

BUYER'S ELECTION OF INSPECTIONS FOR VACANT LAND

This is a form created by the San Diego Association of REALTORS® and as such is not covered by C.A.R. User Protection Agreement. This form is intended for use primarily in the San Diego County areas for vacant land transactions.

Property Assessor Parcel Number(s): _____

Property Address: _____

Accepting the condition of the property within the contractual time limitations is a contingency of the Vacant Land Purchase Agreement. Buyer has the right, and is encouraged by Broker(s)/Agent(s) (hereafter referred to as Broker), to fully evaluate the property in order to ascertain that it is satisfactory to Buyer. **Broker is not qualified to evaluate the condition of the property nor its related intended uses. Broker will not verify information made from others, including inspection reports.** All inspections and evaluations should be conducted by qualified contractors, engineers or other experts. Buyer should review all inspections and reports with the person who conducted the inspection. Buyer is encouraged to consider having the following types of inspections of the property. This inspection list does not include all possible types of inspections. Buyer is electing, at his/her cost, to have inspections performed as initialed below and agrees to return the property to its pre-inspected condition. **Buyer is responsible for arranging inspections within the time frames specified in the Vacant Land Purchase Agreement.**

INITIALS EACH ITEM MUST BE INITIALED "YES" OR "NO" TO INDICATE AN ELECTION BY BUYER. By initialing "No," Buyer is NOT waiving the right to such an inspection. Provided that contractual time limitations are followed, Buyer may later elect to conduct inspections which are initialed "No."

- _____/_____ ____/_____ 1. **SOILS EVALUATION.** This inspection is typically conducted by a civil or geotechnical engineer to evaluate soils suitability, grading, drainage and other soils matters.
Yes No
- _____/_____ ____/_____ 2. **ZONING AND OTHER LAND USE REGULATIONS.** The existing use of the property, or the anticipated use by Buyer, may not be in compliance with existing zoning designations, set-backs, or other land use regulations. Unless otherwise stated in writing, Broker has no knowledge as to the status of current or future zoning regulations, land use restrictions, or suitability for improvements for further development in connection with this property. Broker has no knowledge of any future development in the surrounding areas. Broker is not qualified to, and will not, obtain, review, or evaluate permits, zoning designations or land use regulations. Buyer, or qualified service retained by Buyer, is advised to check with appropriate governmental agencies to satisfy his/her concerns about zoning regulations and other land use considerations.
- _____/_____ ____/_____ 3. **LOT SIZE, BOUNDARIES, EASEMENTS AND ENCROACHMENTS.** Broker has not verified lot size, boundaries, easements or encroachments. This evaluation is performed by a land surveyor or civil engineer in conjunction with title records to accurately verify the true property lines and accurately identify easement locations. Fences, walkways and other improvements may not correspond with property lines reveal easements or other restrictions to the property. Even if all easements are plotted, preliminary reports from a title insurance company may not provide adequate information on these items.

Buyer acknowledges receipt of copy of this page, which constitutes Page 1 of 4 pages.

Buyer's Initials (____) (____) Date: _____

NO REPRESENTATION IS MADE AS TO THE LEGAL VALIDITY OR ADEQUACY OF ANY PROVISION IN ANY SPECIFIC TRANSACTION.

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Date: _____

Property Address/Parcel Number(s): _____

Yes

No

(Please initial at "Yes" or "No" for each item.)

_____/_____
Yes

_____/_____
No

4. **WATER SUPPLY INSPECTION.** Property within a water district (private or public) may or may not be serviceable by the designated water company. The availability and cost to hook up to a water company is typically conducted by the water company's engineering department. Broker recommends that any property that may be serviceable by a water company be verified by a qualified individual. Properties that are serviced by private water well and pumping system (either on to the property or through a private water company) may require the property owner to maintain those systems. Buyer should verify that such a system has adequate water flow and is unaffected by water table conditions, contamination from chemicals or bacteria. This inspection is typically conducted by a qualified individual to evaluate the operation, condition, and serviceability of the system, including the evaluation of potability and possible contamination. Broker recommends that any property serviced by a well be inspected by a pump contractor, well driller and/or other qualified individual.

