

## **PROPERTY CO-OWNERSHIP AGREEMENT**

This Property Co-Ownership Agreement ("Agreement") is entered into on this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_, by and between the following individuals (hereinafter collectively referred to as "Co-Owners" and individually as "Co-Owner"):

### **I. IDENTIFICATION OF PARTIES**

Co-Owner 1:

**Print Name:** \_\_\_\_\_

**Street Address:** \_\_\_\_\_

**City:** \_\_\_\_\_

**State:** \_\_\_\_\_

**Zip Code:** \_\_\_\_\_

Co-Owner 2:

**Print Name:** \_\_\_\_\_

**Street Address:** \_\_\_\_\_

**City:** \_\_\_\_\_

**State:** \_\_\_\_\_

**Zip Code:** \_\_\_\_\_

### **II. RECITALS**

WHEREAS, the Co-Owners desire to jointly acquire and/or own certain real property, and wish to define their respective rights, responsibilities, and obligations concerning the acquisition, ownership, management, maintenance, use, and eventual disposition of said property;

WHEREAS, the Co-Owners are unmarried individuals and wish to formalize their property arrangement to avoid future disputes;

**NOW, THEREFORE, in consideration of the mutual covenants and promises contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Co-Owners agree as follows: III. PROPERTY DESCRIPTION**

The real property subject to this Agreement ("Property") is located at:

**Street Address:** \_\_\_\_\_

**City:** \_\_\_\_\_

**State:** \_\_\_\_\_

**Zip Code:** \_\_\_\_\_

**Legal Description:** \_\_\_\_\_

(hereinafter referred to as the "Property").

#### IV. OWNERSHIP INTERESTS

**The Co-Owners shall hold title to the Property as Tenants in Common. Each Co-Owner's undivided ownership interest in the Property shall be as follows:** a. Co-Owner 1:

\_\_\_\_\_ percent ( \_\_\_\_\_ %)

b. Co-Owner 2: \_\_\_\_\_ percent ( \_\_\_\_\_ %)

#### V. FINANCIAL CONTRIBUTIONS AND RESPONSIBILITIES

**The Co-Owners agree to contribute to the financial obligations related to the Property as follows:** a.

**Initial Contributions:**

i. Down Payment:

Co-Owner 1: \$ \_\_\_\_\_

Co-Owner 2: \$ \_\_\_\_\_

ii. Closing Costs:

Co-Owner 1: \$ \_\_\_\_\_

Co-Owner 2: \$ \_\_\_\_\_

iii. Other Initial Costs (e.g., inspections, appraisals):

Co-Owner 1: \$ \_\_\_\_\_

Co-Owner 2: \$ \_\_\_\_\_

b. **Ongoing Expenses (Joint Expenses):** The Co-Owners shall share the following ongoing expenses related to the Property in proportion to their Ownership Interests as defined in Section IV, unless otherwise specified below:

i. Mortgage Payments (principal and interest):

Co-Owner 1: \_\_\_\_\_ percent ( \_\_\_\_\_ %)

Co-Owner 2: \_\_\_\_\_ percent ( \_\_\_\_\_ %)

ii. Property Taxes:

Co-Owner 1: \_\_\_\_\_ percent ( \_\_\_\_\_ %)

Co-Owner 2: \_\_\_\_\_ percent ( \_\_\_\_\_ %)

iii. Homeowner's Insurance:

Co-Owner 1: \_\_\_\_\_ percent ( \_\_\_\_\_ %)

Co-Owner 2: \_\_\_\_\_ percent ( \_\_\_\_\_ %)

iv. Utilities (e.g., water, electricity, gas, internet):

Co-Owner 1: \_\_\_\_\_ percent ( \_\_\_\_\_ %)

Co-Owner 2: \_\_\_\_\_ percent ( \_\_\_\_\_ %)

v. Maintenance and Repairs: For routine maintenance and repairs costing less than \$

\_\_\_\_\_, Co-Owners shall share costs in proportion to their Ownership Interests. For repairs exceeding this amount, mutual written consent of both Co-Owners is required, and costs shall be shared in proportion to their Ownership Interests.

vi. Homeowner's Association (HOA) Dues (if applicable):

