

CHAPTER 8

Acquisition Policies and Procedures

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CHAPTER 8

ACQUISITION POLICIES AND PROCEDURES

1. APPLICABILITY.

This Chapter prescribes the policies and procedures of the Navy relating to the acquisition of land and interests therein by purchase or donation. No commitments regarding the acquisition of real estate may be made prior to obtaining the required approvals as set forth in Chapters 2 and 3. Reference is made to Public Law 91-646, Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970. The Engineering Field Division should be guided by House Report No. 91-1656 entitled "A Report to Accompany S.1, Committee on Public Works, House of Representatives, 91st Congress, Second Session, December 2, 1970" in interpreting the provisions of Public Law 91-646 which applies to land acquisition policies for all Government agencies.

2. ACQUISITION POLICY.

It is the policy of the Navy to acquire title to lands by direct purchase through negotiations based on the fair market value as estimated by appraisals made or procured in accordance with Chapter 16. Also, it is the policy that owners, or person occupying real property under arrangement with owners, will not be required to relinquish possession of land without their consent unless payment has been made to the parties in interest under a purchase contract, or a Declaration of Taking has been filed in a condemnation proceeding and the Government's estimate of compensation deposited in the Registry of the Court. It is, therefore, essential that there be adequate planning of the real estate acquisition program for all projects to assure that funds are available to all owners through purchase or deposit of the estimated compensation in Court in conjunction with condemnation proceedings, prior to possession of the lands being surrendered to the Government. In no event will a person be required to move from a dwelling, assuming a replacement dwelling will be available, or to move his business or farm operations without at least 90 days written notice of the date by which such move is required. The notice with respect to these types of properties may be served by adding a provision to Appendix 8-A, reading substantially as follows:

"You are hereby notified that it is the intention of the Government to acquire the above identified property, and that the Government will require possession of said property ninety days from the date this notice is delivered to you, namely, _____. In the event the Government determines not to acquire said property, or the date possession will be required is extended, you will be promptly notified. In no event will you be required to surrender possession of said property, prior to payment of the purchase price that may be agreed upon, or deposit in Court for your benefit of an amount not less than Navy's approved appraisal of the fair market value of said property."

3. AUTHORITY TO NEGOTIATE.

Negotiations for the acquisition of real property in MCON and MCNRF programs will be initiated upon receipt of appropriate authorization and program assignments by the Engineering Field Division. In no case will negotiations commence with the owner prior to the receipt of a current appraisal or appraisals reviewed and approved in accordance with Chapter 16, and the relocation assistance report approved as required by paragraph 4 below.

4. REPORT ON RELOCATION ASSISTANCE.

Prior to the commencement of negotiations in any project which involves dislocation of a person as defined in Chapter 12, the Engineering Field Division will prepare a report on the relocation assistance program in connection with Section 205, Public Law 91-646. The report will set forth the plan of action contemplated by the Engineering Field Division in carrying out the requirements of said section and will include the determination of availability of replacement housing, if acquisition of occupied housing is involved in the project.

The determination regarding the availability of replacement housing as required by law cannot be delegated to another agency, but may be made upon facts and recommendations developed by the other agency.

5. AUTHORITY TO EXECUTE AGREEMENTS FOR PURCHASE OF REAL PROPERTY.

The Engineering Field Division is authorized to execute on behalf of the Government, agreements for the purchase of real property where the purchase price does not exceed the approved appraised value. In the event the Engineering Field Division considers that a counteroffer made by the owner over the approved appraisal is in an amount which should be considered, the Engineering Field Division is authorized to consummate the acquisition at such a purchase price, provided that (1) for real property with an appraised value of less than \$200,000, the purchase price does not exceed \$200,000; (2) for real property with an appraised value of \$200,000 or more, the purchase price does not exceed the appraised value by 15%. In determining the excess of counteroffers over appraised values, to apply the dollar and percentage limitations of the delegation of authority above for acceptance of counteroffers, the salvage value of improvements reserved by the landowners will not be included in the amount of the counteroffer. The determination of excess will be made on the basis of the appraised value of the interests being acquired compared to the cash payment which will be made to the owner if the Government accepts his counteroffer. However, this method of analyzing the counteroffer is intended for use only in determining

the limitations of authority. It is not intended to apply to timber or crops, the full value of which is to be used in determining the limitation of authority. Recommendations for acceptance of counteroffers which are considered reasonable but which cannot be accepted by the Engineering Field Division within the limitations of the delegated authority set forth above will be submitted to NAVFACENGCOM for consideration. The submission will consist of the forwarding correspondence and the Negotiator's Report together with any additional material needed to support the recommendation. A signed copy of the Agreement for Purchase of Real Property or a written statement from the owner setting forth his offer and a copy of all appraisal reports with review attached must be submitted to support the recommendation.

6. DISQUALIFICATION OF NEGOTIATORS.

Any interest in a parcel included in an acquisition project or relationship to the owner of any such parcel will disqualify a negotiator as to that particular project. Any interest held in a corporation owning lands or interest in lands within an acquisition project will disqualify a negotiator as to negotiations with that particular corporation.

