

CONTRACT FOR EQUAL OWNERSHIP OF A HOUSE

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, 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. We will purchase the house for \$_____ (including closing costs).

2. We will take title as:

- tenants in common, or
 joint tenants with right of survivorship.

3. We will each contribute one-half of the down payment and closing costs and pay one-half of the required payments for the mortgage, homeowners' insurance, property taxes, costs for needed repairs and routine maintenance, and _____. Any improvements to the house costing more than \$_____ will be made by mutual consent with each of us agreeing to pay half for all such improvements.

4. 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 wants to move on, the person staying will pay the person leaving fair market value (see Clause 5) 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 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. _____ 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 5) 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 5). 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.

5. 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.

6. 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 (to be arrived at under the terms of Clause 5) within 200 days of the date of death.

7. 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 six 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 to the other party (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 5.

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

9. 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

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