



**BLACKWOOD**  
Family Enterprise Services

*Where Above The Line Planning  
Impacts Bottom Line Results*

## **Cottage Joint Use Agreement Workbook**



Prepared By: \_\_\_\_\_

Date: \_\_\_\_\_

## **Introduction**

This workbook is a communication tool designed to assist families in collaborating around the key issues involved in operating a joint use or multi-generational family cottage. Using the workbook as part of a planning process will strengthen family relationships and ensure that your family cottage continues to be a source of enjoyment, not conflict, now and in the future.

The process of using the workbook is as important as the workbook itself. We encourage a collaborative approach, which works best when family relationships are the most important and valuable element of what's at stake. A collaborative process values everyone's ideas and contributions in order to gain the best possible solution for all.

The workbook is a *draft* of your ideas. It is a starting point in a planning process and will be used to facilitate a discussion within your family. We encourage each family unit/owner to work through the cottage workbook independently so that everyone has time to think about each section and respond honestly to the questions that are laid out.

Once everyone has completed the workbook, a general family meeting needs to take place, so that everyone can share their ideas. Depending on the complexity of the situation and the number of family members, it might take more than one meeting. Many families will be able to have discussions without a third party in the room. However, others will want someone to help facilitate the meeting in order to benefit from some guidance in coming to consensus, and to ensure appropriate notes are taken on the key decisions.

Eventually, all of the key points can be compiled into a document that will become your family's Cottage Joint Use Agreement. Certain areas explored in this document will require the services of a lawyer, such as details regarding ownership and estate planning. Decisions reached in the remaining sections of this workbook are not intended to be legally binding. Rather, they are the guiding principles that everyone in the family agrees to. High-conflict families may wish to engage a lawyer to formalize the Agreement as a way to increase accountability, and have it referenced as part of a comprehensive estate plan.

If you would like to discuss your family cottage situation and how this planning process may benefit your family, we would be pleased to meet with you. Our goal is to help you to continue to have your family cottage as a focal point for happy family gatherings for many generations to come.

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### **A Note on How to Use the Joint Use Agreement Workbook:**

Before you start, we encourage you to familiarize yourself with this entire workbook. Scan through each section to get an idea of what you will be asked to think about and do. Read the instructions at the beginning of each section carefully. It will be helpful to first work through the sections in order, as instructed. However, keep in mind that this is a working draft of your ideas, not a polished document. Completing this workbook should not be a linear process. You may need to cycle back through the workbook several times, as new ideas occur to you. Complete the sections that are applicable to you and your family cottage. Do not worry that you have to capture every detail on your own. This is a tool to record your ideas so that when you gather as a family, you can collaborate more effectively. If you do not see a place to write an idea down, make notes in the margins, or keep notes for yourself with questions and ideas on a separate paper.

## Section 1: Goals and Values – Starting with the Why

Prior to addressing the tactical aspects of a Cottage Joint Use Agreement, we ask that you spend a few moments thinking about what your cottage means to you and why you want a Cottage Joint Use Agreement in the first place. Each family member values the cottage for his or her own unique reasons. There is no right, wrong, or better reason for why the cottage is important. However, articulating this is going to help direct your thoughts and decisions once you start working on the more tactical aspects of joint cottage use. When you gather as a family to share your ideas and collaborate on constructing a Cottage Joint Use Agreement, sharing the answers to these questions will help you to establish common goals and values for the Agreement.

Briefly, in your own words, answer these questions. (point form if you wish)

1) Describe why the cottage is important to you.

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2) When you think about the cottage in the future and your involvement in it, what do you see?

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3) Is the cottage a financial asset, or a family legacy? Use the scale below to rank how you feel from 1 to 10, 1 being that while you enjoy the cottage now, it is not important to you that it remain in the family and 10 being that you would never want the cottage to be sold or given to someone outside of the family.

