

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

**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. \_\_\_\_\_ now owns the house at \_\_\_\_\_ (hereafter house).

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

3. Equity in the house (fair market value less mortgage and other house-related indebtedness) is \$\_\_\_\_\_.

4. \_\_\_\_\_ hereby sells \_\_\_% of the equity in the house to \_\_\_\_\_ for \$\_\_\_\_\_, retaining a \_\_\_% interest in the house.

5. We will take title as:

[ ] tenants in common with the following shares:

\_\_\_\_\_ %  
\_\_\_\_\_ %

[ ] joint tenants with right of survivorship.

6. Payment is due as follows:

[ ] full payment of \$\_\_\_\_\_ is due upon signing of this agreement.

[ ] beginning with the first of the month after this contract is signed, payment will be made in equal monthly installments, including simple interest of \_\_\_% per year, and this agreement will be recorded in a separate promissory note.

7. All future housing costs, including payments for the mortgage, homeowners' insurance, property taxes, and \_\_\_\_\_, will be split as follows: \_\_\_\_\_. All use-related expenses (including utilities and the cost of routine

repairs) and maintenance will be split as follows: \_\_\_\_\_. Any improvements to the house costing more than \$\_\_\_\_\_ will be made by mutual consent with each of us agreeing to pay half, and each shall contribute equally to all such improvements.

8. Should either of us decide to end the relationship and cease living together, one of the following will occur:

(a) If one person wants to stay and the other want to move on, the person staying will pay the person leaving fair market value (see Clause 9) for his or her share 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 will 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 5). 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 9) 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 9). 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 on a buyout 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.

9. 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 we will 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.

10. 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 9) within \_\_\_\_\_ days of the date of death.

11. If either of us is unable or unwilling to pay his or her share of the mortgage, taxes, or insurance payments in a timely manner, the other may make those payments. The extra payments will be treated as a personal loan to be paid back by the person on whose behalf they are made within \_\_ months, including \_\_% interest per annum. If the loan isn't repaid in six months, the debtor must vacate the house and either sell his or her interest (in which case the buying partner must ensure that the selling partner's name is removed from the mortgage, as set forth in Clause 4) or agree to sell the entire property at fair market value, which will be established by appraisal as set out in Clause 9.

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.

Date:

\_\_\_\_\_  
PATTY PLAINTIFF

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.

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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.

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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.