_____/_____
Yes

_____/_____
No

5. **SEWER AND SEPTIC INSPECTION.** Buyer is advised to contact the appropriate governmental agency to verify that the property is able to connect to a sewer or septic system for waste disposal. Not all properties within a sewer district are able to connect to sewer without substantial costs or requirements. Some soils may not be suitable to pass a percolation ("perc") test, may need an updated perc test, may require a septic layout even though a perc test has been approved, may need five or more years of monitoring during average rainfall years to be approved for a septic system. There are costs and fees to evaluate the property for, and install a septic system including but not limited to storage tanks, length of leach field, type of system, type of perc test, tight lining, blanket perc tests and approved perc tests with layout. Perc tests can expire and may need updating. This inspection is typically conducted by a general engineering contractor, civil engineer and/or another qualified individual. Broker recommends that any property that has a potential to be serviced by sewer or septic system be evaluated by a qualified individual.

_____/_____
Yes

_____/_____
No

6. **AVAILABILITY OF UTILITIES.** Vacant land may not have utility easements or the available power, telephone, cable, natural gas and other utilities. Buyer, or qualified service person retained by Buyer, is advised to check with the appropriate governmental/utility agency to satisfy his/her concerns about cost and availability of utilities.

_____/_____
Yes

_____/_____
No

7. **ENVIRONMENTAL SURVEY.** Certain properties may be at a "high risk" for the presence of oil, gas, or other pollutants in the soil. Storage facilities, tanks or spills may contaminate the subject property or adjoining properties. This inspection is conducted by a specialist in environmental chemicals who evaluates and reports on those conditions typically in tiered reports. Certain properties are at "high risk" for the presence of endangered/protected species (both fauna & flora). San Diego has a variety of species that are protected and are not allowed to be disturbed. Some properties/species have restrictions as to grading, use, notification and monitoring requirements. Before development, properties which have endangered or protected species may require the purchase off-site mitigation land prior to development. Buyer is advised to obtain an environmental survey by a qualified professional.

_____/_____
Yes

_____/_____
No

8. **NATURAL HAZARDS DISCLOSURE REPORTS.** Certain hazard zones disclosures are mandated by federal, state and local laws. The companies that provide these disclosure reports often have additional reports available for an extra cost. Such additional reports include local geological hazards; building permits; sewer and septic tank permits; environmental risks; violations on record; zoning designations; proximity to airports, railways, freeways, and high tension power lines. **Buyers are advised to consult with a zone disclosure company for additional reports available and costs.**

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Property Address/Parcel Number(s): _____

Yes No

(Please initial at "Yes" or "No" for each item.)

_____/_____
Yes No

9. **HOMEOWNER'S ASSOCIATION DOCUMENTS.** If the property is part of a Homeowner's Association ("HOA"), the purchase agreement typically provides that Seller requests from the HOA and provide to Buyer specified documents relating to the property and Homeowner's Association. Broker has not and will not review these documents. The Articles of Incorporation; Bylaws; Covenants, Conditions and Restrictions; and Rules and Regulations set forth important information relating to the organization of the Association and on use of the property. The Financial Statement and Assessment Statement provide valuable information as to the financial condition of the Association. Finally, Buyer should read the last 12 months of minutes of the board of directors on any problems and concerns of the Association. Buyer's approval of these documents is a contingency of the purchase. Buyers are urged to give important consideration to these matters.