1            2            3            4            5            6            7            8            9            10

Comfortable  
with selling

Neutral

Never want to  
sell the cottage

4) What do you want to accomplish with the Cottage Joint Use Agreement?

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## Section 2: Designate Owners

What parties regularly use the cottage and need to be involved in making the Joint Use Agreement?

If your family cottage is used by several families/persons, but not legally owned by all the families/persons you want to include in the Joint Use Agreement, then for the purposes of this document and the planning process, you will use the term “owner” to designate those persons. For example, a cottage may be owned by a set of parents, whose adult children have regular use of the cottage and will eventually own the cottage, but do not legally own the cottage now. In other words, include in your list every family or person that you want involved in creating the Joint Use Agreement regardless of legal ownership.

(Note: You will be identifying the legal ownership structure in Section 7, page 27.)

Names of owners in the Joint Use Agreement:	Legal Owner? (yes/no)
Owner 1:	
Owner 2:	
Owner 3:	
Owner 4:	
Owner 5:	
Owner 6:	
Owner 7:	
Owner 8:	
Owner 9:	
Owner 10:	

## Section 3: Allocate Usage Among Owners

### a. Determine System:

It is important to think about how you will allocate usage among the owners. Here are three common methods for determining use:

**Free-for-All Usage Agreement:** Every owner is welcome at any time. You do not require a schedule. This system works well for cottages that have enough room to comfortably hold all parties and where there is a strong relationship among the owners.

**Set Schedule Usage Agreement:** Owners draw up a set schedule for use. Using a set schedule can prevent many issues from surfacing if the cottage is becoming cramped or stressful for any of the owners. Under this agreement the owners can still schedule joint usage times for special events such as long weekends or weddings. Owners need to agree on when and how the schedule will be determined.

**Combination:** Some days/weekends on the calendar may be designated “free-for-all” while others will require scheduling. This system may help you to balance private time and shared time among owners.

Which of these systems would you like to use to determine who uses the cottage and when they use it? (What other thoughts do you have around determining use?)

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### b. Setting a schedule

I. How and when will you determine a schedule/usage?

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II. What is the process for changing the schedule/usage?

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**Section 3: Allocate Usage Among Owners (cont'd)**

III. Does a family/person have veto power over change in schedule/usage? Who should that be?

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IV. Other concerns/ideas?

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**c. Managing schedule**

I. How will you communicate about ongoing cottage use?

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II. Who will manage schedule/usage? (Gatekeeper? Committee?)

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III. Other concerns/ideas?

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**d. Friend/Extended Family Policy:**

You may want to discuss who else can use the cottage.

I. Can the cottage be used by friends/extended family of one of the owners?

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II. Does the owner need to be present if a friend/extended family is using the cottage?

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**Section 3: Allocate Usage Among Owners (cont'd)**

III. Does friends/extended family use need to be communicated to other owners?

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IV. Additional notes regarding other people using the cottage:

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**e. Rental Policy:**

Can the cottage be rented out?

- I. What is the set rental rate: \$ \_\_\_\_\_
- II. How is this rate set?

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III. When and how can the cottage be rented?

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III. Where will the rental proceeds go?

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IV. Who will manage the rental process?

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V. Additional notes regarding renting the cottage:

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**Section 4: Determine Minimum Standards After Each Use**

No matter who uses the cottage and when they use it, establishing minimum standards before people use the cottage will help distribute some basic maintenance tasks among users and support shared ownership. When everyone commits to a minimum standard, you all know what to expect when you come to the cottage and what is expected of you before you leave.

Some common areas that might need addressing are housekeeping (dishes, laundry, cleaning), food, garbage, yard work, cottage toys, septic, boat, and docks etc.

<b>MINIMUM STANDARDS AFTER EACH USE</b>	
	Task
1.	
2.	
3.	
4.	
5.	
6.	
7.	
8.	
9.	
10.	
11.	
12.	
13.	

