TENANTS IN COMMON AGREEMENT

1. THE PARTIES. This Tenants in Common Agreement ("Agreement") is made on _____, by and between the following co-owners of the real property described in Section 2:

Co-Owner: _____, with a mailing address of _____;

Co-Owner: _____, with a mailing address of _____;

Co-Owner *(if applicable)*: _____, with a mailing address of _____;

Co-Owner *(if applicable)*: _____, with a mailing address of _____.

Each of the above is referred to as a "Co-Owner" and, collectively, as the "Co-Owners."

2. THE PROPERTY. The Co-Owners hold title to the following real property, together with all buildings, improvements, and fixtures on it (the "Property"):

Street Address: _____

County and State: _____, _____

Tax Parcel Number: _____

Legal Description:
_____
_____
_____

The Co-Owners acquired the Property by: *(check one)*

☐ - **Purchase** on _____.

☐ - **Inheritance** from the estate of _____.

☐ - **Gift** from _____.

☐ - **Other**: _____.

3. NATURE OF OWNERSHIP. The Co-Owners hold title to the Property as tenants in common and not as joint tenants. No Co-Owner has a right of survivorship, and each Co-Owner's interest may be sold, given away, or left by will, or may pass by intestate succession, subject to this Agreement. Nothing in this Agreement creates a partnership, joint venture, or agency among the Co-Owners, and no Co-Owner may bind another Co-Owner or the Property except as this Agreement expressly allows.

4. OWNERSHIP INTERESTS. Each Co-Owner owns an undivided percentage interest in the Property (an "Ownership Interest") as follows, and the Ownership Interests total one hundred percent (100%):

a.) Co-Owner: _____ – Ownership Interest: _____%

b.) Co-Owner: _____ – Ownership Interest: _____%

c.) Co-Owner: _____ – Ownership Interest: _____% *(if applicable)*

d.) Co-Owner: _____ – Ownership Interest: _____% *(if applicable)*

5. EXPENSES. The Co-Owners shall pay all costs of owning and maintaining the Property, including any mortgage or deed of trust payments, property taxes, assessments, insurance premiums, homeowners' association dues, and necessary repairs (the "Expenses"), as follows: *(check one)*

☐ - **In Proportion to Ownership Interests**. Each Co-Owner shall pay a share of the Expenses equal to that Co-Owner's Ownership Interest.

☐ - **Equally**. Each Co-Owner shall pay an equal share of the Expenses, regardless of Ownership Interest.

☐ - **Other**: _____.

Each Co-Owner shall pay that Co-Owner's share of an Expense within thirty (30) days after receiving a written statement of it. The Co-Owners shall keep the Property insured against fire and other casualty for its full replacement value and shall carry liability insurance, each policy naming every Co-Owner as an insured.

6. USE AND OCCUPANCY. The Property shall be used as follows: *(check one)*

☐ - **Shared Use**. Each Co-Owner may use and occupy the entire Property, consistent with the equal rights of the other Co-Owners, and no Co-Owner owes rent to another for that use.

☐ - **Occupancy by a Co-Owner**. _____ may occupy the Property as a residence, to the exclusion of the other Co-Owners, shall pay the other Co-Owners a total of $_____ per month, divided among them in proportion to their Ownership Interests, and shall pay all utilities and routine maintenance costs during the occupancy.

☐ - **Rental Property**. The Property shall be leased to third parties. Rent collected shall first be applied to the Expenses, and any remaining rent shall be distributed to the Co-Owners in proportion to their Ownership Interests at least once every calendar quarter.

7. MANAGEMENT AND DECISIONS. Decisions about the ordinary operation, maintenance, and repair of the Property require the approval of Co-Owners holding more than fifty percent (50%) of the Ownership Interests. The following decisions require the written consent of all Co-Owners:

a.) Selling, exchanging, or otherwise transferring the entire Property;
b.) Mortgaging, refinancing, or placing any lien on the entire Property;
c.) Leasing the Property for a term longer than one (1) year;
d.) Any single improvement or repair costing more than $_____, except an emergency repair needed to protect the Property or its occupants; and
e.) Amending this Agreement.

8. DEFAULT. If a Co-Owner fails to pay that Co-Owner's share of any Expense within thirty (30) days after written notice (a "Defaulting Co-Owner"), any other Co-Owner may pay the amount due. The Defaulting Co-Owner shall repay the amount advanced on demand, with interest at _____% per annum or the maximum rate permitted by applicable law, whichever is less. Until repaid, the amount advanced and interest shall be deducted from the Defaulting Co-Owner's share of any rent or sale proceeds and paid to the Co-Owner who made the advance. These rights are in addition to any other remedy available to the Co-Owners against the Defaulting Co-Owner at law or in equity.

9. TRANSFER AND RIGHT OF FIRST REFUSAL. No Co-Owner may sell or otherwise transfer all or part of that Co-Owner's Ownership Interest to a third party without first offering it to the other Co-Owners as follows:

a.) The selling Co-Owner shall give the other Co-Owners written notice of the proposed price and terms, including a copy of any written offer received;
b.) The other Co-Owners shall have _____ days after receiving the notice to agree in writing to buy the Ownership Interest at the same price and on the same terms, and if more than one elects to buy, they shall share the interest in proportion to their Ownership Interests;
c.) If no Co-Owner elects to buy, the selling Co-Owner may sell to the third party within _____ days after the election period ends, at a price and on terms no more favorable to the buyer than those in the notice; and

d.) Every buyer or other transferee shall agree in writing to be bound by this Agreement.

This Section does not apply to a transfer on a Co-Owner's death or to a trust of which the Co-Owner is a trustee and beneficiary, but the person or trust receiving the interest takes it subject to this Agreement. No Co-Owner may mortgage or place a lien on that Co-Owner's Ownership Interest without the written consent of the other Co-Owners, which shall not be unreasonably withheld. The right of first refusal in this Section lasts only as long as this Agreement and, where applicable law limits the duration of such a right, no longer than that law permits.

10. PARTITION. Each Co-Owner's right to seek partition of the Property: *(check one)*

☐ - **Is Waived**. Each Co-Owner waives, to the fullest extent permitted by applicable law, any right to seek partition of the Property, whether by physical division or by sale, for as long as this Agreement remains in effect, but in no event longer than the maximum period for which such a waiver is permitted by applicable law. A Co-Owner who wishes to end that Co-Owner's ownership may do so under Section 9.

☐ - **Is Retained**. Each Co-Owner keeps the right to seek partition under applicable law, but no Co-Owner shall file an action for partition without first giving the other Co-Owners at least sixty (60) days' written notice and the opportunity to buy that Co-Owner's Ownership Interest under Section 9.

11. DEATH OR INCAPACITY. On the death of a Co-Owner, that Co-Owner's Ownership Interest passes under the Co-Owner's will or trust, or under the law of intestate succession, and the person receiving it takes the interest subject to this Agreement. During a Co-Owner's incapacity, that Co-Owner's agent under a durable power of attorney, guardian, or conservator may exercise that Co-Owner's rights under this Agreement.

12. SALE AND DISTRIBUTION OF PROCEEDS. On a sale of the entire Property, the proceeds shall be applied in the following order:

a.) To pay the costs of sale and all liens and encumbrances on the Property;
b.) To repay any amounts owed under Section 8, with interest; and
c.) The balance to the Co-Owners in proportion to their Ownership Interests.

13. TERM. This Agreement begins on the date first written above and continues until the earliest of the sale of the entire Property, the date one person holds title to the entire Property, or the written agreement of all Co-Owners to end it.

14. DISPUTE RESOLUTION. Any dispute arising out of this Agreement shall first be submitted to mediation, with the mediator's fees shared equally by the Co-Owners

involved. If the dispute is not resolved within sixty (60) days after a written request for mediation, any Co-Owner may pursue any remedy available at law or in equity.

15. NOTICES. All notices under this Agreement shall be in writing and delivered by hand, by certified mail with return receipt requested, or by nationally recognized overnight courier to each Co-Owner at the mailing address in Section 1, or at any new address a Co-Owner provides by notice.

16. GOVERNING LAW. This Agreement shall be governed by the laws of the State of _____, the state in which the Property is located.

17. SEVERABILITY. If any provision of this Agreement is held invalid or unenforceable, the remaining provisions shall remain in full force and effect, and the affected provision shall be enforced to the maximum extent permitted by law.

18. ENTIRE AGREEMENT. This Agreement is the entire agreement of the Co-Owners concerning the Property and supersedes all prior understandings, written or oral. It may be amended only in a writing signed by all Co-Owners, may be signed in counterparts, and binds and benefits the Co-Owners and their heirs, personal representatives, successors, and permitted assigns.

19. ADDITIONAL TERMS.

_____
_____
_____

20. EXECUTION. The Co-Owners have signed this Agreement on the dates written below.

Co-Owner's Signature: _____
Print Name: _____ Date: _____

Co-Owner's Signature: _____
Print Name: _____ Date: _____

Co-Owner's Signature: _____
Print Name: _____ Date: _____

Co-Owner's Signature: _____
Print Name: _____ Date: _____