

Pine Gulch Commons

TIC Co-Ownership Prospectus Packet

(California Tenancy-in-Common with Shared Mortgage)

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To Prospective TIC Co-Owners,

We are pleased to share this overview of Pine Gulch Commons, a California agricultural property in Bolinas offered through a Tenancy-in-Common (TIC) co-ownership structure.

This opportunity is intended for a small group of aligned owners who wish to:

- Hold direct ownership on title
- Share responsibility for financing and stewardship
- Participate in the long-term restoration, farming, and ecological care of agricultural land

This packet is designed to explain the structure, risks, and expectations in plain language. It is not a marketing document and does not promise financial returns. TIC ownership involves shared decision-making, shared debt exposure, and regulatory uncertainty, particularly with respect to infrastructure, housing, and land-use approvals.

Legal counsel is engaged to draft the TIC Agreement. This packet is intended to help you determine **whether this ownership structure is right for you before entering that process.**

We encourage all prospective owners to review this packet carefully and consult independent legal, tax, and financial advisors.

Warm regards,

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Development Team

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Owner Report

1. Property Overview

Pine Gulch Commons is an agricultural property located at 5 Lauff Ranch Rd, Bolinas, CA 94924. Anchoring the property is a beautiful, historic three bedroom home built by the first European settlers of the area. It was historically used for farming, including garlic production in the 1990s. The land has been largely dormant for over 25 years.

Existing Improvements

- Assessors record: Multi-unit Family Residential Improved. Three (3) existing structures currently on the property and one guest house.
- Existing utilities and septic infrastructure support current use only

Zoning

- Zoned CARP-5 agricultural / single family
- Agricultural use and farm worker housing are allowed by zoning
- Unincorporated district
- Any additional housing is subject to planning, health, and environmental approvals
- The property sits within Coastal Commission purview for review and certification of land use changes.

2. Ownership Structure: Tenancy-in-Common (TIC)

This opportunity is not an LLC, partnership, or investment fund.

Each TIC owner:

- Is named directly on the property deed
- Holds a percentage ownership interest
- Owns an undivided interest in the entire property
- Is a co-borrower on shared financing

Ownership rights and obligations are governed by:

- The recorded deed
- The TIC Agreement
- Mortgage and loan documents

There is no entity-level liability shield; lenders may pursue any borrower in the event of default.

3. Financing Structure

Primary Mortgage

- A shared mortgage held by all TIC owners
- Underwritten and serviced by Redwood Credit
- All owners are jointly responsible to the lender
- Current terms are 30 year fixed, 20% down, 6.125 - 6.25% interest.
- Loan terms are subject to final underwriting and may change prior to closing

Potential Infrastructure Loan

- TIC owners to pursue approx. \$500,000 in additional financing
- Intended for shared infrastructure, including septic upgrades, solar power conversion, power grid, and well water capacity expansion.
- Approval, timing, and final terms are uncertain. Commercial loans are 24 months, 7-8% interest with option to amortize over 25 years, confirmed through AGLoan.com in Petaluma.

If obtained:

- All TIC owners must review loan documents and approve
- All TIC owners are exposed to default risk
- Internal cost-sharing does not limit lender rights

4. Infrastructure, Housing & Planning Risk (Critical Disclosure)

Existing & Planned Housing

- Three (3) structures, plus a guest house exist today
- Two (2) ADU's proposed (up to 850 s.f.), one retrofit, one new
- Long-term plans include nine (9) additional farm-related housing units. These units:
 - Do not currently exist
 - Depend on septic upgrades and county approvals
 - Depend on Conditional Use Permit to bring property back to agriculture production.
- Pathways to farmworker housing include two options:
 - Emergency Housing: since two current renters will be displaced upon real estate transaction, keeping them on the property is part of our mission. With huge changes in Marin county around housing, this would be the fastest pathway to farm worker housing. It also alleviates environmental planning barriers with an

- interim holding tank for septage. Estimated time before occupancy: 6 months to one year.
- Farm Worker Housing: permitted housing will require feasibility study, permanent septic solutions and water capacity increases subject to county approvals. Estimated time before occupancy: 9-15 months.