_____/_____
Yes No

10. **DETERMINING THE SPLIT POTENTIAL OF THE PROPERTY.** To determine if a property is able to be subdivided (major or minor), Buyer must be aware of the subdivision process. There are various overlay impacts that may affect the ability to subdivide including local restrictions on uses, contamination of grounds and wells, proximity to a county dump, requirement of an Environmental Impact Report (EIR) prior to building, preservation of endangered plants and animals, preservation of Native American artifacts, percolation tests, traffic and school impacts. Currently the City and County of San Diego are undergoing a mandated General Plan Update to accommodate the population impacts proposed for the years 2020 and 2030. Rezoning, new roads and infrastructure are being proposed throughout the city and county. Both up-zoning and down-zoning are currently being proposed. Buyer is advised to research through the proper governmental agency as to the impact the General Plan Update may have on subject property and/or property value. Broker recommends that any property intended for subdivision be verified by a city or county planner, civil engineer, land surveyor or other qualified individual.

_____/_____
Yes No

11. **PERMIT RECORDS AND CODE COMPLIANCE.** Improvements or alterations to a property may not have been built according to building codes or be in compliance with current law, or have required building permits. The lack of building permits or permits without final inspection "sign off" may have a significant effect on the property. In some instances, the City or County may require that the property owner remove or correct the non-permitted improvement. **The fact that the owner may not be aware that a permit exists or is required does not mean that the improvements are properly permitted.** Broker has no knowledge as to the status of permits on the property, and is not qualified to review or interpret such information. **Broker will also not perform such duties.** Buyer, or qualified service retained by Buyer, is advised to check with the appropriate governmental agency to satisfy his/her concerns about improvement permits.

_____/_____
Yes No

12. **CONSTRUCTION LOAN.** Construction loans are obtained in many different forms. Full approval of a loan in the course of purchase is conditional upon credit worthiness, appraisal of the land and proposed home, full cost breakdown and other variables. The property will also need course of construction insurance. Buyer is advised to seek financing from a reputable lender, including appropriate insurance, to determine the availability of obtaining financing.

_____/_____
Yes No

13. **CONSTRUCTION COSTS.** General contractors, architects, graders and engineers, department of public works, electric companies, telephone companies and municipalities and other professionals will need to be contacted to determine the cost of construction. Buyer is advised to meet with all appropriate professionals and obtain bids to determine the cost of construction.

Buyer acknowledges receipt of copy of this page, which constitutes Page 3 of 4 pages.

Buyer's Initials (____) (____) Date: _____

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Acknowledgement and Waiver

Buyer expressly reserves the right to conduct an inspection(s) not initially elected on this form. If an inspection is subsequently desired, Buyer shall immediately notify Broker in writing of an additional inspection(s) requested. Buyer understands that the Vacant Land Purchase Agreement (VLPA) provides a limited amount of time within which a Buyer must complete any desired inspections and evaluations of the property. Unless specifically set forth in the Agreement, Seller is not obligated to perform any corrective work that may be recommended by any inspections or evaluation.

Buyer agrees that, although Broker may offer the names of one or more inspection services, **the selection of inspection services is the sole responsibility of Buyer.** Names of inspectors provided by Broker are provided solely for informational purposes and are not recommendations or endorsements of the inspector. When conducting inspections, Buyer shall carry, or require inspectors to carry, insurance as required in the Vacant Land Purchase Agreement. Broker does not guarantee the quality, thoroughness, or results of any inspections or evaluations. Broker does not verify the information contained in inspection reports or representations made by others.

Buyer acknowledges that he/she has reviewed the above inspection options and agrees that the decision to obtain or waive an inspection is solely that of the Buyer. Unless subsequently requested, Buyer hereby waives the above inspections that are not initiated. By waiving the above inspections, Buyer may be assuming liability, responsibility, and expense for the condition of the property, and for repairs and/or corrections that such an inspection would have revealed. **In exchange for services rendered and further services to be rendered, Buyer hereby releases Broker from any liability with respect to the condition of the property.** This release shall not apply to any person who conceals actual knowledge of a defect that has not been disclosed to Buyer.

Buyer: _____ Date: _____

Buyer: _____ Date: _____

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