

ACQUISITION AND RELOCATION MANUAL



TRANSPORTATION DEVELOPMENT DIVISION
RIGHT OF WAY BUREAU

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1. ACQUISITION UNIT POLICIES

Acquisition Process



1.1 PURPOSE

The purpose of this chapter is to identify, in broad terms, the most important policies of the Acquisition Unit, as well as to briefly discuss how these policies are implemented.

1.2 ACQUISITION UNIT FUNCTION

The primary function of the Acquisition Unit is to acquire real property by negotiated settlement.

Acquisition of real property is authorized by Iowa Code (IC) § 6A.5. This section authorizes the Iowa Department of Transportation (Iowa DOT) to acquire real property at its fair market value from parties having legal authority to convey such rights as would be acquired by condemnation. Real property is acquired on a uniform, equitable, and nondiscriminatory basis without regard to an owner or tenant's ethnicity, creed, religion, gender, age, or national origin.

It is the purpose of the Acquisition Unit to ensure that the owner or tenant receives the monetary compensation to which they are entitled and assure the people of the state of Iowa that such compensation is fair and just.

1.3 JUST COMPENSATION

The Iowa Constitution requires the payment of just compensation when private property is acquired for public use. As interpreted by the courts, the normal measure of just compensation is fair market value. Fair market value is defined as the cash price arrived at between a voluntary seller that is willing, but not compelled, to sell and a voluntary purchaser that is willing, but not compelled, to buy, both of whom are acting freely, intelligently, at arm's length, and are bargaining in the open market. **The amount the acquisition agent offers as just compensation for the property is not less than the amount of the approved appraisal.** When an acquisition agent calls on a property owner, the agent can answer questions concerning the highway project and issues affecting the property.

1.4 NEGOTIATED AGREEMENT

In most cases, a purchase agreement regarding the purchase price is reached through negotiation. Although the state is not allowed to offer an amount less than fair market value for a property, there may be particular circumstances or conditions that warrant the state presenting a Revised Offer to Purchase. After agreed-upon terms are reached, the property owner signs a purchase

agreement and applicable conveyance documents. The Right of Way Bureau accepts the purchase agreement for the Iowa DOT after the terms have been approved by the Right of Way director. Purchase agreements with the Iowa DOT are in writing. There is no agreement to perform or to not perform any act except as specifically provided for in the written purchase agreement.

1.5 NOTICE TO MOVE

If it is necessary for people to move from property the state acquires, they are given reasonable time to move. **They are not required to move sooner than 90 days after the state makes the first offer to acquire the property or 90 days from the date that comparable replacement housing is offered, whichever is later.** The Iowa DOT must give a written notice specifying the date the property must be vacated at least 30 days before the date the move must be completed. The 30-Day Notice is not issued until the property owner has received payment from the state, or, in the case of condemnation, until the state has deposited the money with the county sheriff, as prescribed by law.

1.6 TIMELY PAYMENT

After the purchase agreement has been approved, a title and closing agent arranges to pay the property owner as soon as possible in accord with the terms of the purchase agreement. The owner may request early payment by contacting the Title and Closing Unit, Right of Way Bureau, Iowa Department of Transportation, 800 Lincoln Way, Ames, IA 50010-6993. A Form W-9 must be provided to the Iowa DOT to facilitate agreed-upon payment time frames. A delay of receipt of the Form W-9 could delay payment.

The “Statement of Property Owners’ Rights” may be found below and in the booklet [Highways and Your Land](#).

The rights set out in this statement are not claimed to be a full and complete list or explanation of an owner’s rights under the law. They are derived from IC chapters 6A, 6B, and 316. For a more thorough presentation of an owner’s rights, you should refer directly to the IC or contact an attorney of your choice.

2. PRICING POLICY

2.1 PURPOSE

The purpose of this chapter is to describe some of the conditions pertaining to pricing during the acquisition process, including establishing just compensation and damage amounts. Also discussed are uneconomic remnants resulting from acquisitions, as well as what the appraisal waiver process entails and how to determine whether an acquisition is complicated or uncomplicated.