7. INSTRUCTIONS TO NEGOTIATOR.

Prior to initiating negotiations with owners and tenants, the Director of the Real Estate Division will provide the negotiator with instructions with respect to negotiations to be conducted in connection with the specific land acquisition project under consideration. He will instruct the negotiator that he is not under compulsion to obtain agreements for the purchase of real property. He will establish a reasonable time within which negotiations must be completed and establish an amount to be considered just compensation for inclusion in the statement to the owner, see Appendix 8-A. The amount estimated as just compensation will never be less than the approved appraised value and except in an extraordinary case will the amount exceed such approved appraised value. The Director of the Real Estate Division will issue specific instructions concerning generally acceptable reservations on the part of the owner such as the right to harvest crops, remove improvements, and the time during which he may retain possession.

8. APPRAISALS AND TITLE EVIDENCE.

It is the responsibility of the Director of the Real Estate Division to review with the negotiator, the staff reviewing appraiser and with such other personnel as he considers necessary all the appraisals obtained. At this time any questions concerning the suitability of the appraisals will be resolved. Title evidence will also be reviewed by the Director of the Real Estate Division with the negotiator, Counsel for the Engineering Field Division and other personnel where necessary to deter-

mine the exact status of the title and parties in interest with whom negotiations must be conducted. The Land Planning Report sets forth the interests which must be acquired and those which can be excepted without interference with the purposes for which the property is being acquired by the Government. Any deviation from the estates approved in the Land Planning Report must be consistent with the interests stated in the DD Form 1391 as enacted by Congress. Exceptions or reservations of rights which the vendor may retain without interfering with the construction or operation of the project will be set forth in the Agreement for Purchase of Real Property. Any other outstanding rights, subject to which the Government is acquiring title, held by third parties, will also be set forth in the Agreement for Purchase of Real Property.

9. INSPECTION OF THE PROPERTY.

The Negotiator will make a physical inspection of the parcel, the negotiation of which he has been assigned, with the consent or preferably in the presence of the owner or his designated representative, to assure that the appraisal covers the exact property to be acquired, that improvements have not been removed or destroyed and nothing has occurred to enhance or decrease the value of the real property since the date the property was appraised. This requirement can be waived by the Director of the Real Estate Division on small unimproved tracts where negotiation will be by telephone or mail or in such other cases warranted by the facts. The Negotiator shall, upon completion of his inspection, file a written report to the Director of the Real Estate Division showing the results thereof. This report will also include a statement concerning any evidence of possession not disclosed by either the appraisal reports or by the title evidence. A negative report by the negotiator on the results of his inspection is required. In the event that the inspection discloses that the improvements had been removed or destroyed or that something has occurred to enhance the value of the real property such as the construction of additional improvements, the Director of the Real Estate Division will obtain a new or revised appraisal or appraisals. In the event that the inspection discloses an error in the appraisal report with regard to the number and type of improvements or in the physical characteristics of the land, the Director of the Real Estate Division will have the reviewing appraiser contact the appraiser to correct the error or oversight prior to initiation of negotiations.

10. COORDINATION WITH OTHER EPD AND NAVY COMPONENTS.

The Director of the Real Estate Division and the negotiator will coordinate their plans for negotiations with other components of the Engineering Field Division and Navy as required to the end that construction schedules may be determined and dates established on which owners and/or the tenants must surrender possession to the Government. They will also determine whether any of the improvements located on the land are

required by the Government in order that the negotiator will not permit the reservation to the owners for offsite removal of any improvements required by the Government. A like determination must be obtained prior to allowing the reservation of any rights to remove timber or minerals from the land to be acquired.

11. CONDUCT OF NEGOTIATIONS.

After all preliminary steps have been taken, the negotiator will contact the owner to commence negotiations. At that time, the negotiator will furnish the owner a statement substantially in accordance with Appendix 8-A setting forth the initial offer. In the event the initial contact is by telephone due to time or distance considerations, the owner will be advised that he will be furnished this statement by mail. The negotiator should explain to the owner the Government's requirement for the land, the amount of land required, the estate(s) to be acquired and the terms and conditions of the Government's purchase agreement form. The Negotiator's Report will contain a statement that the owner was so advised of the above items. He should furnish the owner a copy of a map indicating the boundaries of that portion of his land to be acquired, where the entire ownership is not being acquired or where different estates are being acquired in the same ownership specifying the estate in each area. Negotiations will be conducted in a fair and courteous manner and the Negotiator must not resort to coercion or threats of condemnation proceedings. The Negotiator will advise owners and tenants of possible benefits to them under resettlement procedures and inform them that written notification thereof will be provided at the time of acquisition either by purchase or condemnation. The negotiator will make a notation on the Negotiator's Report to the effect that he has so informed the owner and/or tenants as to the provisions of Public Law 91-646. The possibility of receipt of benefits under this legislation will not be used in bargaining for the purchase or lease of real property or in attempting to effect settlement of condemnation proceedings. When more than one parcel is operated by the owner as a unit, the appraisal and negotiations should treat the parcels as a unit. Values for parcels which are in the same ownership but which are not operated as a unit, unless the owner desires otherwise, should be negotiated separately on the basis of separate appraisals which would be prepared in this type of case. The limitations of authority to accept counteroffers as set forth in paragraph 5 on page 8-2, will be applied to the entire transaction. Where a satisfactory agreement cannot be reached after full consideration of all the reasonable counteroffers received, action will be taken to acquire the property by a condemnation proceeding, including the filing of a Declaration of Taking in order to make funds available to the owner and to maintain the acquisition schedule.

