CALIFORNIA ASSOCIATION OF REALTORS®

SAN FRANCISCO TENANCY IN COMMON (TIC) ADDENDUM

(C.A.R. Form SF-TICA, 1/11)

The following terms and conditions are hereby incorporated in and made a part of the: ☐ San Francisco Purchase Agreement (C.A.R. Form SF-PA), or ☐ Other:_____, dated _____, on property known as:_____("Property") in which _____ is referred to as Buyer and _____ is referred to as Seller.

1. A. Buyer is purchasing a _____ percent interest in an existing (or if checked, ☐ a newly created) tenancy in common (TIC) interest in the Property.

B. Buyer shall have the exclusive right to occupy Unit_____

C. Buyer shall have the exclusive right to use the following checked areas:

(1) ☐ Storage Space(s) identified as _____

(2) ☐ Parking Space(s) identified as _____

(3) ☐ Exclusive Use Common Area(s) identified as _____

(4) ☐ Deck(s) identified as_____

(5) ☐ Attic identified as _____

(6) ☐ Yard identified as _____

(7) ☐ Other(s) identified as _____

D. All exclusive rights must be identified in the TIC Agreement.

2. TENANCY-IN-COMMON AGREEMENT: Buyer shall sign the TIC Agreement, or amendment thereto, prior to the close of escrow.

A. Seller, within 7 (or _____) Days After Acceptance, shall deliver to Buyer (or if checked, ☐ Buyer has already received) a copy of the TIC Agreement and any other document requiring Buyer signature prior to transfer of title.

B. This agreement is contingent upon Buyer's approval of the existing TIC Agreement and other documents delivered pursuant to 2A. This contingency shall be removed within 17 (or_____) Days After Acceptance as specified in paragraph 14 of the Agreement.

C. If the TIC Agreement requires the other TIC co-owners' consent to the sale of Seller's interest, Seller shall have 17 (or_____) Days After Acceptance to deliver such consent to Buyer. If Seller is not able to do so, either Buyer or Seller may cancel at that time.

3. FINANCING: (check those that apply) Buyer will finance the amount specified in Paragraph 3C of the Agreement as follows:

A. Fractional TIC Loan: ☐ Buyer will obtain individual financing through a "fractional TIC loan," a loan secured only by Buyer's fractional interest in the Property.

B. Assumption of Group Loan: ☐ Buyer will assume a portion of an existing group loan. Buyer's percentage of that existing loan obligation is _____ percent. Obtaining Approval of the lender of the group loan is (or if checked ☐ is not) a contingency of the Agreement. Buyer shall pay any lender fees required for Lender approval. If Lender approval is not obtained within 17 (or_____) Days After Acceptance, either Buyer or Seller may cancel the agreement.

C. Participation in New Group Loan: ☐ Buyer will participate in a new group loan under the terms of the TIC Agreement. Buyer agrees to cooperate with other TIC owners by providing any necessary information to any lender or loan Broker. Seller or other TIC owners shall deliver to Buyer a copy of the new group loan terms within 3 (or_____) Days After receipt from lender. This Agreement is contingent upon Buyer approval of the new group loan. Buyer shall remove the contingency within 5 Days After receipt of the new group loan terms.

D. Seller Financing: ☐ Buyer will obtain seller financing pursuant to the terms listed in the Seller Financing Addendum and Disclosure.

E. Cash: ☐ Buyer will forego financing to be secured by the Property and all of the sales price will be paid in cash. <u>If a group loan exists on the Property and Buyer selects this option, he or she is advised to seek legal advice regarding the effect of the group loan on Buyer's interest in the property.</u>

4. ☐ **CONDOMINIUM CONVERSION.** If this Property is purchased with the intent to convert the TIC interests into condominiums, Buyer is advised to **(i)** review the TIC Disclosure and **(ii)** consult with an attorney familiar with San Francisco condominium conversion law during Buyer's investigation period.

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Reviewed by _____ Date _____

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5. ☐ **SIMULTANEOUS SALE OF OTHER TIC INTERESTS:**
   A. This agreement is contingent upon Seller **(i)** entering into contracts to sell other TIC interests in the Property and **(ii)** the sale of the other TIC interests.
   B. If Seller has not **(i)** within 30 Days After Acceptance in writing removed the contingency to sell other TIC interests, Buyer may cancel this Agreement or **(ii)** entered into contracts to sell other interests within 90 Days After Acceptance, either Buyer or Seller may cancel this Agreement.
   C. If one or more buyers of other TIC interests cancels or breaches the other agreement, then Buyer may cancel this Agreement.
6. **CLOSING:**
   A. 1. If Buyer is purchasing an interest in an existing tenancy in common agreement, Buyer shall reimburse Seller at the close of escrow for any funds Seller has remaining in the tenancy in common group's reserve account or pay into the TIC reserve a sum equal to Seller's share.
   2. Seller shall deliver to Buyer **(i)** written consent from other TIC owners and **(ii)** any other document required by the TIC Agreement to transfer title to Buyer.
   3. Buyer shall sign any document that was necessary to transfer Seller's interest to Buyer, that was delivered to Buyer as specified in 2A.
   B. SIMULTANEOUS SALE OF OTHER TIC INTERESTS:
   (1) Close of escrow shall occur simultaneous with the sale of other TIC interests, which shall be 90 (or_____) Days After **(i)** Seller removes the contingency for sale of other TIC interests or **(ii)** notifies Buyer that Seller has entered into contracts to sell the other TIC interests.
   OR **(2)** if checked ☐ **(i)** Close of escrow shall occur as specified in the Agreement independently of any other tenancy in common interest and Seller shall remain a party responsible under the TIC Agreement until all other TIC interests are sold.
7. **If any discrepancies exist between this Addendum and the TIC Agreement, the TIC Agreement shall control. Buyer is advised to seek qualified legal counsel to ensure the terms of the TIC Agreement accurately reflect the terms of the Purchase Agreement.**
8. A TIC Disclosure is attached to this Addendum.
9. **SALE OF 5 OR MORE INTERESTS:** A public report is required from the Department of Real Estate prior to the sale of five or more TIC interests in real property by the same Seller. If this building contains five or more TIC interests that are being sold by one Seller, the Department of Real Estate must have pre-approved the language of the Agreement and this addendum prior to their use. Accordingly, the advice of an attorney should be obtained.

By signing below, Buyer/Seller acknowledge(s) that Buyer/Seller has read, understands, and received a copy (i) of this Tenancy in Common Addendum (TIC) and (ii) attached TIC Disclosure.

Date _____ Date _____

BUYER _____ BUYER _____

_____ _____

(Print name) (Print name)

_____

(Address)

Date _____ Date _____

SELLER _____ SELLER _____

_____ _____

(Print name) (Print name)

_____

(Address)

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Reviewed by _____ Date _____

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