

RECOMMENDATION to Executive Committee

FROM:

Risk Management Committee

RECOMMENDATION:

Approval of revised On-Site Wastewater Treatment Facility Addendum

BACKGROUND:

The On-Site Wastewater Treatment Facility Addendum was last revised in October 2006.

A member submitted a request to the Risk Management Committee to update the form and, as a result, the Committee convened a Workgroup chaired by Jan Leighton.

The Workgroup created a draft, submitted the draft to the Loop, and then made additional revisions based on the feedback received. The additional revisions included changes to ensure that the form can be utilized in Pima County, which maintains different rules and regulations than the rest of the state in regard to the transfer of on-site wastewater systems.

On March 8, 2018, the Risk Management Committee voted to approve the attached revised draft and release it to the members on June 1, 2018.

BUDGET IMPACT:

AAR will be required to pay zipForm® a total of \$50 to format the form and upload it to the zipForm® software product for use by AAR members.

MOTION:

TO APPROVE FOR RELEASE ON OR ABOUT JUNE 1, 2018 THE ATTACHED REVISED ON-SITE WASTEWATER TREATMENT FACILITY ADDENDUM.

FOR MORE INFORMATION CONTACT:

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ON-SITE WASTEWATER TREATMENT FACILITY ADDENDUM

Document updated:
June 2018



The pre-printed portion of this form has been drafted by the Arizona Association of REALTORS®. Any change in the pre-printed language of this form must be made in a prominent manner. No representations are made as to the legal validity, adequacy and/or effects of any provision, including tax consequences thereof. If you desire legal, tax or other professional advice, please consult your attorney, tax advisor or professional consultant.



1. Buyer: _____
2. Seller: _____
3. Property/Premises Address: _____
4. Assessor's #: _____
5. Date: _____

DRAFT

6. The following additional terms and conditions are hereby included as a part of the Contract between Buyer and Seller for the above referenced
7. Premises/Property.
8. One or more On-Site Wastewater Treatment Facility (conventional septic or alternative system) (the "Facility") has been installed on the
9. Premises/Property. The Arizona Department of Environmental Quality ("ADEQ") rules require a pre-transfer inspection by Seller.
10. **Facility Inspection: Seller shall have the Facility inspected at Seller's expense** within six (6) months prior to Close of Escrow, but no later
11. than twenty (20) days or _____ days after Contract acceptance. The Facility inspection shall be completed by an inspector recognized by the
12. applicable governmental authority as qualified to inspect the type of Facility installed on the Premises/Property.
13. **Conventional Septic System Pumping:** If the Facility is a conventional septic system or alternative system that uses a septic tank, prior
14. to Close of Escrow it shall be pumped at Seller's expense to remove, to the maximum extent possible, solid, floating, and liquid waste
15. accumulations, unless: (i) a Discharge Authorization for the Facility was issued and the Facility was put into service within twelve (12) months
16. before the transfer of ownership inspection; (ii) pumping or servicing is not necessary based on the manufacturer's written operation and
17. maintenance instructions; or (iii) no accumulation of floating or settled waste was present in the septic tank or wastewater container.
18. **Document Delivery:** Within twenty (20) days or _____ days after Contract acceptance, Seller shall provide Buyer with: (i) the Report of
19. Inspection form completed by a qualified inspector; and (ii) any other documents in Seller's possession that relate to the permitting or operation
20. and maintenance of the Facility (collectively the "Facility Documents").
21. **Repair Costs:** If the Facility is "Not Functional" per the Report of Inspection and/or cannot be certified by the applicable government authority,
22. Seller shall pay to repair the Facility provided that such repairs do not exceed one percent (1%) of the purchase price or \$_____.
23. If repair costs exceed the amount that Seller agrees to pay: (i) Buyer may immediately cancel this Contract; or (ii) Seller may cancel this
24. Contract unless Buyer agrees in writing to pay such costs in excess of the amount that the Seller is obligated to pay.
25. If the Facility is "Functional with concerns" per the Report of Inspection, Buyer and Seller acknowledge and understand they may, but are not
26. obligated to, engage in negotiations for repairs/improvements to the Facility.
27. **Buyer Disapproval:** By delivering to Seller a signed notice, Buyer may cancel this Contract within the Inspection Period or five (5) days after
28. receipt of the Facility Documents, whichever is later, and be entitled to a return of the Earnest Money. Prior to expiration of the specified time
29. frame, Buyer and Seller may, but are not obligated to, engage in negotiations for repairs/improvements to the Facility. Buyer's failure to deliver
30. a signed notice of cancellation within the specified time period shall conclusively be deemed Buyer's election to proceed with the transaction
31. without repairs/improvements to the Facility.
32. **Notice of Transfer:** Buyer shall deliver to Escrow Company a completed ADEQ Notice of Transfer of Ownership of an On-Site Wastewater
33. Treatment Facility form (the "Notice of Transfer") prior to Close of Escrow. Escrow Company is instructed to file the Notice of Transfer and the
34. filing fee(s) with the applicable governmental authority **at Close of Escrow.**
35. **Notice of Transfer Filing Fee:** The Notice of Transfer Filing Fee and any other Facility transfer of ownership fees shall be paid by:
36. Buyer Seller Split evenly between Buyer and Seller

37. **Additional Terms:** _____
38. _____

39. _____ MO/DA/YR ^ BUYER'S SIGNATURE MO/DA/YR
40. _____ MO/DA/YR ^ SELLER'S SIGNATURE MO/DA/YR

For Broker Use Only:
Brokerage File/Log No. _____ Manager's Initials _____ Broker's Initials _____ Date _____
MO/DA/YR