

2. Tenancy in common:

Tenancy in common is a form of vesting title to property in which two or more persons or entities or a combination of persons and entities hold fractional ownership interests in the title to the whole property. The fractional interests may be unequal and may arise at different times. Each co-tenant may mortgage, sell, lease or bequeath his/her share of the property with no effect on the interest of the other co-tenants. Examples: "John Buyer, a single person, as to a 1/4 interest and Investment, LLC, a Washington limited liability company, as to a 3/4 interest;" or "Susan Doe, a single person, as to a 70% interest and John Buyer and Amy Buyer, husband and wife, as to a 20% interest, and Sophia Purchaser, a registered domestic partner as her separate estate, as to a 10% interest."

3. Joint Tenancy with Right of Survivorship:

A much less prevalent form of co-ownership is joint tenancy with right of survivorship. Joint tenancy is a form of vesting title in which the property is owned in equal shares by two or more persons (joint tenants), who may or may not be married. It provides that, on the death of a joint tenant, the deceased's interest is automatically transferred to the surviving joint tenant(s). The creation of a joint tenancy with this "right of survivorship" requires that title be acquired in equal shares, at the same time, by the same conveyance instrument that must include an express declaration of the intention to create a joint tenancy. A sole owner may convey to himself/herself and others to create a joint tenancy. A joint tenant's interest may be sold, but the purchaser does not acquire the interest of the seller as a joint tenant. Instead, the purchaser will only have title to a fractional interest as a tenant in common. Example: "John Buyer, a single person, and George Buyer, a single person, as joint tenants, with right of survivorship, and not as tenants in common."

Note: If a married person or a registered domestic partner enters into a joint tenancy that does not include their spouse/partner, the title company insuring title may require the excluded spouse/partner to specifically consent to the joint tenancy.

COMMON ENTITIES THAT MAY ACQUIRE TITLE

1. A Corporation*:

A corporation is a legal entity, created under state law, consisting of one or more shareholders but regarded under law as having an existence and personality separate from such shareholders.

2. A Partnership*:

A partnership is an association of two or more persons who can carry on business as co-owners, as governed by various state laws. A partnership may hold title to real property in the name of the partnership.

3. Trustees of a Trust*:

A Trust is an arrangement whereby legal title to property is transferred by the grantor to a person called a trustee, to be held and managed by that person for the benefit of the people specified in the trust agreement, called the beneficiaries. A trust is generally not an entity that can hold title in its own name. Instead title is often vested in the trustee of the trust. For example: "John Buyer trustee of the Buyer Family Trust."

4. Limited Liability Companies (LLC)*:

This form of ownership is a legal entity and is similar to both the corporation and the partnership. The operating agreement will determine how the LLC functions and is taxed. Like the corporation its existence is separate from its owners.

*In cases of corporate, partnership, LLC or trust ownership - required documents may include corporate articles and bylaws, partnership agreements, LLC operating agreements and trust agreements and/or certificates.



IMPORTANT NOTE:

How title is vested has important legal consequences and tax consequences. The tax consequences may be different for same sex or legally related couples. You may wish to consult an attorney or tax advisor to determine the most advantageous form of ownership for your particular situation. Rev. 2016.