2.2 POLICY

Article I, § 18 of the Iowa Constitution requires, in part, that “private property shall not be taken for public use without just compensation first being made or secured to be made to the owner thereof.” Article I, § 18 also defines just compensation:

Just Compensation is expressed in terms of market value and states that the measure of damage is the difference between fair and reasonable market value of the remaining portion immediately after the acquisition, without consideration of any benefits to the property which may be resulted or may result in the future from the proposed improvement. Likewise in the case of total acquisition of property, fair and reasonable market value is considered as the basis for just compensation.

All real property to be acquired is valued through an appraisal process for the initiation of the negotiations that is determined to have a valuation process. The Offer to Purchase that is presented to the owner is to include the entire appraised value plus any right of way fence or other determined administrative cost the owner is entitled to. In no case is the owner offered an amount which is less than the approved appraisal of the fair market value of the property. However, if a design revision reduces the effect and/or area of the acquisition, adjustments to the appraised value may be necessary and should be reviewed with the acquisition supervisor.

If necessary, a **revised offer to purchase** may be made because of design changes, new market information, or valuation evidence obtained from the owner or acquiring agency. The parcel does not need to be appraised, rather will be valued through the [appraisal waiver process](#) when a parcel has a temporary easement or is a small, uncomplicated acquisition and no damages will occur that will not be cured by the construction. Unavoidable, temporary inconvenience during the time of construction is not considered damage in this context. **The purpose of the temporary easement purchase agreement is to obtain the owner’s permission to enter upon the property and avoid the commission of a trespass. The acquisition agent determines that no damages will be caused by construction in the field.**

IC § 6B.14 requires the owner to be paid for all compensable damages sustained by reason of the acquisition of the land and improvements. This IC section also requires the owner or tenant to be paid for any loss sustained to personal property which is damaged, destroyed, or reduced in value. For highway projects, the expenses in reference to personal property are paid as relocation assistance benefits under IC 316.

The appraisal report of properties acquired under Iowa eminent domain laws is prepared as outlined in the Right of Way Bureau’s Appraisal Operational Manual.

2.3 UNECONOMIC REMNANT

The Iowa DOT is required to offer to acquire uneconomical remnant pieces of land under IC § 6B.54(8). **The Right of Way Bureau's Appraisal Operational Manual defines an uneconomic remnant as "a parcel of real property in which the owner is left with an interest after the partial acquisition of the owner's property, and which the acquiring agency has determined has little or no value to the owner."**

A tract is considered to be an uneconomic remnant when it is not economically feasible to continue the use of this tract by itself or as part of a larger, separated remainder because of its size, shape, access, change of use, or other detrimental characteristics resulting from the acquisition.

This determination may be made during the design, appraisal, or acquisition activities of the right of way process.

The acquisition agent notifies the acquisition supervisor when a potential uneconomic remnant is found. The Right of Way director is informed and the decision regarding whether to offer to acquire the remnant is made, except when the decision would conflict with or compromise the provisions of other federal or state agencies. Approval to buy excess land is subject to clearance from the Location and Environment Bureau (LEB), which clears such things of archeological sites or other items requiring mitigation.

If a remainder or part of a remainder is determined to be an uneconomic remnant, revised property plats are furnished and placed in the electronic parcel file. The file may be returned to the Appraisal Unit for reevaluation and/or reappraisal. In some cases, the additional value may be handled by an Administrative Settlement.

2.4 RIGHT TO RENEGOTIATE CONSTRUCTION OR MAINTENANCE DAMAGE

There are instances when a property owner expresses concern about future construction damages. The following clause is standard in all purchase agreements and highlights future maintenance and construction damages:

The Buyer hereby gives notice of Seller's five-year right to renegotiate construction or maintenance damages not apparent at the time of the signing of this agreement as required by the IC § 6B.52.

The IC § 6B.52 provides:

Whenever property or an interest therein has been taken by condemnation or has been purchased for a public use and a settlement for construction or maintenance damages has been thereafter entered into pursuant to said condemnation or purchase, the owner shall have five years from the date of said settlement to renegotiate construction or maintenance damages not apparent at the time of said settlement. The condemner or purchaser shall give written notice to the owner of such right of renegotiation at the time said settlement is entered into.

Just as importantly, when owners are paid damage in the acquisition process or as a separate matter, reference to the IC § 6B.52 must be made in writing.

2.5 DISCLOSURE OF APPRAISAL INFORMATION

Details of an acquisition appraisal and the review appraiser's report are to be discussed in the negotiation process. A copy of the appraisal report and appraisal review must be mailed to the owner 10 calendar days prior to beginning negotiations.

