



CALIFORNIA  
ASSOCIATION  
OF REALTORS®

**TENANT OCCUPIED PROPERTY ADDENDUM**  
(For use when selling tenant occupied 1-4 unit properties)  
(C.A.R. Form TOPA, Revised 6/24)

This is an addendum to the Purchase Agreement, OR ☐ Counter Offer No. \_\_\_\_\_, ☐ Other \_\_\_\_\_, ("Agreement"), dated 02/25/2025, on property known as \_\_\_\_\_ ("Property"), between \_\_\_\_\_ ("Buyer"), and \_\_\_\_\_ ("Seller").

Buyer and Seller are referred to as the "Parties." For the purpose of this Tenant Occupied Property Addendum, **Tenant shall mean any adult person, other than Seller, who is occupying the Property, whether or not paying rent.**

**1. A. TENANT(S) TO REMAIN IN POSSESSION:** Buyer shall take Property subject to the rights of existing Tenant(s), and under the terms and conditions specified in **paragraph 2.**

**OR B. ☐ PROPERTY TO BE DELIVERED VACANT:**

- (1) The Property (or Unit(s) \_\_\_\_\_) shall be delivered vacant, without existing Tenant(s).
- (2) If Seller, after exercise of good faith attempts and subject to applicable Law, is unable to remove existing Tenant(s) by Close Of Escrow (or ☐ 5 Days prior to COE): **(i)** Buyer may cancel this Agreement and Buyer's sole remedy shall be return of deposit(s) and Buyer's reasonable out-of-pocket expenses for inspection reports and appraisal fees under the Agreement, ☐ which total amount shall be no more than \$ \_\_\_\_\_; or **(ii)** Buyer may elect to proceed with the transaction with the Tenant(s) in possession and waives any claim for other damages or compensation arising out of the Tenant(s) remaining in possession.
- (3) If Seller is able to remove existing tenants prior to Close of Escrow, Seller, as applicable, shall disclose to Buyer: **(i)** when the Property became vacant; **(ii)** whether the tenant vacated voluntarily, and if so whether Seller paid the tenant to leave; **(iii)** whether Seller filed a lawsuit to attempt to evict the Tenant, and if so, whether the lawsuit ended in a judgment.
- (4) Seller, within **5 (or \_\_\_\_\_) Days** prior to Close Of Escrow, shall Deliver to Buyer the names of all adult occupants residing in the Property (other than Seller) that are known to Seller OR ☐ the following are the names of all adult occupants (other than Seller) that are known to Seller: \_\_\_\_\_.
- (5) Even if, pursuant to the Agreement, Seller remains in possession after Close of Escrow, no Tenant(s) shall remain, except: \_\_\_\_\_.

**OR C. ☐ BUYER IS A TENANT IN PROPERTY**

- (1) Buyer occupies the Property (or Unit(s) \_\_\_\_\_). **Paragraph 2** of this TOPA form shall not apply for the Property (or Unit(s)) occupied by Buyer.
- (2) **Security Deposit:**
  - (A) Seller shall transfer to Buyer, through escrow, **(i)** all unused Tenant(s) deposits, if any, and **(ii)** all prepaid but unearned rents, if any, prorated as of Close Of Escrow.
  - OR (B) \_\_\_\_\_.
- (3) For any units not occupied by Buyer, all other terms of this TOPA shall apply.