Co-Owner 1: \_\_\_\_\_ percent ( \_\_\_\_\_ %)

Co-Owner 2: \_\_\_\_\_ percent ( \_\_\_\_\_ %)

vii. Other Expenses: \_\_\_\_\_

c. **Separate Expenses:** Each Co-Owner shall be solely responsible for their personal expenses, including but not limited to personal property insurance, personal utility usage not covered by joint accounts, and personal improvements to their designated living space.

d. **Capital Improvements:** Any capital improvements to the Property (e.g., additions, major renovations) costing more than \$ \_\_\_\_\_ shall require the prior written consent of both Co-Owners. The cost of such improvements shall be shared in proportion to their Ownership Interests, or as otherwise agreed upon in writing.

e. **Reimbursement:** If one Co-Owner pays more than their proportionate share of any Joint Expense, the other Co-Owner shall reimburse the paying Co-Owner for the overpayment within \_\_\_\_\_ days of receiving a written request for reimbursement, accompanied by supporting documentation.

## VI. MANAGEMENT AND DECISION-MAKING

a. **Major Decisions:** All major decisions concerning the Property, including but not limited to selling, refinancing, leasing, or making significant capital improvements, shall require the unanimous written consent of both Co-Owners.

b. **Routine Maintenance:** Co-Owners shall cooperate in arranging for routine maintenance and repairs.

Each Co-Owner shall promptly notify the other of any necessary maintenance or repair issues.

## **VII. USE AND OCCUPANCY OF PROPERTY**

- a. **Primary Residence:** The Property shall serve as the primary residence for both Co-Owners.
- b. **Rental:** The Property shall not be rented or leased to any third party without the prior unanimous written consent of both Co-Owners. Any income derived from such rental shall be shared in proportion to their Ownership Interests, and any expenses associated with the rental shall be shared proportionally.
- c. **Personal Use:** Each Co-Owner shall have the right to use and occupy the entire Property, subject to the reasonable enjoyment of the other Co-Owner.

## **VIII. SALE OF PROPERTY**

- a. **Mutual Agreement to Sell:** The Property may be sold at any time upon the mutual written agreement of both Co-Owners. The sale price and terms shall be determined by mutual agreement.
- b. **Distribution of Proceeds:** Upon the sale of the Property, after deducting all selling expenses (e.g., real estate commissions, closing costs, outstanding mortgage balance), the net proceeds shall be distributed to the Co-Owners in proportion to their Ownership Interests, adjusted for any unreimbursed overpayments of Joint Expenses or agreed-upon capital contributions.

## **IX. EVENT OF SEPARATION OR DESIRE TO SELL BY ONE CO-OWNER**

- a. **Notice of Intent to Sell:** If one Co-Owner (the "Selling Co-Owner") desires to sell their Ownership Interest in the Property, they shall provide written notice (the "Sale Notice") to the other Co-Owner (the "Remaining Co-Owner"). The Sale Notice shall state the Selling Co-Owner's intent to sell and the proposed sale price and terms.
- b. **Right of First Refusal:** The Remaining Co-Owner shall have a right of first refusal to purchase the Selling Co-Owner's Ownership Interest under the same terms and conditions as stated in the Sale Notice. The Remaining Co-Owner shall have \_\_\_\_\_ days from the date of receipt of the Sale Notice to exercise this right by providing written notice to the Selling Co-Owner.
- c. **Valuation:** If the Remaining Co-Owner exercises the right of first refusal, the purchase price shall be the amount specified in the Sale Notice. If the Co-Owners cannot agree on a fair market value for the

Ownership Interest, they shall jointly appoint a qualified independent appraiser to determine the fair market value. If they cannot agree on an appraiser, each Co-Owner shall appoint an appraiser, and the average of the two appraisals shall be used. The cost of the appraisal(s) shall be shared equally.

d. **Failure to Exercise Right of First Refusal:** If the Remaining Co-Owner does not exercise the right of first refusal within the specified timeframe, the Selling Co-Owner may sell their Ownership Interest to a third party, provided that the sale is for not less than the price and on terms no less favorable than those offered to the Remaining Co-Owner. Any sale to a third party shall be subject to the Remaining Co-Owner's continued co-ownership rights under this Agreement.

e. **Forced Sale:** If, after \_\_\_\_\_ months from the date of the Sale Notice, the Selling Co-Owner has not sold their Ownership Interest to the Remaining Co-Owner or a third party, either Co-Owner may compel the sale of the entire Property on the open market. In such an event, the Property shall be listed for sale with a mutually agreed-upon real estate agent at a mutually agreed-upon price. The net proceeds from such a sale shall be distributed as set forth in Section VIII(b).