12. OWNER'S EXPENSE.

The Negotiator will explain to the owner what sums out of the agreed purchase price will be paid to him and what further expense he will have to incur to complete the conveyance. To this end the owner should comprehend fully his obligation to discharge all liens and other legal encumbrances against the property and what items are reimbursable by the Government.

13. SURRENDER OF POSSESSION TO THE GOVERNMENT.

It is the policy of the Navy to plan its requirements for possession of real property to allow owners adequate time, consistent with military requirements, to accomplish an orderly vacation of the property and in the case of farm lands, maximum opportunity to harvest growing crops. Normally, possession will be surrendered to the United States at the time the deed of conveyance is delivered to the Government and the purchase price is paid to the Vendor, provided that the 90-day notice required by Public Law 91-646, with respect to the types of properties identified in paragraph 2, was issued in time to support a request for possession at the time of closing of title. An exception to this rule of immediate possession at closing may be granted to permit an owner or his tenant to remain in possession for a reasonable period for the purpose of harvesting of growing crops, provided that military requirements can be met. In all other cases the outleasing procedures will be followed to cover the period of possession reserved by the owner for his use and benefit.

14. RESERVATIONS AND OUTSTANDING RIGHTS IN THIRD PARTIES.

a. Use of Terms. When the Government is acquiring title subject to outstanding rights, the Agreement for Purchase of Real Property will differentiate between (1) rights which third parties have acquired in the past, generally referred to as outstanding rights in third parties and, (2) rights which the Vendor is reserving and which are created for the first time. Rights outstanding in third parties, other than those specified in Paragraph 9(a) of the general provisions of the Agreement For Purchase (Appendix 8-C) will be set forth in a numbered attachment to the agreement. Reservations of rights which the Vendor may retain without interfering with the construction or operation of the project will also be set forth in a numbered attachment to the Agreement For Purchase.

b. Exception or Reservation of Subsurface Rights. At the time the real property acquisition is approved by NAVFACENGCOM, a determination will have been made as to whether subsurface rights will be acquired, excepted or reserved. Negotiations will be based upon such approval and will be conducted in accordance with procedures outlined hereinafter. Any deviation from the approved exceptions and estates must be reviewed by EFD/EFA counsel for legal sufficiency.

c. Acquisition Subject to Public Highways, Roads, and Utilities. Agreements for the Purchase of Real Property will be taken subject to outstanding rights for public highways, roads, power lines, pipelines and other utilities. If it is determined that the existence of any of the above will interfere with the Government's use of the real property, they will be relocated or extinguished as provided in Chapter 3.

d. Reservation or Exceptions of Crops, Timber and Buildings. Reservations or exceptions of crops, timber, buildings and other improvements together with the right to remove same during a specified period will not be permitted without the express approval of the Activity Commander.

e. Restrictions on Reservations or Exceptions. Agreements for the purchase of real property will not be negotiated containing reservations or exceptions by owners or subject to outstanding rights by third parties which may interfere with the use of the land for the purpose for which it is being acquired. In no case will an agreement for purchase be negotiated in which a former owner excepts or reserves the right to repurchase the property or undertakes to convey subject to such rights in a third party.

f. Reservation of Growing Crops. The reservation of growing crops is encouraged in order to avoid waste and to conserve funds whenever there is a possibility that possession of real property will not be required prior to the harvest season. Where a reservation of growing crops is permitted, the following clause will be inserted in the agreement: "Excepting and reserving to the Vendor the right to harvest all of the growing crops located on the above described land on or before _____". In the event the crops are not harvested on or before said date, the right of removal shall terminate and the United States shall have title to said crops, without notice to the Vendor. In the event the Government requires possession prior to said date, the compensation based on the value of the crops on the date the Government takes possession will be paid to the Vendors." Normally the appraisal prepared on the property will not include an estimate of the fair market value of the growing crops. In the event the appraisal does include an estimate of the value of the growing crops, negotiations will be conducted on the basis that the consideration to the Government for the reservation of growing crops will be an amount not less than the appraised value of such crops and such amount will be deducted from the purchase price at the time of preparation and execution of the Agreement for Purchase.

g. Tenants Interest in Growing Crops. Every effort will be made to have the owner and tenant agree as to the value of the tenant's interest and an appropriate document showing such an agreement will be obtained disclosing that both agree to the payment of the tenant's interest from the purchase price to be paid for the real property. This pro-

cedure will not only protect the tenant but also provide a method for extinguishing rights which the Government is legally bound to recognize. Where a tenant wishes to reserve crops, both the owner and tenant must agree to the amount to be deducted from the purchase price for such reservation if the value of such crops are included in the appraisal as set forth above. If the appraisal does not include the value of the growing crops no monetary consideration need be shown for this reservation.

