



TENANCY IN COMMON ADDENDUM

To Agreement dated _____, between _____, Seller
and _____, Buyer, concerning property commonly known as _____

WARNING: A tenancy in common ("TIC") owner owns an undivided interest in the property rather than any particular unit. Absent an agreement to the contrary, each tenant in common has a right to use all of the property, even though he or she may only have a small undivided interest. Unlike joint tenancy, each of the tenants in common may sell his or her interest or dispose of the interest by will. There is no automatic right of survivorship in the remaining tenants in common. Buyer acknowledges the following information about a TIC ownership: (a) A TIC is not a Common Interest Development which includes condominiums, planned developments and stock cooperatives; (b) Buyer will share with the other tenants in common the carrying costs of the property, including taxes, insurance, and mortgage payments, which carrying costs must be paid even though one of the tenants in common defaults in paying his or her share; (c) a tenant in common's obligations, rights of exclusive use, and remedies in the event of default of another tenant in common are set forth in the Tenancy in Common Agreement; (d) unless waived in the Tenancy in Common Agreement, any tenant in common may file a partition action which may force the sale of the entire property.

1. THE TENANCY IN COMMON AGREEMENT. Buyer will have fifteen (15) (or, if checked _____) days after acceptance to approve the Tenancy in Common Agreement. Buyer agrees to consult with a qualified real estate attorney to review the Tenancy in Common Agreement and to explain to Buyer the ramifications of tenancy in common ownership. It is understood that the Tenancy in Common Agreement will give the Buyer the exclusive right to occupy and use the following areas of the property: _____

In the event of Buyer's disapproval of the TIC Agreement, Buyer may, within the time stated or mutually agreed upon extension, elect to terminate this Agreement. If the Buyer approves the Tenancy in Common Agreement, Buyer's obligations under this Agreement are contingent upon all of the tenants in common executing an appropriate amendment to the TIC Agreement substituting the Buyer for the Seller as a party to the TIC Agreement.

2. CO-OWNER APPROVAL. Within fifteen (15) (or, if checked _____) days after acceptance, existing and prospective co-owners of the property shall have the right to meet with Buyer and review Buyer's financial statements regarding Buyer's ability to meet the obligations imposed by the TIC Agreement. Similarly, Buyer will have the right within the same time period to meet with the existing and other prospective tenants in common and review their financial information to the extent it reasonably relates to the obligations imposed by the TIC Agreement. The Buyer will be provided the equivalent of an estoppel statement by the existing tenants in common setting forth the carrying costs of the property and all reserves and assessments. If the Buyer, or any existing or prospective tenant in common makes a reasonable objection to the other person's participation in the tenancy in common or the financial information furnished either Buyer or Seller may terminate this Agreement.

3. FINANCING. Buyer shall provide Seller with a completed loan application, credit report, and any additional information reasonably required by Seller within three (3) (or, if checked _____) days after acceptance. In the event Seller does not approve Buyer's financial information within five (5) days of receipt, Seller may terminate this Agreement in Seller's sole discretion. The following provisions, if initialed by the parties, are included in this Agreement:

[_____] [_____] **(a) Assumption or Refinancing.** This Agreement is contingent upon Buyer's ability to obtain financing by an assumption of Seller's existing loan obligations, or the refinancing with a new loan by all of the tenants in common. Buyer will have thirty (30) (or, if checked _____) days from acceptance to obtain a commitment for financing and remove this contingency. Both Seller and Buyer will, in good faith, use all reasonable efforts to expedite approval of assumption of the existing loan or group refinancing. Any delays caused by tenants in common other than the Seller or Buyer shall extend the time for the loan commitment and close of escrow, but not to exceed _____ days from the date of acceptance.

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[_____] [_____] **(b) Individual Institutional Financing.** This Agreement is contingent upon Buyer's ability to obtain individual financing from an institutional lender on the TIC interest being purchased. Buyer will have thirty (30) (or, if checked _____) days from acceptance to obtain a commitment for individual financing and remove this contingency. Buyer understands that individual loans for TIC interests are not common and may not be available at the time Buyer desires to sell or refinance his or her interest.

[_____] [_____] **(c) Seller Financing.** Buyer will execute a promissory note to the Seller secured by a deed of trust on the undivided interest being acquired. The terms of the financing and other information required by Civil Code sections 2956-2967 shall be set forth on the Seller Financing Addendum and Disclosure, P.P. Form 131.103 CAL or comparable form, which is attached and made a part of this Agreement.

4. LIMITATION OF AGENCY. Buyer agrees that he or she has not relied upon any representation by the Seller or any real estate licensee involved in the transaction regarding the financial ability of the other tenants in common to pay their share of the carrying costs of the property. Buyer agrees to personally investigate the financial ability of the other tenants in common.

5. ADDITIONAL TERMS AND CONDITIONS.

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This Addendum, upon its execution by both parties, is made a part of the above Purchase Agreement, and supersedes any contrary provisions in the Purchase Agreement.

Buyer _____	Date _____
Buyer _____	Date _____
Seller _____	Date _____
Seller _____	Date _____