The acquisition agent does not disclose any specific appraisal information except to the owner or their designee, neither before nor after the initial disclosure. Any party other than the owner or their designee requesting appraisal information should be directed to make a public record request, if desired, according to the Iowa DOT rules, to the Highway Division Administrator's assistant at 515-239-1124. Any member of the general public may examine the appraisal information if allowed under IC § 22.7(7).

2.6 ALTERING OF STANDARD FORMS

The acquisition agent must not alter the acquisition forms or other forms without prior approval from the acquisition supervisor.

2.7 APPRAISAL WAIVER PROCESS

The appraisal waiver process estimates fair market value through the use of an **appraisal waiver** form. The **appraisal waiver** is not an appraisal report.

The **appraisal waiver** is a document used to determine the value for simple, uncomplicated acquisitions when the need for an appraisal report is waived because compensation to the property owner is estimated to not exceed the amount defined in the rule manual titled "[Section II Uniform Manual, Real Property Acquisition and Relocation Assistance](#)" (hereinafter referred to as "rule manual"). This amount is exclusive of payments for cost of tillage, fertilizer, growing crops, agricultural right of way fence, and the legislated \$20 per lineal foot of lengthened residential driveway. Although this is not an appraisal and it is therefore not required that the estimator offer the property owner or the owner's representative an opportunity to be present during the property inspection, it is strongly recommended that the offer be made nonetheless.

Owners must be informed of their right to request an appraisal when values surpass the threshold in the rule manual. The Department elects to include the following clause in appraisal waiver purchase agreements when the amount surpasses the rule manual threshold but is still under the overall maximum threshold amount that would require an appraisal:

The transaction exceeds the appraisal waiver threshold, which is permitted under Iowa Administrative Rules.

The Seller has a right to have the proposed acquisition appraised. Seller hereby accepts compensation listed on page one of this agreement and waives their right to an appraisal.

Upon receipt of the parcel file from the Right of Way Design Section, the appraisal supervisor or designee makes a determination of whether the acquisition should be appraised or if the value should be determined through the use of the appraisal waiver process. This determination is documented by use of the **compensation estimate form**. The acquisition supervisor reviews the appraisal waiver determination form for concurrence prior to file assignment.

In order to determine whether an acquisition is uncomplicated, all of the following questions should be answered:

Is the acquisition greater than the permitted threshold defined in the rule manual?

Are trees, shrubs, or any other landscaping features involved?

Does a significant amount of the total compensation involve items other than land value?

Is the acquisition anything more than a strip acquisition?

Will the proposed right of way line be close to any building after the acquisition in a manner that would require analysis of possible proximity damages?

Is more land than is actually needed being acquired (such as a landlocked or uneconomic remnant)?

Are buildings, wells, signs, etc., affected?

Is access to the property changed or limited?

Are there any other considerations that complicate the valuing of this parcel?

Is the acquisition severing any buildings from the remainder?

Is the current highest and best use of property going to be changed as a result of the acquisition?

If the answer to any one of these questions is “yes,” the acquisition could still be considered an uncomplicated acquisition.

A single “yes” answer would necessitate further analysis to determine whether the indicated situation complicates the acquisition and thus requires the acquisition to be appraised.

Multiple “yes” answers would indicate that the acquisition may or may not be considered to be uncomplicated and must be appraised.

This list of questions is not intended to be all-inclusive. The key to using this method of determining compensation is by ascertaining whether the impact of the acquisition is minimal or can be easily measured by its cost to cure and that the value of the land acquired plus any damages to the remaining property does not exceed the permitted threshold.

If, during negotiations, the acquisition agent finds factors that were unknown at the time of the appraisal waiver that might complicate the valuation, the agent discusses the acquisition with the production coordinator. If the production coordinator determines the valuation is complicated, the file should then be to be appraised.

3. BASIS OF VALUE

3.1 PURPOSE

The purpose of this chapter is to describe how the value of an acquisition site is determined and who the persons responsible are for overseeing the administrative approval of an appraisal waiver package. Also discussed is what paperwork is to be included in the acquisition file and who is responsible for obtaining it, as well as who is responsible for overseeing the process of front ending.

3.2 DETERMINING BASIS OF VALUE

All items of acquisition are to be listed on the **appraisal waiver** form, including those items which have zero compensation value. Access control, when being acquired, should be listed as “access rights” under “damages” to remaining property on the appraisal waiver form.