h. Reservation of Buildings and Improvements. Buildings and improvements, with the right to remove them, may be reserved by the Vendors where the Activity Commander has determined that they will not be needed for project purposes. The consideration to the Government for the reservation must be not less than the appraised salvage value thereof. Such amount will be deducted from the purchase price at the time of preparation and execution of the Agreement for Purchase of Real Property. Where a reservation of buildings and improvements is permitted the following clause will be inserted in the Agreement for Purchase of Real Property: "Excepting and reserving to the Vendor the right to remove (description of buildings and improvements taken from the appraisal report) on or before _____. In the event that said buildings and improvements are not removed on or before said date, the right of removal shall terminate and the United States shall have a good and indefeasible title to said buildings and improvements, without notice to the Vendor. In the event the Government requires possession prior to said date, compensation based on the appraised value of said buildings and improvements will be paid to the Vendor."

i. Removal of Buildings, Improvements, Crops after Acceptance of Agreement for Purchase. If owners make known the desire to remove buildings or improvements or to harvest crops after an Agreement for Purchase of Real Property has been accepted on behalf of the Government, but prior to closing of title, the agreement may be modified if it is in the best interest to the Government to do so.

15. ACQUISITION OF MINERAL INTEREST.

Where it is determined that the mineral interest of the owner or the interest outstanding in third parties must be acquired or extinguished, arrangements therefor will be made during negotiations. If the owners of the surface and subsurface are agreeable, the separate interests can be acquired in a single transaction through the use of an appropriate provision in the agreement for purchase. If this method is used, the purchase price in the agreement for the purchase will cover both interests, the surface and subsurface interests.

16. SURFACE AND SUBSURFACE RIGHTS ACQUIRED SEPARATELY.

When the owners of surface and subsurface rights are not agreeable to acquisition by a single transaction as set forth in paragraph 15,

title to the surface rights and the subsurface rights outstanding in third parties may be acquired as separate transactions. The Agreement for Purchase of Real Property for the acquisition of the surface estate will provide for the conveyance of all interest of the owner in and to the subsurface interest and will be made "subject to" the subsurface rights outstanding in third parties. In these cases, the approved appraised value of the outstanding subsurface rights will be deducted from the total appraised value of the parcel. If an acceptable agreement with either the owner of the surface or subsurface interests can be reached, that interest will be acquired by direct purchase. The remaining interest either surface or subsurface will then be acquired either by direct purchase or by condemnation.

17. RELINQUISHMENT OR LIMITATION ON THE RIGHT TO EXPLORE AND DEVELOP.

In cases where it is decided that mineral rights are not to be acquired and it is found that exercise of such mineral rights will interfere with the purposes for which the real property is being acquired, an agreement must be reached with the owner of such rights whereby he relinquishes all rights to enter upon the real property and all rights to explore, develop or remove the minerals therefrom. This right will be reserved only where it is to the financial advantage of the Government, otherwise those rights will be acquired either separately or jointly with the surface as set forth above. If it is found that such mineral rights can be exercised or the minerals can be removed by slant drilling without interference with the purposes for which the real property is being acquired, then an agreement may be made with the owner of such rights defining the terms and conditions under which such rights may be exercised.

18. RESERVATION OR EXCEPTION OF TIMBER.

The reservation of timber by Vendors or the acquisition of land subject to timber deeds or leases will be permitted only with the express approval of the Activity Commander and as set forth in the approved Land Planning Report. Wherever there is timber present in merchantable size and quantity, the appraisal report will show the value of the timber as a separate item. The deduction for the reservation of timber or for a timber deed or lease which is to remain outstanding will be based on the appraised value of the timber. Reservations of timber will be handled in substantially the same manner as that prescribed for the reservation of buildings and improvements. Where a reservation of timber is permitted the following clause will be inserted in the Agreement for Purchase of Real Property: "Excepting and reserving to the Vendor the right to cut and remove on or before _____, all timber in accordance with the Disposal Plan attached hereto. In the event the timber is not removed on or before said date the right of removal shall terminate and

the Government shall have title to said timber without notice to the Vendor. In the event the Government requires possession prior to said date, compensation based on the appraised value of the remaining timber will be paid to the Vendor."

19. ACQUISITION OF TENANT'S INTEREST IN IMPROVEMENTS.

Public Law 91-646 requires that in the acquisition of any interest in real property, at least a like interest will be acquired in all buildings, structures or other improvements located upon the real property. In the event the buildings, structures or other improvements located on land to be acquired are owned by a tenant, every effort will be made to have the owner and tenant agree as to the value of the tenant's interest and an appropriate document showing such agreement will be obtained disclosing that both agree to the payment of the tenant's interest from the purchase price to be paid for the property. In the event an agreement cannot be reached with both the owner and tenant, the property will be acquired by condemnation.

20. REPORT OF THE NEGOTIATOR.

The negotiator will, in all cases, make a complete written record of the negotiations with respect to each parcel or ownership as appropriate by means of a Negotiator's Report (Appendix 8-B). This record will state the chronological history of negotiations together with all elements considered in evaluating the owners final counteroffer, the recommendation for acceptance or rejection of the counteroffer and the justification for such recommendation. In the event it is necessary to acquire property through condemnation, copies of these reports will be included in the condemnation assembly to be submitted to NAVFACENCOM.