Septic Dependency

- Existing septic capacity does **not** support additional housing
- Site is currently approved to support two bedrooms
- Septic upgrades may:
 - Subject to permitting
 - Cost more than expected
 - Estimated timeframe 1-2 years

Use & Occupancy Risk

Ownership does not guarantee the right to live on the property.

Some owners may:

- Never receive approval for residential occupancy as dictated by the TIC Agreement.
- Hold ownership without personal use, by choice
- Innovations in septic and water upgrades will be used to guide infrastructure plans, agreed to by TIC owners.

Owners must be financially prepared to carry obligations without relying on future approvals or occupancy.

5. Use of the Property & Land-Use Designation

The property is expected to support three primary use categories: agricultural, stewardship, and residential. Each governed by the TIC Agreement and operating arrangements.

6. Working Farm Operations: Wildcraft Farm

Agricultural Operations Partner

Wildcraft Farm

Wildcraft Farm is the working agricultural operation intended to steward and activate designated farming areas of Pine Gulch Commons.

Wildcraft Farm is envisioned as a cooperatively structured operation focused on:

- Regenerative farming practices
- Community u-pick programs
- A small on-site retail farm stand
- Agricultural education and knowledge-sharing

Relationship to TIC Ownership

- Wildcraft Farm does not own the land. Some TIC owners are also in the farm cooperative and have rights to assigned plots and structures for production and farmworker housing in accordance with TIC Land Use agreements.
- Operates under use rights or a lease approved by TIC owners
- Participation in farm operations is separate from property ownership.
- Some TIC owners are also members of the farm cooperative and may have rights to assigned plots and structures for agricultural production and potential farmworker housing, subject to TIC Land Use Agreements and regulatory approval.
- The right to join the Farm Worker Co-op is dependent on annual stewardship review of occupancy to make sure use is environmentally aligned with TIC Agreement.

Worker Housing (Conditional)

- Depends on septic upgrades and approvals from planning department
- Is not guaranteed in scope, timing, or outcome
- Supporting farm worker housing is a long-term goal

Farm operations may continue without onsite worker housing.

7. Rewilding & Stewardship Partnership

Stewardship Partner

Rewilding.Institute

Approximately seven (7) acres of the property—including Pine Gulch Creek and adjacent natural areas—are intended to be stewarded by Rewilding.Institute, including the community hub and forest areas defined in the site map.

Stewardship Purpose

- Habitat and riparian restoration
- Ecological protection
- Educational programming for local youth and community members
- Rewilding and permaculture education
- Grants for infrastructure

Lease, Use Considerations

- Rewilding.Institute may operate under a lease or stewardship agreement
- The nonprofit does not receive ownership
- The land remains TIC-owned

Potential Conservation & Stewardship Easements

As part of the long-term ecological stewardship vision for Pine Gulch Commons, **Rewilding.Institute** will explore the purchase or acceptance of a **conservation or stewardship easement** seven (7) acres covering designated natural areas of the property, including Pine Gulch Creek and adjacent habitat.

An easement is a **recorded legal agreement** that:

- Runs with the land and binds future owners
- Protects ecological values and restoration objectives in perpetuity
- Allows a qualified nonprofit to monitor and enforce agreed-upon stewardship standards

Why an Easement May Be Considered

Compared to a long-term lease, a conservation easement may:

- Provide permanent restoration governance independent of ownership
- Improve eligibility for state and federal restoration grants tied to deeded protections
- Allow the nonprofit to access land for monitoring, restoration, and training activities
- Support local job creation through grant-funded restoration work
- Preserve agricultural use while protecting sensitive ecological areas

Easements can be drafted to include “affirmative rights”, such as the right to conduct restoration work, ecological monitoring, and educational programming, while owners retain farming and permitted residential use.