The basis for land value estimates is determined by any one of the following:



An agent may identify at least two specific sales or more of a similar property in the general community. This sale must be identified so that the reader can locate the property. Sales price per comparable unit must also be stated.



An agent may interview local real estate brokers, bankers, etc., to ascertain listing adjustments. Names of the persons interviewed and the city in which they are located must be reported. Appraisals of similar property on the same project are a good guide to value. Interviews with local realtors or auctioneers can also be a source of information.



When no compensable items are present, an agent may make a minimum signatory payment of \$100 to the landowner. This item should not be used in conjunction with any compensable items.

3.3 ADMINISTRATIVE APPROVAL

There must be an administrative approval of the appraisal waiver package by someone other than the person determining the value. Administrative approval may be granted by the acquisition supervisor or the production coordinator. This review and approval prevents gross inconsistency on a project and ensures there has been an adequate investigation of the local market to support the value. The acquisition agent has a senior agent review the basis of payment before the production coordinator reviews and approves the appraisal waiver form. Senior agent review and production coordinator approval should occur prior to the appraisal waiver package being presented to the landowner.

An appraisal waiver package generally consists of the following:



Appraisal waiver form



One or more pictures of the acquisition



Plat and summary sheet



Documentation of evidence of value

3.4 DETERMINING TITLE AND PROVIDING ADDRESSES

The acquisition agent reviews the accuracy of the existing title information. It is the agent's responsibility to secure any paperwork required to clarify any discrepancies in the title work. The acquisition agent is responsible for obtaining the notarized signatures of all parties with interest in the property being acquired. The acquisition agent must also secure all mailing addresses of affected parties. **While negotiations are to be initiated promptly after expiration of the 10-day notice period, no negotiation is attempted. Simply calling the owner to secure their mailing address is not a waiver of the 10-day notice period.**

3.5 REPORT OF RECORD OWNERSHIP AND LIENS

Each parcel file should contain a Report of Record Ownership and Liens that is prepared by a local abstractor or Iowa DOT employee. If there is no Report of Record Ownership and Liens, the acquisition agent must determine ownership by courthouse research. **Acquisition agents must identify the fee owner, the contract purchaser (if there is one), the mortgage holders, and any lien holders or easement rights possessed by others.**

If the Report of Record Ownership and Liens is more than six months old, the acquisition agent may request a Recertification from the production coordinator or, if directed, complete a new Report of Record Ownership and Liens. Ownership data obtained or confirmed by the acquisition agent through a personal title search is to be reported in writing by referring to recording data and, if possible, a copy of the appropriate recorded document is to be included in the file.

Items to be checked:

- Transfer of title to the property
- Partial sale
- Land contract sale (also contract assignments)
- Mortgage or lien
- Foreclosure
- Bankruptcy
- Death—estate of one or more of the owners
- Probate
- Life estates
- Taxes—current
- Easements—utility, ingress/egress

The acquisition agent recertifies the Report of Record Ownership and Liens using the following guidelines:

3.5.1 No Changes

When there is no change in the information reported on the original report, write “no change” and date and sign the report.

3.5.2 Minor Changes

When there has been a change in the original information reported, list all changes and attach copies of the instruments documenting those changes. Sign and date the report.

3.5.3 Partial Conveyance of Original Parcel

Recertify that portion of land remaining in the name of the person(s) originally reported as the title holder(s). The certification should provide the book, page, and/or instrument number of the subsequent conveyance of title on the recertified report.

3.5.4 New Owners

Void the original report but retain for the file. Make a new report on the land conveyed. Sign and date the report.

The acquisition agent may request assistance from the Title and Closing Unit when the property is owned by an estate or trust; there are contingent or future ownership interests; several owners reside in different states or different countries; bankruptcy, foreclosure, or partition proceedings are pending; or when neither the agreement payment nor the value of land remaining after the acquisition appears to be sufficient to pay outstanding liens or encumbrances. Assistance must also be sought when the state’s ability to obtain merchantable title by agreement is, or may become, in doubt, and when there is doubt concerning who the owners and interest holders are and whether the state can obtain merchantable title by agreement. In those instances, the acquisition agent needs to inform the landowner(s) or tenant(s) that it may be necessary for the state to acquire the title through condemnation proceedings. Under these circumstances, the acquisition agent identifies all owners and interest holders and verifies their names and addresses.