21. PREPARATION AND EXECUTION OF AGREEMENT FOR PURCHASE OF REAL PROPERTY.

a. Form of Agreement to be Used. NAVFAC 11011/14 (Rev. 7-71) "Agreement for Purchase of Real Property" (Appendix 8-C) is required in all fee acquisitions.

b. Preparation of Agreement for Purchase of Real Property. Directions for the preparation of Agreements for Purchase of Real Property, printed on the form will be followed. Particular attention to the following is required:

(1) Changes or inter-delineations in the printed portions of the Agreement for Purchase are not permitted unless approved and initialed by Counsel of the Engineering Field Division.

(2) The description of the land contained in the Agreement for Purchase will be prepared in accordance with the requirement of Chapter 3.

(3) Attention is directed to paragraph 14 regarding exceptions and reservations and outstanding rights in third parties. No exceptions or reservations of any interests will be incorporated in any Agreement for Purchase unless contained in the approved Land Planning Report or subsequently reviewed by local EFD/EFA counsel for legal sufficiency.

(4) In any case where it is considered necessary to deviate from NAVFAC 11011/14 the proposed Agreement for Purchase of Real Property will be reviewed by local EFD/EFA counsel for legal sufficiency.

c. Execution of Agreement for Purchase.

(1) The Vendor's name will be set forth in the Agreement for Purchase of Real Property in the exact way in which it appears on record and his marital status will be shown. The Vendor and spouse, if any, will be required to sign the original of the Agreement for Purchase of Real Property and two copies.

(2) Agreements for Purchase of Real Property executed by a corporation, fiduciary or any person other than an individual owner must have attached to the original and each copy of the Agreement for Purchase of Real Property satisfactory evidence of the authority to act for the owner.

(3) Extra sheets may be attached to the Agreement for Purchase of Real Property in order to include a full and accurate legal description or terms and conditions of the Agreement with respect to reservations, exceptions or outstanding rights in third parties. These additional sheets must be securely attached, identified and initialed by all parties signing the Agreement.

(4) The name and address of the person or persons to whom notice of acceptance is to be sent must be accurately stated in the Agreement. In addition, the address where the land owner can be located after he vacates the property should be obtained if different from the address to which the notice is to be sent.

d. NF(R) Contract Number and Accounting Data. The appropriate NF(R) Contract Number and Accounting data must be shown on the original and each copy of NAVFAC 11011/14 (Rev 7-71), "Agreement for Purchase of Real Property", "Notice of Exercise of Option to Purchase Real Property", and Agreement for the Purchase of easements, except that accounting data need not be shown on the Vendor's copy.

e. Acceptance of Agreements for Purchase of Real Property. After the enactment of the authorization and appropriation legislation and receipt of all approvals, NAVFACENGCOM will allocate funds to the Engineering Field Division for acquisition of the real estate chargeable to the specific program assignment. The EFD will then execute "Agreement for Purchase of Real Property", NAVFAC 11011/14, or execute a "Notice of Exercise of Option to Purchase Real Property".

f. Distribution of Accepted Agreements for Purchase. When "Agreement for Purchase of Real Property" and agreements for purchase of easements have been fully executed, distribution will be made by the Engineer-

ing Field Division as follows:

Signed Original	EFD Files
Signed Copy	Vendor
Signed Copy	NRFC Washington, DC
Conformed Copy	NAVFACENGCOM
Conformed Copy	Local NRFC (with daily report of obligation)
Conformed Copy	Command or Bureau

Additional copies of the Agreement for Purchase may be made and distributed to meet local requirements. Distribution of the signed copy to the Vendor shall be accomplished by certified mail which will also include, if appropriate, the forms necessary in connection with the processing of claims under Chapter 12.

8. Cancellation of Agreements. If, during the course of an acquisition, it becomes necessary to cancel an agreement after acceptance by the Government or after the exercise of an option, a form of agreement will be prepared in the Engineering Field Division containing a mutual release of all of the obligations of the parties to the agreement and without the payment of consideration therefor. Upon execution of this agreement by the parties, distribution thereof will be made in the same manner as in the case of the distribution of accepted Agreements for the Purchase of Real Property.

22. ACQUISITION OF LAND BY DONATION.

In cases where the acquisition of real property by donation has been authorized and approved, an Agreement for Purchase of Real Property or other form of appropriate agreement, will be entered into setting forth the terms and conditions of the donation and conveyance to the United States. Title clearance and closing of donation cases are processed in the same manner as any other fee or easement acquisition.

23. AVAILABILITY OF FORMS.

NAVFAC 11011/20 (9-71) may be obtained by addressing a request to the Commander, Naval Facilities Engineering Command (20R). NAVFAC 11011/14 (7-71) may be requisitioned from the Naval Publications and Forms Center, Philadelphia, Pennsylvania under stock number 0105-LF-002-5611.