Owner Approval & Lender Review Required

Any easement:

- Requires unanimous approval of all TIC owners
- Is subject to legal review and lender consent
- May permanently restrict certain future uses or development such as street side farm stand or additional housing (over our nine unit limit).
- Is not guaranteed to be granted, purchased, or monetized

No easement will be recorded without full owner consent and review of its long-term implications.

Compensation & Financial Considerations

If an easement is:

- **Purchased** or partially purchased, or
- **Donated at a discount**,

TIC owners may receive:

- Direct compensation or,
- Potential tax benefits (subject to individual tax circumstances)

Any payments belong to the TIC ownership group and are allocated pro-rata proportionate to title ownership and land usage, unless otherwise agreed.

Easement-related grants or funding support restoration and stewardship work, not TIC owner returns, and should not be relied upon for debt service.

8. Occupancy Fees & Property Income

Occupancy Fees

- Owners or affiliates who occupy or exclusively use residential areas pay a monthly Occupancy Fee:
 - Compensate the ownership group for personal use
 - Do not increase ownership percentage
 - Are not capital contributions

Use of Occupancy Fees

Applied in the following order:

1. Mortgage and loan payments
2. Taxes and insurance
3. Operating expenses
4. Reserves
5. Capital improvements (if available)

9. Capital Contributions & Shared Costs

Unless otherwise stated in the TIC Agreement:

- All owners contribute pro-rata to shared costs and debt
- Failure to contribute may result in:
 - Penalties
 - Loss of use rights
 - Forced buyout or sale

Infrastructure obligations run with ownership, regardless of use.

10. Fund Management & Banking

Management of TIC Funds

Because a Tenancy-in-Common is not a legal entity, TIC funds are managed by a designated TIC Manager (sometimes referred to as a Managing Co-Owner), acting solely in an administrative and fiduciary capacity on behalf of the co-owners.

The TIC Manager's role is limited to:

- Collecting Occupancy Fees and capital contributions
- Paying shared property expenses (mortgage, taxes, insurance, utilities, operations, etc.)
- Maintaining basic financial records

The TIC Manager does not operate a business, pool profits, or exercise discretionary investment authority. Authority and limits are defined in the TIC Agreement.

TIC Bank Accounts

The co-owners will maintain **one or more dedicated bank accounts** for TIC purposes, typically including:

- An **operating (checking) account** for routine expenses
- A **reserve or savings account** for capital reserves and infrastructure funds

These accounts are used solely for **cost-sharing and property administration** and are not intended to function as a business or investment account.

Accounts are expected to be titled in the name of the TIC (e.g., *Pine Gulch Commons – Tenancy in Common*) and may use a federal EIN obtained for banking and reporting convenience.

Allocation & Reporting

- Funds are allocated **pro-rata** among TIC owners unless otherwise provided in the TIC Agreement
- Each owner reports their share of income and expenses on their **individual tax return**

- TIC owners receive periodic summaries of shared income and expenses; no K-1s are issued

This structure is intended to comply with **California co-ownership practice and federal guidelines distinguishing TICs from partnerships**.

11. Transfers & Liquidity

- No public market exists for TIC interests
- Transfers require:
 - Compliance with the TIC Agreement
 - Lender consent
 - Buyer financial qualification and value alignment

TIC ownership should be considered illiquid and long-term. Illiquid defined as needing more than a few weeks to find a buyer, aka real estate and securities.

12. Key Risks Summary

Prospective owners should carefully consider:

- Loss of capital
- Shared mortgage and infrastructure debt exposure
- Regulatory and permitting uncertainty
- Infrastructure cost overruns
- Agricultural and nonprofit operational variability
- Limited liquidity
- Increased agency scrutiny with easement may restrict future development, property usage, and lowering market value

Owner FAQ

Q: Is this a passive investment?

No. This is direct real estate co-ownership with shared obligations.

Q: Does owning a TIC interest guarantee I can live on the property?