## **Section 5: Chart of Tasks and Responsibilities**

Section 5 is divided into two separate activities that when completed, produce the Chart of Tasks and Responsibilities. Working through Section 5A, you will create a list of all the tasks involved in operating your family cottage. You will be quantifying WHAT needs to be done and starting to think about WHEN it will get done. In Section 5B you will be recording your ideas about WHO should be responsible for completing each task.

Before you begin, take a moment to flip through the pages of the chart that make up Section 5 (pages 12 – 18). We have organized the charts for these sections into a few categories applicable to every cottage owner. The categories are: Opening Cottage, Closing Cottage, Monthly Tasks, Weekly Tasks, and Other. If you want to rename some of these categories, go ahead. There are also extra blank sheets for you to create categories applicable to your situation or if you need more room.

**Flip through the chart now, and then come back to these instructions.**

### **Section 5A: Create a Master List of All Ongoing Tasks**

Complete Section 5A (left side column) **before** you start Section 5B. Focus on simply listing every possible task involved in the maintenance of your cottage without thinking about who is going to do the tasks or how the tasks are organized.

**Complete Section 5A now, filling in the left-hand column of the working charts (pages 12 - 18).**

## Section 5: Chart of Tasks and Responsibilities (cont'd)

### Section 5B: Determine the Division of Labour

**Do not start this section until you have completed Section 5A, beginning on page 12.**

Now that you have listed every task involved in the smooth operation of your cottage, you can begin to think about how all these jobs are going to get done. You will need to determine a fair way to divide the tasks. Before you start, consider for a moment how responsibilities can be shared by all the owners. There are several systems you might use:

**Rotating:** Owners assume responsibility for tasks on a rotational basis. For example, one owner completes tasks one week, and another the next week, and so on. A schedule for each list of tasks would have to be completed to ensure each owner knows what he/she is doing and when.

**Equally Distributed:** Divide the tasks and responsibilities equally among the owners. An owner sub-list of tasks for each owner would have to be created so each owner knows what he/she is responsible for throughout the year.

**Proportional to Usage:** Determine the amount of time each family has used the cottage so the tasks can be assigned proportionally. This may involve tracking daily use. How many days does each family use the cottage on average? If one family uses the cabin 60% of the days, they will be assigned 60% of the tasks.

**Combination:** Some combination of the above systems may be most applicable to your situation. For example, maybe everyone needs to commit to opening and closing the cottage, but you want to rotate monthly and weekly tasks. Perhaps one family uses the cottage a lot more than others, so they should be in the rotation more often.

**Other:** You may have your own ideas about how to determine who is responsible for tasks. For example, everyone using the cottage has different skills and different areas of interest. Perhaps you want to think about who is going to do which task well. There may also be geographical or financial issues that influence how you want to assign responsibilities. Every family's situation is unique.

## **Section 5: Chart of Tasks and Responsibilities (cont'd)**

### **Section 5B: Determine the Division of Labour (cont'd)**

As you work through the right side of the chart (pages 12 - 18), assigning tasks, keep in mind, there is no right or wrong way to do this. You do not have to assign every task right now. It may be more expedient for your family to leave the bulk of section 5B for the family meeting, but you should still record initial thoughts in preparation. Make notes in the margins if you can think of other considerations as you complete this section. If you are unsure or have no opinion you can write a question mark beside a task or leave it blank.

We suggest you complete each of these steps before you are finished:

- 1.** Go through the task lists and identify tasks you think are best done by specific individuals/families. You can write those names in the right column beside the task. If you think a whole task category can be assigned, assign it.
- 2.** Identify those task lists or specific tasks that you think should be rotated. These will have to be included in a schedule. You do not need to assign individuals or families to these tasks at this point. Write “rotate” in the right column beside the tasks. If you think whole category of tasks should be rotated, write “rotate” on that category.
- 3.** If you want to share tasks equally, does your task assignment reflect this? Review your task assignment.
- 4.** If you want to share tasks proportional to usage, does your task assignment reflect this? Review your task assignment.