## **X. EVENT OF DEATH OF A CO-OWNER**

a. **Right of First Refusal to Estate:** In the event of the death of a Co-Owner, the surviving Co-Owner shall have a right of first refusal to purchase the deceased Co-Owner's Ownership Interest from their estate. The surviving Co-Owner shall provide written notice of their intent to purchase within \_\_\_\_\_ days of the appointment of a personal representative for the deceased Co-Owner's estate.

b. **Purchase Price:** The purchase price for the deceased Co-Owner's Ownership Interest shall be its fair market value, as determined by an independent appraisal conducted in accordance with Section IX(c).

c. **Failure to Exercise Right:** If the surviving Co-Owner does not exercise the right of first refusal within the specified timeframe, or if the purchase is not completed within \_\_\_\_\_ days thereafter, the deceased Co-Owner's Ownership Interest shall pass to their heirs or beneficiaries, subject to the terms of this Agreement.

## **XI. DISPUTE RESOLUTION**

Any dispute or claim arising out of or relating to this Agreement, or the breach thereof, shall first be submitted to mediation. If mediation is unsuccessful in resolving the dispute, the parties agree to submit the dispute to binding arbitration in accordance with the rules of the American Arbitration Association.

The costs of mediation and arbitration shall be shared equally by the Co-Owners.

## **XII. GOVERNING LAW**

This Agreement shall be governed by and construed in accordance with the laws of the State of \_\_\_\_\_, without regard to its conflict of laws principles.

## **XIII. MISCELLANEOUS PROVISIONS**

a. **Entire Agreement:** This Agreement constitutes the entire agreement between the Co-Owners with respect to the subject matter hereof and supersedes all prior discussions, negotiations, and agreements, whether oral or written.

b. **Amendments:** This Agreement may not be amended, modified, or supplemented except by a written instrument signed by both Co-Owners.

c. **Waiver:** The failure of either Co-Owner to enforce any provision of this Agreement shall not be construed as a waiver of such provision or of the right of such Co-Owner thereafter to enforce such provision or any other provision of this Agreement.

d. **Severability:** If any provision of this Agreement is held to be invalid or unenforceable, the remaining provisions shall continue to be valid and enforceable to the fullest extent permitted by law.

e. **Successors and Assigns:** This Agreement shall be binding upon and inure to the benefit of the Co-Owners and their respective heirs, executors, administrators, legal representatives, successors, and permitted assigns.

f. **Headings:** The headings in this Agreement are for convenience only and shall not affect its interpretation.

g. **Counterparts:** This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

h. **Notices:** All notices required or permitted under this Agreement shall be in writing and shall be deemed given when delivered personally, sent by certified or registered mail (return receipt requested), or by reputable overnight courier service to the addresses set forth in Section I of this Agreement, or to such other address as a Co-Owner may designate by written notice to the other Co-Owner.

i. **No Partnership or Joint Venture:** Nothing in this Agreement shall be construed to create a partnership, joint venture, or agency relationship between the Co-Owners.

j. **No Presumption Against Drafter:** The Co-Owners acknowledge that they have each had the opportunity to review this Agreement with independent legal counsel. This Agreement shall be construed without regard to any presumption or rule requiring construction or interpretation against the party drafting an instrument or causing it to be drafted.

IN WITNESS WHEREOF, the Co-Owners have executed this Agreement as of the date first written above.

CO-OWNER 1

**Signature:** \_\_\_\_\_

**Print Name:** \_\_\_\_\_

**Date:** \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_\_

**Address:** \_\_\_\_\_

CO-OWNER 2

**Signature:** \_\_\_\_\_

**Print Name:** \_\_\_\_\_

**Date:** \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_\_

**Address:** \_\_\_\_\_