No. Occupancy depends on infrastructure capacity, planning approvals, and TIC rules.

Q: What is an Occupancy Fee?

An **Occupancy Fee** is paid by an owner or affiliate who lives on or exclusively uses part of the property. It compensates the ownership group for mortgage payments, shared monthly expenses, and reserve

Q: Is an Occupancy Fee the same as a capital contribution?

No.

Occupancy Fees are for personal use of Resident Owners or Leasees. Capital Contributions fund shared ownership obligations and debt such as infrastructure work.

Q: How are Occupancy Fees used?

They are applied first to shared property expenses, then to reserves and improvements if available.

Q: What is Wildcraft Farm?

Wildcraft Farm is the working agricultural operation expected to farm designated areas (see site map) using regenerative practices, community partnership, and a cooperative structure.

Q: Does Wildcraft Farm own the land?

No. The land remains TIC-owned. Wildcraft Farm operates under use rights or a lease.

Q: Is farm income guaranteed?

No. Agricultural income is variable and not relied upon for debt repayment.

Q: How does worker housing fit in?

Worker housing is a long-term goal, dependent on septic upgrades and approvals. It is not guaranteed.

Q: What is Rewilding.Institute's role?

Rewilding.Institute is a nonprofit expected to steward natural areas, including Pine Gulch Creek, through restoration and education. It will be fiscally sponsored by Marin Watershed Alliance in Bolinas, CA.

Q: Will a conservation easement be placed on the land?

Possibly—but **only with unanimous owner approval**. Easements are not guaranteed and may limit future development while allowing long-term care of precious resources.

Q: Does the nonprofit pay the owners?

If exclusive stewardship rights via lease or easements are granted, the nonprofit may compensate the TIC owners. Payments belong to the ownership group.

Q: If one owner can't pay their share, what happens?

The TIC Agreement provides remedies, but lenders expect other owners to step in to prevent default. Reserves hold monies for this problem, but may be limited. Owners will have to make up the difference until either buyback or sale.

Q: Can I sell my TIC interest?

Yes, but transfers are restricted and require approvals. There is no guaranteed buyer. The outgoing owner must find a value-aligned buyer with suitable credit as TIC agreement outlines.

Q: Is this like an LLC or syndication?

No. There is no limited liability, no passive structure, and no membership units. This is **direct co-ownership**.

Q: Why is this structured as a Tenancy-in-Common (TIC) instead of an LLC?

This project is structured as a **Tenancy-in-Common (TIC)** rather than an LLC to make **direct, titled ownership accessible** to a group of people who would not otherwise be able to purchase real estate individually in **Bolinas**.

There are several key reasons for this choice:

1. Direct Ownership on Title

A TIC allows each participant to be:

- Named directly on the property deed
- A true real estate owner, not a member of an entity

This was important to the group's values and goals around shared stewardship and long-term ownership.

2. Residential Loan Eligibility

Because the property qualifies for **residential financing**, it can be financed with:

- Residential mortgage products
- Individual borrowers on title

Many banks, including local credit unions, **prefer individuals on title** rather than lending to an LLC, which is typically treated as a commercial borrower.

3. More Favorable Financing Terms

Compared to an LLC or commercial loan structure, the TIC structure allows for:

- **Lower down payment requirements** (often around **20%** instead of 35% shopped at AGLoan in Petaluma)
- **Lower interest rates** than commercial real estate loans
- Longer amortization periods typical of residential lending

These terms materially reduce the cost of ownership and make participation feasible for more people.

4. Bank Preference & Underwriting Simplicity

From a lender's perspective:

- TIC owners are individual borrowers with personal credit and income
- Risk is underwritten at the individual level
- Loan enforcement is more straightforward than with an entity borrower

As a result, many banks are more comfortable—and more flexible—when lending to individuals in a TIC than to an LLC holding title.