APPENDIX A

Statement Pursuant to Public Law 91-646

1. Owner:
2. Parcel No.:

Public Law 91-646, the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 provides in part that each owner of property to be acquired by the Government be furnished a written statement of, and summary of the basis for, the amount established as just compensation.

Under established law the criteria for just compensation is fair market value which is defined as:

"The amount in cash, or on terms reasonably equivalent to cash, for which in all probability the property would be sold by a knowledgeable owner willing but not obligated to sell to a knowledgeable purchaser who desires but is not obligated to buy. In ascertaining that figure, consideration should be given to all matters that might be brought forward and reasonably be given substantial weight in bargaining by persons of ordinary prudence, but no consideration whatever should be given to matters not affecting market value."

In preparing the appraisal the appraiser considered the highest and best use for which the property was adapted. His conclusion was that the highest and best use of your property was for _____ purposes.

(If appropriate) The law is well established that if only a part of the property is taken the just compensation must include not only the value of the part taken, but also any diminution in the value of the remainder caused by its severance from, and the use to be made of, the part taken. (If appropriate) It is well established that the law permits offsetting benefits, in partial takings, that are due to a public project. Benefits to the remaining property because of a public improvement are deductible from the entire compensation for the acquisition to the extent that they actually increase the market value of the remaining property immediately after the acquisition.

Your property has been appraised by (an independent contract appraiser(s)) and/or (a staff appraiser(s) who is(are) well qualified to prepare the appraisal(s). He(they) is(are) knowledgeable of local real estate market conditions and has(have) made a thorough investigation of sales of comparable properties. The appraisal(s) has(have) been reviewed by qualified staff personnel. Based upon all factors, the amount established as just compensation for the purchase of your property is \$_____.

(If appropriate) Enclosure (1) is a summary of the appraised value for your information.

	Project
	Parcel
Value Before (Entire Property)	\$
Value After (Remainder)	\$
Value of Acquisition	\$

Broken down as follows:

Value of part taken	\$
Severance Damages	\$

Total

APPENDIX B

NEGOTIATOR'S REPORT

NAVYAC 11011/20 (7-71)

1. PROJECT NUMBER	NAME AND LOCATION OF ACTIVITY				
2. PARCEL NUMBER(S)	ACREAGE	ESTATE			
3. NAME AND ADDRESS OF OWNER(S)					
4. APPRAISALS					
	Conducted By	Date	Base	Value	5. GOVERNMENT'S INITIAL OFFER \$
	() EPD () Contract			\$	
	() EPD () Contract			\$	
	() EPD () Contract			\$	
APPROVED APPRAISED VALUE -- \$					
6. RESUME OF NEGOTIATIONS (Date, Time, Place and With Whom)					

(Continue on separate sheet)

7. RECOMMENDATIONS			
7.A. NEGOTIATOR	Signature	Title	Date
7.B. DIRECTOR OF REAL ESTATE	Signature	Title	Date

**APPENDIX C
AGREEMENT FOR PURCHASE
OF REAL PROPERTY**

AGREEMENT by and between

hereinafter called the "Vendor," and the United States of America, hereinafter called the "Government."

THE VENDOR AGREES TO SELL, AND THE GOVERNMENT AGREES TO PURCHASE, for the consideration of _____ dollars (\$ _____) the land described below, together with the buildings and improvements located thereon and all rights, easements and appurtenances thereto belonging, subject to the terms, conditions, and general provisions set forth on this page and on the reverse side hereof and to the additional provisions, if any, incorporated herein by attachment or reference as set forth below.

1. LOCATION AND DESCRIPTION OF PROPERTY:

2. RIGHTS OUTSTANDING IN THIRD PARTIES OTHER THAN SPECIFIED IN PARAGRAPH 1(a) OF THE GENERAL PROVISIONS:

None Described in Attachment No. _____

3. RIGHTS RESERVED BY VENDOR:

None Described in Attachment No. _____

4. The Vendor agrees to give the Government possession of said property upon payment of the purchase price. If the property is improved by an occupied dwelling, or a business or farm operation, and the vendor has not had ninety (90) days full written notice to vacate on the date of payment of the purchase price, the vendor may, at his option, remain in possession until the full ninety (90) days have expired. If possession is to be delivered upon other than the date of payment of the purchase price, or not as provided in the preceding sentence, provision therefor shall be made in the form of an attachment to this Agreement.

5. The executed copy of this agreement, or notice of execution thereof, shall be sent to the Vendor at the following address:

6. EXECUTION BY VENDOR (See item 6 of Directional)

IF VENDOR IS A CORPORATION, CERTIFICATION BY SECRETARY OR ASSISTANT SECRETARY:

I certify that the person who signed this agreement on behalf of the Vendor was then the Officer indicated and this agreement was duly signed for and in behalf of said Corporation by authority of its governing body and is within the scope of its corporate powers.