3.6 FRONT ENDING

This practice allows for quicker possession of property and more timely payment to the property owner by having the acquisition agent present deeds or easements in addition to the purchase agreement. The process of front ending is preferred with most acquisitions.

The following procedure for front ending serves as a guideline, not a rule. As different situations arise, exceptions may be made.

Files received from the Appraisal Section are directed to the production coordinator.

The production coordinator:

- Reviews the file for missed personal property/relocation items.
- Updates the electronic project scheduling program information and delivers the files to the appropriate acquisition agent.
- Coordinates acquisition agents’ requests with other section coordinators.

After notification, the senior agent reviews electronic plans, cross-sections, and strip maps from Right of Way Design, thus becoming acquainted with the project.

The acquisition agent:

- Reviews the title, design summary, and appraisal report.
- Locates contract information and creates appropriate documents. Payment dates are generally assigned on a case-by-case basis. As a standard practice, acquisitions valued under \$75,000 with a reasonably clean title may allow for a payment date at 60 days after buyer approval; acquisitions valued at or above \$75,000 should allow for a payment date at 90 days after buyer approval.
- Requests that Title and Closing conduct a preliminary audit review and requests that they provide the front-ended conveyance documents.

3.6.1 Title and Closing Front End Procedure

After Title and Closing has completed the preliminary audit review, the acquisition agent makes corrections or changes as noted, and may then move forward to meet with the owners to complete the negotiation.



4. INITIATION OF NEGOTIATION FOR PARCELS THAT HAVE BEEN APPRAISED

Negotiation Process



4.1 PURPOSE

The purpose of this chapter is to describe specifically the procedure for negotiating an acquisition, including a detailing of all paperwork that is necessary to complete in order to properly pursue the negotiation. In addition, it explains the waiting periods that are in place throughout the process, which are meant to protect property owners. Refer to section 6.11 for designated representatives of an owner and 6.12 for conflicts of interest.

4.2 BEGINNING NEGOTIATIONS

The production coordinator should notify the district engineer prior to the beginning of negotiations for each new project. This is the time to make the district engineer aware that negotiations are beginning.

Acquisition on a project begins when the acquisition supervisor mails the appraisal report to each affected property owner and each major leaseholder of property to be acquired. This appraisal report and appraisal review is sent by regular mail at least 10 days prior to the date of the first personal contact, as required by IC § 6B.45.

The appraisal report includes an itemization of the appraised fair market value of the real property or interests therein, any buildings thereon, all other improvements, severance damages, and loss of access. It may also include any change in the market value of leasehold interest, if applicable.

4.3 OFFERS

All written **offers to purchase** must be dated and signed by the acquisition agent; the original is given to the seller and a copy is placed in the file. The **offer to purchase—appraisal waiver** form is used when the appraisal waiver process is used.

4.4 REVISED OFFERS

Whenever the acquisition is revised due to design changes or valuation changes, the acquisition agent must present a revised offer to purchase. Such revised offers to purchase must be made on the revised offer to purchase form, except when the acquisition has been changed from a partial to a total acquisition. In that case, a new offer to purchase is provided. The use of this revised offer to purchase may affect the original 90-Day Notice if the acquisition is changed to include an owner-occupied home.

When the fair market value is revised solely on the basis of new appraisal data and the acquisition is not changed, the owner is informed and a revised offer to purchase is presented in writing.

All revised offers to purchase must be dated and signed by the acquisition agent, with the original offer to purchase given to the seller and a copy to the file.

If any of the above revisions are based on a new appraisal, the new appraisal may be hand-carried to the property owner. The mailing of the new appraisal and 10-day waiting period is not necessary.

4.5 PROOF OF NOTICE

The agent makes sure there is proof that the 10-Day Notice has been sent by copying the letter to the file. The agent ensures negotiations do not commence on a parcel until the statutory 10-day time period has elapsed or the owner has waived the 10-day requirement.

If it becomes necessary to make contact during the 10-day period, the property owners must be told of their rights to defer negotiations. The 10-day waiver form must be signed by the owner. The agent must also write the reason for the request to waive the 10-day period in the contact report.