5. Alignment with Use & Stewardship Goals

A TIC structure supports:

- Mixed use (residential, agricultural, stewardship)
- Clear separation between ownership and operations
- Long-term holding without the administrative and tax complexity of an LLC

Important Tradeoff:

A TIC does **not** provide the limited liability protections of an LLC. Owners are directly responsible for shared obligations and must be comfortable with collective decision-making and shared risk.

For this group, the ability to offer **direct ownership, better financing terms, and access to residential lending outweighed** the benefits of an LLC structure

Q: Who manages the money for the TIC?

A designated TIC Manager manages funds as an administrative agent of the co-owners, with limited authority defined in the TIC Agreement.

Q: Does the TIC have its own bank account?

Yes. The co-owners maintain dedicated checking and savings accounts used only for shared property expenses and reserves.

Q: Is the TIC operating like a business or LLC?

Neither. The TIC accounts are used for cost-sharing and administration only. Each owner reports their own share of income and expenses individually.

Q: Will I receive a K-1?

No. TIC owners receive expense and income summaries and report their proportional share on their own tax returns.

Q. What is a conservation or stewardship easement?

An easement is a recorded agreement that permanently protects certain ecological values of the land while keeping it in private ownership. It binds future owners and allows a nonprofit to monitor and enforce restoration standards.

Q: Why consider an easement instead of a long-term lease?

Easements are permanent, improve eligibility for restoration grants, and allow long-term stewardship without transferring ownership. Leases can expire or be renegotiated and offer less permanence.

Q: Who would hold the easement?

The easement would be held by **Rewilding.Institute**, a nonprofit focused on ecological restoration, education, and stewardship.

Q: Does an easement mean the nonprofit owns the land?

No. The land remains TIC-owned. The easement only governs specific stewardship and protection rights.

Q: Would an easement limit future development?

Yes. Easements may permanently restrict certain uses or development in designated areas. That is why unanimous TIC owner approval and lender review are required.

Q: Is an easement guaranteed to happen?

No. Easements are optional, subject to owner consent, legal review, lender approval, and funding availability.

Q: Do easements generate income for owners?

Possibly. Easements may involve compensation or tax benefits, but outcomes vary. Easement-related grants fund restoration work—not owner distributions—and should not be relied upon for loan repayment.

Final Word & Next Steps

Thank you for taking the time to read this packet carefully. We recognize that this is a **dense and detailed document**, and we appreciate your willingness to engage thoughtfully with the structure, risks, and responsibilities involved in TIC co-ownership. We have intentionally aimed to **over-explain rather than under-disclose**. Pine Gulch Commons is not a conventional real estate purchase or a passive investment. It is a shared ownership model that depends on alignment, transparency, and a long-term commitment to land stewardship, collective decision-making, and financial responsibility.

If, after reviewing this packet, you feel that this structure and vision may be a good fit, the next steps are:

Next Steps

1. Reflect & Ask Questions

Take time to consider whether shared ownership, shared debt, and regulatory uncertainty are compatible with your goals. We welcome thoughtful questions and conversations.

2. Initial Financial Conversation

Prospective owners should be comfortable qualifying individually for residential financing and participating in shared obligations independent of future housing approvals or personal use.

3. Review with Advisors

We strongly encourage you to review this opportunity with your own legal, tax, and financial advisors.

4. TIC Agreement Review

Qualified and aligned buyers will be invited to review the draft TIC Agreement with counsel to understand the binding legal terms.

5. Lender Qualification & Closing Process

Buyers who proceed will work through lender qualification, final vesting decisions, and closing.

There is **no obligation** to move forward simply because you have read this packet. Our goal is to ensure that anyone who joins Pine Gulch Commons does so with **clear expectations, informed consent, and genuine alignment**.

Thank you again for your time, care, and consideration. We are grateful for your interest and look forward to continuing the conversation with those who feel called to explore this path further.

Warmly,

Nikki Gunn, Nikolas Bertulis, Oliver Burke

Development Team

Pine Gulch Commons