NAME _____
 TITLE _____ SIGNATURE _____ DATE _____

7. EXECUTION FOR AND ON BEHALF OF THE GOVERNMENT

BY _____ (Contracting Officer) _____ (Name) _____ (Address)

8A. NAME AND ADDRESS OF NAVAL ACTIVITY		8B. NAVY IDENTIFICATION AND ACCOUNTING DATA					
		8B. LOCAL GOVERNMENT REPRESENTATIVE (Name and Address)					
8C. PAYMENT TO BE MADE BY (Agency and address)		8D. PARCEL NO.		8E. CONTRACT NO. (NFI)			
APPROPRIATION SYMBOL AND NUMBER	OBJECT CLASS	BUREAU CONTROL OR UC	AUTH. ACCTG. ACTIVITY	TYPE	PROPERTY ACCTG. ACTY	COST CODE	AMOUNT

NAVY FORM 130 (Rev. 1-72)
 GPO 500-000-001

B. GENERAL PROVISIONS

4. PAYMENT AND CONVEYANCE. The purchase price for real property shall be paid when the Government has had a reasonable time to secure and examine the title evidence for real property and to obtain the necessary approval of sale, provided that the Vendor executes and delivers to the Government a good and sufficient general warranty deed conveying said property to the Government as for single with the rights, easements and appurtenances thereto belonging, free from all liens and encumbrances, and equivalent to the Government and its assigns of right, title or interest which the Vendor may have in the lands, tenements, and hereditaments of any nature appurtenant or incident to the land, and in any other roads, streets, ways, alleys, easements, or other rights of way abutting or adjoining said property, and in any easements of appurtenance and appurtenances thereto, and conveyance to be subject only to outstanding public utility easements of record and outstanding easements for public roads, and ways, and such other outstanding rights and easements as may be set forth under 2 and 3 above. Conveyance by deed, excepted easements, Easements, and general zoning safety as a representative capacity and not execute general warranty easements of otherwise acceptable and satisfactory to the Government.

5. PREPARATION OF DEED. The Government agrees to defray the expense incident to the preparation of the deed to the Government and the abstract or certification of title, provided, however, that the Vendor will deliver to the representatives of the Government any abstracts, certificates of title or statements of title available to the Vendor or in his possession.

6. LIENS. The Vendor agrees that all taxes, assessments, and encumbrances which are a lien against the property at the time of conveyance to the Government shall be satisfied by the Vendor prior to or at the time of transfer of title and, if the Vendor fails to do so, the Government may pay any taxes, assessments, and encumbrances which are a lien against the property and deduct such payments from the purchase price. However, the Government agrees to pay all recording fees, transfer taxes and similar expenses incident to conveying the property to the Government, if payable as a consequence to the Government. The Government also agrees to pay or reimburse the Vendor the pro rata portion of taxes and assessments which are allocable to a parcel subsequent to the date of closing sale to the Government, or the effective date of possession, whichever is earlier. However, the Government shall not pay any such reimbursement if such taxes and assessments are satisfied by State law upon expiration by the Government.

7. LOSS OR DAMAGE. The Vendor agrees that loss or damage to the property shall be at the risk of the Vendor until the deed conveying title to the Government has been accepted by the Government through its duly authorized representatives, or until the Government has taken possession of the property as hereinafter provided, and in the event that such loss or damage occurs, the Government may, without liability, refuse to accept conveyance of title, or if it may want to accept conveyance of title to such property, it shall not there shall be an equitable adjustment of the purchase price.

8. CONDEMNATION. The Vendor agrees that the Government may, at its election, acquire title to real property or any portion thereof or any interest therein, by condemnation or other judicial proceedings, in which event the Vendor agrees to cooperate with the Government in the prosecution of such proceedings, and also agrees that the proceeds of any condemnation award shall be the full amount of the award of just compensation exclusive of interest for the taking of real property and that any and all awards of just compensation that may be made in the proceeding for any disturbance for any other interests in the property, shall be payable and deductible from the net proceeds, and that such easements shall also be in full satisfaction of any and all claims of the Vendor for proceeds for the proceeds provided for hereunder.

9. DESCRIPTION. The above description of the property is subject to such modifications as may be necessary to conform to the survey (if any) made by the agent of the Government.

10. OFFICIALS NOT TO BENEFIT. No Member of or Delegate to Congress, or Resident Commissioner, shall be admitted to any share or part of the agreement or in any benefit that may arise therefrom, but this provision shall not be construed to extend to the agreement if made with a corporation for its general benefit.

11. GRATUITIES. (1) The Government may, by written notice to the Vendor, waive the right of the Vendor to proceed under this agreement if it is found, after notice and hearing, by the Secretary of the Navy or his duly authorized representatives, that gratuities (in the form of entertainment, gifts, or otherwise) may be offered or given by the Vendor, or any agent or representative of the Vendor, to any officer or employee of the Government with a view toward securing the agreement or causing favorable treatment with respect to the providing or amending or the making of any determination with respect to the performance of such agreement; provided, that the existence of the facts upon which the Secretary or his duly authorized representatives makes such findings shall be in issue and may be proved in any subsequent court.

(2) In the event this agreement is terminated as provided in Paragraph (1) hereof, the Government shall be entitled (i) to pursue the same remedies against the Vendor as it could pursue in the event of a breach of the contract by the Vendor, and (ii) as a priority in addition to any other damages to which it may be entitled by law, to exemplary damages in an amount (as determined by the Secretary or his duly authorized representatives) which shall be not less than three nor more than ten times the costs incurred by the Vendor in providing any such gratuity to any such officer or employee.