**Section 5: Chart of Tasks and Responsibilities (cont'd)**

Section 5A: List Tasks	Section 5B: Determine Who is Responsible
<b>OPENING COTTAGE</b>	
Task	Task allocation
1.	
2.	
3.	
4.	
5.	
6.	
7.	
8.	
9.	
10.	
11.	
12.	
13.	
14.	
15.	
16.	

**Section 5: Chart of Tasks and Responsibilities (cont'd)**

Section 5A: List Tasks	Section 5B: Determine Who is Responsible
<b>CLOSING COTTAGE</b>	
Task	Task Allocation
1.	
2.	
3.	
4.	
5.	
6.	
7.	
8.	
9.	
10.	
11.	
12.	
13.	
14.	
15.	
16.	

**Section 5: Chart of Tasks and Responsibilities (cont'd)**

Section 5A: List Tasks	Section 5B: Determine Who is Responsible
<b>MONTHLY TASKS</b>	
Task	Task Allocation
1.	
2.	
3.	
4.	
5.	
6.	
7.	
8.	
9.	
10.	
11.	
12.	
13.	
14.	
15.	
16.	

**Section 5: Chart of Tasks and Responsibilities (cont'd)**

<p align="center"><b>Section 5A:</b> <b>List Tasks</b></p>	<p align="center"><b>Section 5B:</b> <b>Determine Who is Responsible</b></p>
<p align="center"><b>WEEKLY TASKS</b></p>	
<p align="center"><b>Task</b></p>	<p align="center"><b>Task Allocation</b></p>
1.	
2.	
3.	
4.	
5.	
6.	
7.	
8.	
9.	
10.	
11.	
12.	
13.	
14.	
15.	
16.	



**Section 5: Chart of Tasks and Responsibilities (cont'd)**

Section 5A: List Tasks	Section 5B: Determine Who is Responsible
<b>OTHER TASKS</b>	
Task	Task Allocation
1.	
2.	
3.	
4.	
5.	
6.	
7.	
8.	
9.	
10.	
11.	
12.	
13.	
14.	
15.	
16.	

**Section 5: Chart of Tasks and Responsibilities (cont'd)**

<p align="center"><b>Section 5A: List Tasks</b></p>	<p align="center"><b>Section 5B: Determine Who is Responsible</b></p>
<p align="center"><b>Task</b></p>	<p align="center"><b>Task Allocation</b></p>
1.	
2.	
3.	
4.	
5.	
6.	
7.	
8.	
9.	
10.	
11.	
12.	
13.	
14.	
15.	
16.	

**Section 5: Chart of Tasks and Responsibilities (cont'd)**

Section 5A: List Tasks	Section 5B: Determine Who is Responsible
Task	Task Allocation
1.	
2.	
3.	
4.	
5.	
6.	
7.	
8.	
9.	
10.	
11.	
12.	
13.	
14.	
15.	
16.	

## **Section 6: Determine Financial Obligations**

There are financial considerations in the operation of any cottage. In Section 6 you will determine what financial obligations exist for your family cottage and how they will be met. There is opportunity to document your current financial arrangement, and gather the information and ideas needed to develop the financial arrangements that will suit your Joint Cottage Use situation. Depending on the current arrangements, there may be one individual/couple/family that are best suited to provide accurate financial information. However, everyone should still work through this section, become familiar with the issues involved, and address applicable areas.

### **a. Creating a Budget**

You need to have or create a cottage budget before you can accurately answer all the questions in this section. If you do not have a budget for your cottage, we have included Budget Worksheets in order to assist you in determining the costs involved in operating your cottage (pages 20 - 23). Even if you already have a budget for your cottage, you may want to look through the budget worksheets now to make sure your budget is complete.

