

**Agreement for One Person to Move Into the Other's House
and to Become a Co-Owner Gradually**

COHABITATION AGREEMENT

BETWEEN

Patty Plaintiff

- and -

Danny Defendant

Dated:

THIS AGREEMENT made and executed on the _____ day of _____, 2007, by and between Patty Plaintiff (hereinafter referred to as "_____"), presently residing at _____ and Danny Defendant (hereinafter referred to as "_____"), presently residing at _____, both hereinafter collectively referred to as "the parties";

W I T N E S S E T H:

WHEREAS, the parties represent that neither of them is presently married, nor do either of them have any present intention of marrying; and

WHEREAS, the parties presently contemplate and have expressed a desire to reside together for an indefinite period; and

WHEREAS, in contemplation of residing together, the parties wish to enter into a written cohabitation agreement (hereinafter referred to as "the Agreement"), in order to fix, limit and determine any rights, interests and claims that may accrue to each of them in the property and estate of the other as a result of their intended period of living together, and agree to accept the provisions of this Agreement in lieu of and in full discharge, settlement and satisfaction of any and all rights, interests, and claims that each might otherwise have and acquire under the law but for this Agreement; and

WHEREAS, regardless of any legal obligation that may exist to do so, the parties have fully and completely disclosed the nature and approximate value of all of their presently existing assets, liabilities and income to each parties' satisfaction on

their respective schedules annexed hereto; and

WHEREAS, [Name] has had the benefit of independent legal advice prior to the execution of this Agreement, namely, _____, Esq., of the law firm of _____, with offices located at _____; and

WHEREAS, [Name] has had the benefit of independent legal advice prior to the execution of this Agreement; namely, _____, Esq., of the law firm of _____, with offices located at _____; and

WHEREAS, the consideration for this Agreement is the mutual promises of the parties as stated in this Agreement.

NOW, THEREFORE, in consideration of the foregoing and intending to be legally bound hereby, the parties mutually agree as follows:

1. _____ owns the house at _____, (hereafter house) subject to a mortgage with the _____ in the amount of \$_____.

2. The fair market value of the house is currently \$_____.

3. _____'s equity in the house (fair market value less mortgage or other house-related indebtedness) is \$_____.

4. Beginning with the date this contract is signed, _____ will pay all monthly expenses for the mortgage, homeowners' insurance, property taxes, utilities, and necessary repairs and maintenance, estimated to be \$_____ per month, and will continue to do so until his/her total payments equal \$_____ or until we separate or agree to modify this agreement, after which the payments will be split equally.

5. _____'s share of the total net equity of the house shall be figured at the rate of ___% for every month that he or she pays all of the expenses as set out in paragraph 4, based on \$_____ of the monthly payment contribution counted as the equity buy-in amount. For example, if _____ pays all the expenses for two years, his or her interest in the house equity shall be ___%.

6. _____ shall deed the house to _____ as "Tenants in Common" and record the deed and this contract, upon the signing of this agreement.

7. Should we separate prior to the time that _____ contributes \$_____, _____ shall have first right to

remain in the house and buy out _____'s equity share as determined by paragraph 5. _____ shall leave within 30 days of the decision to separate.

8. Once _____ contributes \$_____, the house shall be owned equally by both of us, and all expenses for taxes, mortgage, insurance, and repairs shall be shared equally.

9. Should we separate after the time that _____ contributes \$_____, one of the following will occur:

(a) If one person wants to stay and the other wants to move on, the person staying will pay the person leaving fair market value (see Clause 10) for his or her percentage share, at the time, within 90 days. When payment is made, the person selling his or her share will deed the house to the person buying the house. The person buying the house will ensure that the selling partner's name is taken off the mortgage. If the lender refuses to remove the selling partner's name from the mortgage, the buying partner will obtain a new loan in his or her name only. If the buying partner cannot obtain a new loan in his or her name only, the house shall be sold.

(b) If both of us want to keep the house, we will try to reach a mutually satisfactory agreement for one to buy out the other. If by the end of two weeks we can't, the decision will be made as follows:

[] (1) Right of First Offer. If both of us want to keep the house, _____ shall have the right of first offer. This means that _____ may purchase _____'s share of the house within 90 days for its fair market value (see Clause 10). If _____ does not make full payment during this 90-day period, _____ shall have an additional 90 days in which to buy out _____'s share for its fair market value. When payment is made, the person leaving will deed the house to the person retaining it in his or her name alone. The person buying the house will ensure that the selling partner's name is taken off the mortgage. If the lender refuses to remove the selling partner's name from the mortgage, the buying partner will obtain a new loan in his or her name only. If neither person exercises his or her buyout right, or if the buying partner cannot obtain a new loan in his or her name only, the house shall be sold.

