

Chapter 36. Vacation Home Succession Plan

A Vacation Home Succession Plan is an Estate Planning strategy which can help parents and grandparents to ensure that their vacation home can successfully be passed on and maintained within the family by succeeding generations.

A Vacation Home Succession Plan typically includes the following:

- Transfer of the vacation home to a special purpose limited liability company (“LLC”).
- Creation of an LLC Operating Agreement with special features to address the decision-making, scheduling and expenses of the vacation home and divorce and liability protection, as well as guidelines for future purchase and sale of ownership interests by one or more family members.
- A Vacation Home Trust may be added in certain cases to hold the LLC shares. The family (children, grandchildren, great grandchildren, etc.) would be named as beneficiaries of the Trust. They would be entitled to use the vacation home but would not have any direct ownership of the LLC or the vacation home.
- A funding mechanism, such as a Vacation Home Endowment Fund, funded by either a share of the parents’ estate, a life insurance policy, or a dedicated investment fund established by the parents (to be held in either the LLC or the Vacation Home Trust).
- Investment management and banking guidelines for managing the Vacation Home Endowment Fund.

The LLC needs to be coordinated with the parents’ Living Trust and Financial Power of Attorney.

Used for avoiding this:



And this:



Used for achieving this:



And this:

