

DECLARATION OF TRUST da

>> 20 << >>

Owner 1: <<joint owner's name>> address>>

Owner 2: <<joint owner's name>> address>>

Owner 3: <<joint owner's name>> address>>

Property: The [house] [flat] [a

<<Address>>

<<Address>>

<<Address>>

Mortgage: The mortgage date >> 20 << >> made between (1) the Owners and (2) >> or any other mortgage secured on the Property

Contents: The fixtures furniture >> erty

1. DEFINITIONS

1.1 The following defini

“Improvements” >> ried out at or improvements made >> reement between the Owners << >>;

“Mortgage Payments” >> ents or capital repayments and >> nder or in connection with the

“Owner 1’s Initial Contribution” << >> paid by Owner 1 towards

“Owner 2’s Initial Contribution” << >> paid by Owner 2 towards

“Owner 3’s Initial Contribution” << >> paid by Owner 3 towards

“Purchase Costs” >> urchasing the Property as set out

“Relevant Expenditure” >> the Owners in respect of: >> nts; and

“Total Expenditure” >> e following amounts: >> Contribution; >> Contribution; >> Contribution; and >> ture.

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2. DECLARATION OF TRUST

2.1 In clause 2.2:

2.1.1 "C1" denote

2.1.2 "C2" denote

2.1.3 "C3" denote

2.1.4 "R1" denote

2.1.5 "R2" denote

2.1.6 "R3" denote

2.1.7 "T" denotes

2.2 The Owners declare that if of this deed they hold the Property, they hold the Property, subject to the Mortgage, as tenants in common in the following shares:

2.2.1 Owner 1's proportion shall be

$$\frac{C1 + R1}{T}$$

T

2.2.2 Owner 2's proportion shall be

$$\frac{C2 + R2}{T}$$

T

2.2.3 Owner 3's proportion shall be

$$\frac{C3 + R3}{T}$$

T

3. OWNERSHIP OF CONTENTS

3.1 Subject to clause 3.2, the contents of the Property shall be jointly owned by the Owners in the same proportions as their shares in the Property.

3.2 [Clause 3.1 does not apply to the following items which are owned as follows: the garden shed owned by Owner 1, the garden furniture is owned 50% by Owner 2 and 50% by Owner 3>>.]

4. MORTGAGE

4.1 Each Owner agrees to pay the Mortgage in the following proportions: Owner 1 to pay 50%, Owner 2 to pay 50% and Owner 3 to pay 0% or proportions as may be agreed between the Owners. Each Owner shall indemnify the other Owners in respect of any non-payment of the Mortgage.

5. EXPENDITURE

5.1 Subject to clauses 5.2 and 5.3, the costs of repairs on the Property shall be divided between the Owners in the following proportions: <<insert details e.g. Owner 1 to pay 50%, Owner 2 to pay 50% and Owner 3 to pay 0%>> or such other proportions as may be agreed between the Owners.

5.2 [Clause 5.1 does not apply to the following items of expenditure which shall be borne by the Owners in the following proportions: <<insert details e.g. Owner 1 to pay 50%, Owner 2 to pay 50% and Owner 3 to pay 0%>> or such other proportions as may be agreed between the Owners.]

proportion;

proportion;

proportion;

towards Relevant Expenditure;

towards Relevant Expenditure;

towards Relevant Expenditure;

of this deed they hold the Property, they hold the Property, subject to the Mortgage, as tenants in common in the following shares:

determined by the formula

determined by the formula

determined by the formula

jointly owned by the Owners in the same proportions as their shares in the Property.

items which are owned as follows: the garden shed owned by Owner 1, the garden furniture is owned 50% by Owner 2 and 50% by Owner 3>>.]

to pay the Mortgage in the following proportions: Owner 1 to pay 50%, Owner 2 to pay 50% and Owner 3 to pay 0% or proportions as may be agreed between the Owners. Each Owner shall indemnify the other Owners in respect of any non-payment of the Mortgage.

on the Property shall be divided between the Owners in the following proportions: <<insert details e.g. Owner 1 to pay 50%, Owner 2 to pay 50% and Owner 3 to pay 0%>> or such other proportions as may be agreed between the Owners.

items of expenditure which shall be borne by the Owners in the following proportions: <<insert details e.g. Owner 1 to pay 50%, Owner 2 to pay 50% and Owner 3 to pay 0%>> or such other proportions as may be agreed between the Owners.]

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be paid for as follows in respect of the Owners' use of the Property;

utility bills will be split according to the proportion of the use of the Property by each Owner;

5.3 Clause 5.1 does not apply to the following types of expenditure which shall be paid for as follows:

the following types of expenditure which shall be paid for as follows:

5.3.1 any repairs to the Property of a particular Owner which are not required as a result of the actions of that Owner;

5.3.1 any repairs to the Property of a particular Owner which are not required as a result of the actions of that Owner;

5.3.2 any alterations to the Property requested by a particular Owner for their sole use;

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5.3.3 any insurance which becomes payable as a result of the actions of a particular Owner (or their guests);

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5.4 Each Owner shall be responsible for any Relevant Expenditure incurred by that Owner.

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6. OWNERS' COVENANTS

6.1 Each Owner agrees to observe the following covenants:

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6.1.1 To pay their share of the costs of the Property as set out in clause 5 and to make good any damage to the Property or Owners in respect of any non-payment.

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6.1.2 When the Owner is in possession of the Property to use the Property and the Contents in a proper and careful manner and not allow them to deteriorate.

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6.1.3 To make good any damage to the Property and the Contents which is caused by the Owner or any person acting under their authority;

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a) any damage to the Property or Contents set out in this Agreement by that person at the Property with their permission;

a) any damage to the Property or Contents set out in this Agreement by that person at the Property with their permission;

b) any damage to the Property or Contents caused by the negligence of that particular Owner or any person acting under their authority without their permission.

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6.1.4 Not to alter the appearance structure exterior or interior of the Property without the unanimous agreement of the Owners.

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7. SALE OF THE PROPERTY

RIGHTS

7.1 The provisions of Section 196 of the Law of Property Act 1925 shall apply if the Owners or any of them wish to sell the Property.

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8. NOTICES

8.1 All notices given under this Agreement of service the provisions of the Law of Property Act 1925 shall apply.

8.1 All notices given under this Agreement must be in writing and for the purpose of service the provisions of the Law of Property Act 1925 shall apply.

9. INTERPRETATION

9.1 Any obligation on the Owners to do an act or thing includes an obligation on the Owners to require another person to do such act or thing.

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9.2 The Owners do not intend that any provision of this Agreement should be enforceable by any court of law.

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person solely by virtue of (the Companies Act 2006 (as amended) and the Companies (Shareholders' Rights) Act 1999).
9.3 An obligation in this agreement to pay any sum of money includes an obligation to pay Value Added Tax in accordance with the provisions of the Value Added Tax Act 1994.

10. JURISDICTION

This Agreement shall be governed by the law of England and Wales.

Signed as a deed by
<<Owner's Name>>
in the presence of

Signature of witness _____

Name (in BLOCK CAPITALS) _____

Address _____

Signed as a deed by
<<Owner's Name>>
in the presence of

Signature of witness _____

Name (in BLOCK CAPITALS) _____

Address _____

Signed as a deed by
<<Owner's Name>>
in the presence of

Signature of witness _____

Name (in BLOCK CAPITALS) _____

Address _____

[Add further execution clauses as appropriate]

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Schedule 1

Item

- Purchase price
- Stamp duty land tax
- Surveyor's fees
- Mortgage application fee
- Legal fees
- Land Registry fees
- Conveyancing search fees

TOTAL

Schedule 2

- If the Owners unanimously agree to sell the Property should be sold they will make arrangements for the Property to be sold on the open market.
- If an Owner wishes to sell their share of the Property that Owner must first offer to sell their share to the other Owners in accordance with Schedule 3.
- If a departing Owner's share is sold to another Owner or Owners under paragraph 2 the share must be approved unanimously by the remaining Owners.
- If a departing Owner's share is sold to a third party under paragraph 3 the remaining Owners will make arrangements for the Property to be sold on the open market.
- The terms of a sale on the Property shall be agreed by a majority of the Owners.
- Following a sale of the Property the proceeds shall be distributed from the proceeds of sale:
 - the outstanding Mortgage
 - all professional fees and costs incurred in connection with the sale.
- The balance of the proceeds shall be distributed between the Owners in the same proportions as their shares.

Schedule 3

- Each Owner grants the other Owners a right of pre-emption to buy their share of the Property in accordance with the provisions of this deed if an Owner wishes to sell their share.

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share.

2. If an Owner wishes to sell their share of the Property that Owner must serve on the other Owners a written offer notice complying with paragraph 3.

3. An offer notice is a notice from a departing Owner offering to sell that Owner's share of the Property to the other Owners in accordance with the provisions of this Schedule 10.

4. The departing Owner must serve the offer notice for a period of two months from the date of the offer notice unless all the other Owners have declined the offer notice.

5. If an Owner or Owners wish to accept the offer notice contained in the offer notice they must serve notice to this effect on the departing Owner (an acceptance notice) within two months of service of the offer notice.

6. If one Owner serves an acceptance notice a contract is formed between that Owner and the departing Owner for the sale of the departing Owner's share of the Property.

7. If more than one Owner serves an acceptance notice within two months of service of the offer notice a contract is formed between the departing Owner and all the accepting Owners for the sale of the departing Owner's share of the Property and the accepting Owners will split the share between them in the same proportions as their existing shares in the Property (and will pay for it in those proportions).

8. The Owners will use all reasonable endeavours to agree the market value of the Property and of the departing Owner's share of the Property as soon as possible following service of an acceptance notice and if the value has not been agreed within four weeks of service of an acceptance notice the value will be determined by a surveyor appointed by the Owners who is a Fellow or Associate of the Institution of Chartered Surveyors with at least ten years' experience of valuing property similar to the Property.

9. A surveyor appointed under paragraph 8 in default of agreement shall be a surveyor chosen by all the Owners or in default of agreement by the majority of Owners resident for the time being of the Property.

10. The surveyor will act as arbitrator and his decision shall be final and binding and his costs shall be paid by the departing Owner.

11. Once the value of the departing Owner's share has been agreed or determined it will be recorded in writing and the purchase price of the share will be paid to the departing Owner.

12. The transfer of the departing Owner's share to the acquiring Owner or Owners will be completed as soon as possible after the date of the acceptance notice(s) and subject to the completion of the purchase price.

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