**Section 6: Determine Financial Obligations (cont'd)**  
**Budget Worksheets**

<b>Fixed Expenses</b>		
List all of the fixed bills/expenses in a typical year: (We have included typical expenses. What other fixed expenses do you have?)		
<b>Fixed Expense</b>	<b>Amount</b>	<b>Due</b>
Mortgage payment		
Property taxes		
Heat		
Electricity		
Telephone/cable/internet		
Property insurance		
Septic cleaning		
Boat insurance		
Boat storage		
<b>TOTAL</b>		

**Section 6: Determine Financial Obligations (cont'd)**

<b>Variable Expenses</b>		
List all of the variable bills/expenses in a typical year: (These might include groceries, propane, boat gas, etc.)		
	<b>Amount</b>	<b>Due</b>
<b>TOTAL</b>		

**Section 6: Determine Financial Obligations (cont'd)**

<b>Long-Term Expenses</b>		
<p>List all of the long-term bills/expenses that need to be planned for:                      (These may include reroof cottage, repair dock, etc. Be as specific as you can. Instead of “renovate cottage” write “add 4th bedroom”.) Include a possible due date when the expense might/would occur.</p>		
<b>Planned Expense</b>	<b>Amount</b>	<b>Due</b>
<b>TOTAL</b>		

**Section 6: Determine Financial Obligations (cont'd)**

<b>Unexpected Expenses (Emergency Fund)</b>	
List possible unexpected expenses and estimate cost: (This exercise will give you an idea of how much your emergency fund should be. Some items might be ice damage to dock, boat lift breaking, water pipes burst, septic failure etc.)	
Unexpected Expense	Amount
<b>TOTAL</b>	



## Section 6: Determine Financial Obligations (cont'd)

### **b. Managing the Budget**

In regard to paying for expenses, you may want to refer back to the section on cottage schedule and usage and use the same approach for the allocation of expenses.

**Equally Distributed:** Divide the expenses equally among the owners.

**Proportional to Usage:** Determine the amount of time each family has used the cottage so the expenses can be assigned proportionally. Track actual usage. If one family uses the cabin 60% of the days, they will be responsible for 60% of expenses.

**Consider Financial Capacity** Some joint use owners may have a greater financial capacity to assume cottage expenses. You may want to consider a system where those who have a greater capacity to contribute, pay for a larger portion of expenses.

**Combination:** Some combination of the above systems may be most appropriate where you designate some expenses as equal and some as proportional to usage or financial capacity.

I. Who is responsible for preparing/maintaining the cottage budget?

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II. How often will the budget be reviewed?

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III. How will fixed expenses be paid (taxes, utilities, etc.)? How will they be allocated among owners?

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IV. How will variable expenses be covered (boat gas, propane, repairs, etc.)? How will they be allocated among owners?

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**Section 6: Determine Financial Obligations (cont'd)**

**b. Managing the Budget (cont'd)**

- V. What expenses will be considered a part of the joint cottage usage and what expenses are personal?

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**c. Bank Account:**

- I. Has a bank account been set up for the cottage?

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- II. Who is/will be in charge of the bank account if one is set up? (name all parties with signing authority)

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- III. What type of signing authority will be set up? (one signature required, two signatures required, etc.)

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**d. Emergency Fund:**

- I. What do you think would be an appropriate amount to set aside to conservatively cover a major unexpected expense? \$\_\_\_\_\_

**e. Reinvesting/Renovating:**

- I. Do you see yourself re-investing in the cottage in the near future within 5-10 years?

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**Section 6: Determine Financial Obligations (cont'd)**

II. If "yes", what investments will there be in the next 5 years (either necessary or desired)?

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III. Estimated dollar value of reinvestment:

\$ \_\_\_\_\_

IV. How should decisions be made to fix/renovate/re-invest in the cottage?

Majority      Unanimity      Veto      Other (describe) \_\_\_\_\_

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V. Why will this system work for you?

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## Section 7: Determine Mechanism for Retaining Legal Ownership

There are several ownership structures applicable in a family or joint-use cottage situation. You want to make sure that the ownership structure you have for your cottage is one that addresses all the owners' needs and wishes, now and into the future.