**2. TENANT REMAINING IN POSSESSION ADDITIONAL TERMS:**

- A. Tenant Deposits and Unearned Rent:** Seller shall transfer to Buyer, through escrow, **(i)** all unused Tenant(s) deposits, if any, and **(ii)** all prepaid but unearned rents, if any, prorated as of Close Of Escrow. Seller shall disclose to Buyer any Tenant delinquencies. ☐ Seller shall credit Buyer for any delinquent rent, prorated as of Close Of Escrow.
- B. Government Compliance:** No warranty is made concerning compliance with governmental restrictions, if any, limiting the amount of rent that can lawfully be charged, the maximum number of persons who can lawfully occupy the Property, or the ability of Buyer to remove any Tenant(s) from possession. Buyer is advised to carefully read and consider the attached Rent Cap and Just Cause Addendum (C.A.R. Form RCJC) which may impact Buyer's and Tenant(s)' rights and obligations under the Law. Buyer is advised that local ordinances may also affect Buyer's and Tenant(s)' rights and obligations.
- C. Proposed Changes:**
  - (1) Seller shall give Buyer written notice of **(i)** any changes to existing leases or tenancies; **(ii)** new agreements to lease or rent; or **(iii)** changes to the status of the condition of the Property ("Proposed Changes") at least **7 (or \_\_\_\_\_) Days** prior to any Proposed Changes.
  - (2) Buyer shall, within **5 (or \_\_\_\_\_) Days** after receipt of notice of Proposed Changes, give Seller notice of Buyer's objection to the Proposed Changes in which case Seller shall not make the Proposed Changes.
- D. Personal Property Included in Sale:**
  - (1) A complete list of all personal Property of Seller currently used in the operation of the Property and included in the purchase price shall be delivered to Buyer with the time specified in **paragraph 14.**
  - (2) Seller shall deliver title to the personal property by Bill of Sale, free of all liens and encumbrances, and without warranty of condition.
  - (3) As additional security for any note in favor of Seller for any part of the purchase price, Buyer shall execute a UCC-1 Financing Statement to be filed with the Secretary of State, covering the personal property included in the purchase, replacement thereof and insurance proceeds.
- E. Seller Documentation and Additional Disclosure:** Within the time specified in the Agreement for Seller Delivery of Documents, and subject to Buyer's right of review, Seller shall disclose, make available or Deliver, as applicable, to Buyer, the following:
  - (1) **RENTAL SERVICE AGREEMENTS:** **(i)** All current leases, rental agreements, service contracts, and other agreements pertaining to the operation of the Property; **(ii)** A rental statement including names of Tenant(s), rental rates, period of rental, date of last rent increase, security deposits, rental concessions, rebates or other benefits, if any, and a list of delinquent rents and their duration. Seller represents that the documents to be furnished are those maintained in the ordinary and normal course of business.
  - (2) ☐ **INCOME AND EXPENSE STATEMENTS:** (if checked) The books and records for the Property, if any, including a statement of income and expense for the 12 months preceding Acceptance.



Property Address: \_\_\_\_\_ Date: **02/26/2025**

- (3) ☐ **TENANT ESTOPPEL CERTIFICATES:** (if checked) Tenant Estoppel Certificates (C.A.R. Form TEC). Tenant Estoppel Certificates shall be completed by Seller or Seller's agent and delivered to Tenant(s) for Tenant(s) to sign and acknowledge: **(i)** that Tenant(s)' rental or lease agreements are unmodified and in full force and effect, (or if modified, stating all such modifications); **(ii)** that no lessor defaults exist; and **(iii)** stating the amount of any prepaid rent or security deposit. Seller shall exercise good faith to obtain Tenant(s)' signature(s), but Seller cannot guarantee Tenant(s)' cooperation. In the event Seller cannot obtain signed Tenant Estoppel Certificates within the time specified above, Seller shall notify Buyer and provide the unsigned one that was provided to Tenant(s). If, after the time specified for Seller to Deliver the TEC to Buyer, any Tenant(s) sign and return a TEC to Seller, Seller shall Deliver that TEC to Buyer.
- (4) **SURVEY, PLANS, AND ENGINEERING DOCUMENTS:** If in Seller's possession, Copies of surveys, plans, specifications, and engineering documents, if any, prepared on Seller's behalf on in Seller's possession.
- (5) **PERMITS:** If in Seller's possession, Seller shall Deliver to Buyer copies of all permits and approvals, certificates of occupancy, conditional use permits, development plans, and licenses and permits pertaining to the operation of the Property.
- (6) **STRUCTURAL MODIFICATIONS:** Seller shall disclose to Buyer in writing any known structural additions or alterations to, or the installation, alteration, repair or replacement of, significant components of the structure(s) upon the Property.
- (7) **SECURITY DEPOSITS:** **(i)** An itemization of all lawful deductions made from Tenant(s) security deposits, if any, and **(ii)** a statement of the security deposit remaining after any lawful deductions have been made (C.A.R. Sample Letter Change of Ownership and Security Deposit Allocation).

**F. SELLER REPRESENTATIONS:** Unless otherwise disclosed, under **paragraph 11** of the Agreement or under any disclosure Delivered to Buyer:

- (1) Seller represents that Seller has no actual knowledge that any Tenant(s): **(i)** has any current pending lawsuit(s), investigation(s), Inquiry(ies), action(s), or other proceeding(s) affecting the Property of the right to use and occupy it; **(ii)** has any unsatisfied mechanics or materialman lien(s) affecting the Property; and **(iii)** is the subject of a bankruptcy. If Seller receives any such notice, prior to Close Of Escrow, Seller shall immediately notify Buyer.
- (2) Seller represents that no Tenant is entitled to any rebate, concessions, or other benefit, except as set forth in the rental service agreements.
- (3) Seller represents that the documents to be furnished are those maintained in the ordinary and normal course of business and the income and expense statements are and used by Seller in the computation of federal and state income tax returns.

**By signing below Buyer and Seller acknowledge that each has read, understands, has received a copy of and agrees to the terms of this Tenant Occupied Property Addendum.**

Buyer	<u>Melissa Robertson</u>	Date	<u>02/26/2025</u>
Buyer	_____	Date	_____
Seller	<u>Alejandro Zavala</u>	Date	_____
Seller	<u>Erika Zavala</u>	Date	_____