[] (2) Coin Toss Method. A friend will be asked to flip a coin within 60 days of our decision to separate. The winner of the coin toss is entitled to buy out the loser's share, provided the winner pays the loser fair market value (see Clause 10) within 90 days. If full payment isn't made during this period, the loser of the coin toss will have an additional 90 days in which to buy out the winner's share of the property at fair market value (see Clause 10). When payment is made, the person leaving will deed

the house to the person retaining it in his or her name alone. The person buying the house will ensure that the selling partner's name is taken off the mortgage. If the lender refuses to remove the selling partner's name from the mortgage, the buying partner will obtain a new loan in his or her name only. If the buying partner cannot obtain a new loan in his or her name only, the house shall be sold.

[] (3) Other. _____.

(c) If neither of us wants to own the house or payment isn't made within 90 days, the house will be sold and the profits divided as follows: _____.

(d) We are both responsible for our share of the mortgage, insurance, and taxes until the house is sold or it changes ownership. If one of us moves out of the house before it is sold, the remaining person will make a good faith effort to find a tenant who will pay a fair market rent. Assuming a tenant is found, the rental amount will be credited against the departing partner's payment for shared housing costs.

10. Should either of us decide to end the relationship, we will do our best to agree on the fair market value of our house. However, if we can't agree, we will jointly choose and pay for the services of a licensed real estate appraiser to conduct an appraisal, and abide by the result. If we can't agree on an appraiser in the first place, each of us will independently retain and pay for the services of a licensed real estate appraiser. The fair market value of the house will be the average of the two appraisals. "Fair market value" for one person's share of the property is defined as an amount equal to the fair market value of the entire property, less the then-current mortgage amount, multiplied by that person's percentage ownership interest in the property.

11. Should either of us die, the survivor, if he or she has not become the owner of 100% of the deceased person's share through joint tenancy or a will, has the right to purchase the portion of the property given or left to someone else at the fair market value of that share (to be arrived at under the terms of Clause 10) within _____ days of the date of death.

12. This contract is binding on our heirs and our estates.

13. Any dispute arising out of this agreement will be mediated by a third person mutually acceptable to both of us. The mediator's role will be to help us arrive at a solution, not to impose one on us. If good faith efforts to arrive at our own solution with the help of a mediator prove to be fruitless, either of us may make a written request to the other that the dispute be arbitrated. If such a request is made, our dispute

will be submitted to arbitration under the rules of the American Arbitration Association, and one arbitrator will hear our dispute. The decision of the arbitrator will be binding on us and will be enforceable in any court that has jurisdiction over the controversy. By agreeing to arbitration, we each agree to give up the right to a jury trial.

IN WITNESS WHEREOF, the parties have signed, sealed and acknowledged this Agreement on the day and year first above written.

STATE OF NEW JERSEY)
)
ss.)
)
COUNTY OF)

BE IT REMEMBERED that on this ____ th day of _____ 2007, before me, the subscriber, a Notary Public, personally appeared Patty Plaintiff, who, I am satisfied, is the person named in the foregoing Agreement, to whom I first made known the contents thereof, and thereupon he or she acknowledged that he or she signed, sealed, and delivered the same as his or her voluntary act and deed, for the uses and purposes therein expressed.

PATTY PLAINTIFF

Date:

NOTARY PUBLIC

Date:

STATE OF NEW JERSEY)
)
 ss.)
)
COUNTY OF)

BE IT REMEMBERED that on this _____ th day of _____
2007, before me, the subscriber, a Notary Public, personally
appeared Danny Defendant, who, I am satisfied, is the person
named in the foregoing Agreement, to whom I first made known the
contents thereof, and thereupon he or she acknowledged that he or
she signed, sealed, and delivered the same as his or her
voluntary act and deed, for the uses and purposes therein
expressed.

_____ Date:
DANNY DEFENDANT

_____ Date:
NOTARY PUBLIC

SCHEDULE A

FINANCIAL DISCLOSURE OF PARTNER A

I. ASSETS

1. Real Estate Approximate Value

a.

b.

c.

2. Bank and Financial Accounts

a.

b.

c.

3. Trusts

4. Automobiles

5. Miscellaneous

a.

b.

c.

Total -

II. LIABILITIES

1. Debt Amount of Debt

a.

b.

III. INCOME

1. See attached 1996 Federal Income Tax Return and most recent pay stubs.

SCHEDULE B

FINANCIAL DISCLOSURE OF PARTNER B

I. ASSETS

1. Real Estate Approximate Value

a.

b.

c.

2. Bank and Financial Accounts

a.

b.

c.

3. Trusts

4. Automobiles

5. Miscellaneous

a.

b.

c.

Total -

II. LIABILITIES

1. Debt Amount of Debt

a.

b.

III. INCOME

1. See attached 1996 Federal Income Tax Return and most recent pay stubs.