In this section you will document your current structure and begin to think about whether or not it meets your needs.

### a. Ownership:

- I. Describe the current ownership structure (sole ownership, joint tenants, tenants-in-common or other). Identify the individuals involved.

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- II. Is retaining ownership a priority to you? If "yes" then elaborate on how retaining ownership might look to you.

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- III. What are your concerns, if any, about the current ownership structure?

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- IV. What concerns, wishes, or questions do you have about ownership? What do you want to make sure your ownership structure addresses or protects you from? What do you want to accomplish with your ownership structure?

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**Section 7: Determine Mechanism for Retaining Legal Ownership (cont'd)**

**b. Buyout and Transfer Provisions:**

I. Do you have a right to first refusal agreement with the current ownership group?

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II. Would you like to create a right to first refusal agreement should one owner want to sell?

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III. How should ownership be transferred to the next generation?

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IV. How will you handle a divorce situation?

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V. What concerns, wishes, questions do you have about buyout and transfer provisions?

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## Section 8: Manage Joint Use Agreement

The document you create needs to reflect the changing circumstances and stay current as per the family's wishes. It is wise to establish a review process with your document.

### a. Review Process

- I. How often should the Cottage Joint Use Agreement be reviewed and amended?

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- II. Do all owners need to be present in order to make any changes to this agreement?  
Elaborate.

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- III. What are your additional thoughts around the review process?

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### b. Compliance

Do you think there should there be any consequences to not honoring this agreement?

- I. If your response is yes, what would be the consequences?

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## Section 8: Manage Joint Use Agreement (cont'd)

### II. Additional Notes:

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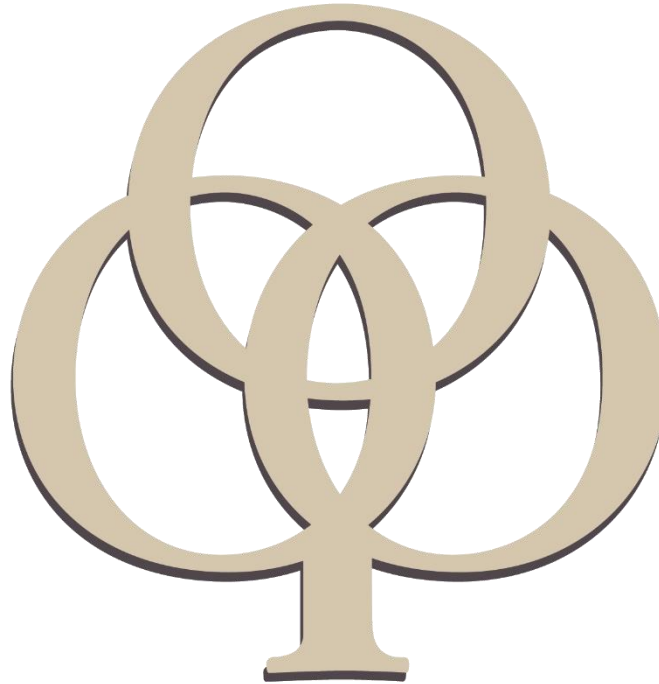
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## **List of documents to include in a binder:**

- ◆ List of owners
  
- ◆ All policies regarding usage
  
- ◆ All checklists
  - ◇ Per use opening/closing instructions
  - ◇ Seasonal opening/closing instructions
  - ◇ Minimum standards after each use
  
- ◆ All schedules
  - ◇ Schedule for use
  - ◇ Schedule for tasks and responsibilities
  
- ◆ All legal documents
  - ◇ Land survey
  - ◇ Copy of title
  - ◇ Buyout/transfer agreement
  
- ◆ Financial information
  - ◇ Bank account information
  
- ◆ Property insurance documents
  
- ◆ Property assessments
  
- ◆ Owner's manuals





Blackwood is a boutique, fee-based planning firm that helps affluent families to navigate the complex situations that emerge when business and family lives intersect.

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