Once the acquisition agent is acquainted with the project and acquisition, expeditious efforts should be made to reach each owner and tenant on all parcels and make an offer to purchase for the property to be acquired. Contacts are made in person whenever possible. At the first personal contact, the agent offers the property owner or their designated representative, in writing, the established just compensation, which is not less than the amount delineated in the approved appraisal report.

The acquisition agent provides each owner and tenant the following materials during the first negotiation contact, regardless of whether the contact is in person or by mail:

- A signed and dated offer to purchase and notice of earliest move date, a copy of which is retained in the electronic file.
- The right of way brochure, *Highways and Your Land*, which includes the “Property Owners’ Statement of Rights.”
- Offer of relocation assistance, if applicable.
- Copy of the appraisal waiver, if applicable, to the owner.
- Form W-9, request for Taxpayer Identification Number, and certification.
- Purchase agreement to the owner and tenant.

4.6 OFFER TO DONATE

IC § 6B.54 provides for the owner of a property to donate part or all of the owner's interest to the state:

A person whose real property is being acquired in accordance with this chapter, after the person has been fully informed of the person's right to receive just compensation for the property, may donate the property, any part of the property, any interest in the property, or any compensation paid for it, as the person may determine.

This right to donate is highlighted in the booklet *Highways and Your Land*.

When an owner decides to donate the property or part of the property, the following is added to the purchase agreement:

The seller acknowledges entitlement to just compensation based upon the buyer's approved appraisal report of the property described on page one of this agreement. Nevertheless, the seller desires to donate the property as allowed in IC § 6B.54. The seller agrees to and is responsible for all taxes due up to and including the date of possession.

If additional or different language is needed, discuss the issue with the acquisition supervisor.

The payment amount on page one of the purchase agreement is shown as -0-, and the title and closing agent prepares the transfer document accordingly.

In no case should a property owner be pressured, intimidated, or otherwise instructed to donate or not to donate the property to the state.

4.7 90-DAY NOTICE AND RIGHT TO PAYMENT

Standard forms of purchase agreements all specify the payment terms for the acquisition and that the state acquires the right of possession of the premises per the agreement terms. It is essential that the date for surrender of physical possession or vacating the premises be established precisely and made a part of the terms of the purchase agreement. The written offer must state:

You will not have to move any sooner than [insert specific date], which is at least 90 days after information on a currently available property is provided for you.

4.8 PLAN REVISION REQUESTS

The senior agent is responsible for coordinating all requests for design revisions that arise out of the acquisition process. The senior agent prepares and delivers design revision requests to the Right of Way Design Unit. **There is a design revision request whenever the agreement obligates the Iowa DOT to acquire additional land, make changes in the design, or when the ownership of the parcel has changed.** The acquisition agent may perform these tasks under the direction of the senior agent.

5. TENANTS

5.1 PURPOSE

The purpose of this chapter is to describe the procedure for acquiring a tenant-occupied site and how to negotiate acquisition with both a tenant and property owner in such case. This includes situations in which the tenant is a crop share tenant and when a major leasehold is involved.

5.2 TENANT AGREEMENT

Tenants are contacted promptly after the first contact with the landowner. If contact is not made with the tenant within 15 days, the acquisition agent must note in the **record of contacts** the efforts that have been made to contact the tenants as well as the dates of those efforts.

The tenant agreement is used with the lessee when the property is held under a bona fide lease from the fee owner. It consists of a release or relinquishment of any rights that the tenant may have in the right of way being acquired. The state is released from any liability regarding the acquisition insofar as the seller's leasehold rights are concerned. When signed by the lessee, this agreement gives possession of the right of way per the terms of the agreement. The seller is not required by agreement to surrender possession of the premises for 90 days from the date of the offer.

The tenant agreement follows the same general pattern as the partial acquisition agreement and the total acquisition agreement relative to the identification of the agreement and the identification of the parties thereto. The lessee is always the seller. The description of the right of way taken and the access control clause is ordinarily the same as written in the fee owner's agreement.

5.2.1 Listing Damage Items

On agricultural tracts, the payment to the tenant may consist of reimbursement items such as planting, tillage, or fertilization costs lost due to the acquisition. The general policy is to list in the agreement the items within in the total lump-sum payment amount.

Examples:



The premise includes: Field preparation, such as plowing, disking, fertilizing, and seeding.



The premise includes: The seller's right, title, and interest in and to all buildings, improvements, and their appurtenances, including fencing.



