Directors are responsible for the day to day management of the property
- Shareholders agreement sets out:
 - rules governing the conduct of the corporation
 - rights and obligations of shareholders
 - rules for transferring shares
 - payment of expenses/cash calls



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Questions Are Welcome

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