(3) The rights and remedies of the Government provided in this clause shall not be exclusive and are in addition to any other rights and remedies provided by law or under this agreement.

12. COVENANT AGAINST CONTINGENT FEE. The Vendor warrants that no person or selling agency has been employed or retained to solicit or secure this agreement upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting fees paid employees or bona fide established commercial or selling agencies maintained by the Vendor for the purpose of carrying business. For breach or violation of this warranty the Government shall have the right to void this agreement without liability or as an offset to deduct from the purchase price the full amount of such commission, percentage, brokerage, or contingent fee. The Government agrees that this covenant shall not apply to licensed real estate agents performing their normal functions.

13. REMEDY. Whichever the contract thereof requires, the complete remedy as set forth herein shall be read as final.

14. REPRESENTATIONS. All terms and conditions with respect to this agreement of purchase are expressly assumed herein and the Vendor agrees that no representative or agent of the Government has made any representation or promise with respect thereto not expressly contained herein.

15. ADDITIONAL PROVISIONS. Additional provisions incorporated by amendment or reference and forming a part of this agreement:

DIRECTIONS FOR PREPARATION

IDENTIFICATION OF VENDORS: The Vendor or Vendors shall each be identified by name in the opening paragraph of the Purchase Agreement, as follows:

If the Vendor is an individual, as

John Doe, unmarried

If the Vendor is married, or the property is owned by husband and wife, as

John Doe and Mary Doe, his wife

If the Vendor is a partnership, the names of all the partners of the partnership must be included in the opening paragraph, with the names of their wives, if any, except as here stated in which a partnership is authorized by statute to hold and convey title to real property. In the latter case the name of the partnership only need be set forth.

If the Vendor is a private corporation, as

XYZ, a corporation organized and doing business under the laws of _____

If the Vendor is a public corporation the name of the public corporation is to be set forth.

Whenever possible the name of the Vendor should be the name as appears on the title returns.

PAYMENT: In the second paragraph of the Purchase Agreement insert the amount of the purchase price to be paid for the property.

ITEM 1. LOCATION AND DESCRIPTION OF PROPERTY. Insert a full name and benefit, or other legal description, conforming whenever possible to the deed by which the Vendor acquired title. If space provided for description is not sufficient, set forth description in an attachment properly numbered and identified, and list the attachment under paragraph "T" of the General Provisions.

ITEM 2. RIGHTS OUTSTANDING IN THIRD PARTIES OTHER THAN SPECIFIED IN PARAGRAPH (a) OF THE GENERAL PROVISIONS. If there are no rights existing in third parties, other than outstanding public utility easements of record and outstanding easements for public roads and ways, or no such rights other than those specified, that the Vendor desires that the Government acquire the property subject to, check the first box. If there are rights of the kind indicated that the Vendor desires the Government to acquire the property subject to, check the second box; set forth such rights as an attachment properly numbered and identified and list the attachment under paragraph "T" of the General Provisions. DL, gas, mineral and other kinds of leases are examples of rights existing in third parties.

ITEM 3. RIGHTS RESERVED BY VENDOR. If no rights are reserved by the Vendor check the first box. If rights are reserved by Vendor check the second box; set forth the rights reserved in an attachment properly numbered and identified and list the attachment under paragraph "T" of the General Provisions. The right to receive water, crops and seasonally easements are examples of rights that may be reserved by the Vendor.

ITEM 4. Add attachment as required.

ITEM 5. Insert address as provided.

ITEM 6. EXECUTION BY VENDOR. Execution of the Purchase Agreement on behalf of the Vendor, will be by the person whose name appears in the opening paragraph, except in the case of a corporation or a partnership authorized by statute to hold and convey title to real property. Execution for corporations, and partnerships authorized by statute to hold and convey title to real property, will be by the official duly authorized to do so, and will be in the following manner:

XYZ Corporation
By: _____
Name and Title

XYZ Partnership
By: _____
Name and Title

In the case of a private corporation the authority of the corporate official to execute the Purchase Agreement will be attested by the Secretary or Assistant Secretary of the Corporation at the place provided in the Purchase Agreement, following the corporate official's signature. In the case of public and private corporations, a certified copy of the resolution of the proper corporate body, authorizing the execution of the United States is to be obtained; and in the case of a partnership authorized by statute to hold and convey real property similar proof of authorization, or well as proof of authority of the partnership official to act as its agent, is to be obtained. The execution by or on behalf of the Vendor shall be witnessed, or acknowledged if required by local law and the date of execution stated.

ITEM 7. EXECUTION FOR AND ON BEHALF OF THE GOVERNMENT. Execution on behalf of the United States is to be by the contracting officer authorized to do so and is to be witnessed.

ITEM 8. Self-attestatory.

ITEM 9. GENERAL PROVISIONS. It is understood that there will be little or no necessity for making changes in the General Provisions. However, any changes required in specific sections shall be approved and attested by Counsel for the EFD. Any additional provisions to be incorporated by attachment or reference in order to form a part of the Agreement, must be listed under paragraph "T" of the General Provisions.