The premise includes: Business fixtures, counters, and freezers.



The premise includes: Carpet, cabinets, air conditioner, and stove.

5.2.2 Crop Policy for Tenant-Owned Crop

When the acquisition of a growing crop is involved, its destruction may not be necessary before it reaches maturity. The usual procedure is to add a clause to the purchase agreement reserving the crop to its owner. This provides that any crop destroyed by construction will be paid for in addition to the lump-sum payment specified in the purchase agreement. This crop lump sum is determined by the current commodity rate multiplied by bushels per acre. Bushels per acre are usually determined by average yields reported in Iowa or supplied by the owner and verified at the local Farm Service Agency or Iowa State University (ISU) Extension Services.

When writing a tenant agreement involving a payment contingent upon the loss of crops, the acquisition agent must be informed of the terms of the lease between the fee owner and the tenant.

If it is a crop share lease, the owner's share cannot be paid to the tenant but must be taken care of by a contingent crop damage clause included in the owner's purchase agreement.

5.2.3 Tenant-Owned Buildings, Structures, or Other Improvements

Tenant-owned buildings, structures, or other improvements include only that property which would be considered real property if owned by the fee owner. This includes trade fixtures, which are appraised as real estate by the appraiser.

The appraiser obtains a copy of the lease and identifies and obtains an agreement regarding the ownership of tenant-occupied buildings, structures, or other improvements. If the appraiser cannot secure such an agreement, the property is appraised as any other tenant-occupied parcel.

The acquisition supervisor sends separate appraisals to the landowner and the tenant. The cover letter contains a statement that the offer is for the property identified in the disclaimer agreements between the landlord and tenant.

The acquisition agent negotiates separately with the fee owner and the tenant for their separately held interests. If, during negotiations, either party asserts a claim in any interest owned by the other, separate negotiations cease, the property is acquired as a single parcel, and the following leasehold agreement clause should be added:

It is understood and agreed that should the lessor or the lessee elect not to enter into this agreement, then the agreement shall be considered null and void and all interests shall become the subject of eminent domain proceedings.

This agreement also applies to and binds the legal successors in interest of the lessee if the lessee warrants possession of a good and valid lease and the right to occupy and use the premises as tenant as well as good and sufficient title to any property sold to the buyer. The lessee hereby agrees to surrender possession of the premises per the terms of this agreement, relinquishes all rights to possession and use of the premises, and acknowledges full satisfaction and settlement from the buyer for all claims of every kind and nature by reason of being deprived of the possession and use of said premises and the construction of the highway. The lessee further agrees to pay all liens, assessments, taxes, and encumbrances for which the lessee may be liable as tenant against any property sold to the buyer.

The buyer makes all payments payable to the lessor and lessee, and the lessor and the lessee agree to make any necessary divisions of the proceeds.

5.3 MAJOR LEASEHOLD INTERESTS

Major leaseholds may exist when the lessee's interest cannot be easily separated from the owner's interest at the time of valuation. There may also be a major interest where the lessee's claims in the property are such that when valued, the total sum is greater than the market would pay for the property and improvements if sold as one unit. Stated another way, a major leasehold may exist any time there is not a clear division of interests between the lessor and the lessee.

The appraiser may or may not have the division determined and a value for each determined. The owner/tenant agreement or relationship may have changed after the time of meeting with the owner for appraisal purposes.

It is important for the acquisition agent to meet with the lessee as quickly as possible after meeting with the owner. If there is disagreement between the owner and tenant (or lessor and lessee), the sooner the differences can be determined, the better the chance there is of all parties coming to a mutual agreement.

It is the policy of the Right of Way Bureau for all parcels involving major leaseholds that no agreement is accepted from a lessor unless an agreement is obtained from the lessee as well. Neither lessee nor lessor is condemned separately; both are joined in a single condemnation.

This policy does not normally apply to minor tenant interests, such as 30-day cancelable leases. It normally does not apply to year-to-year agricultural tenants. This policy applies to minor leaseholds in all cases where the acquisition agent has notice that one party or the other is seeking what appears to be an excessive award.

For instance: A son is the agricultural tenant of his father, with no written lease, and the son claims a long-term tenancy with a rental advantage. Or, one business has the same or similar officers in the landlord corporation as those in the tenant corporation or company. The acquisition agent's **record of contact** notes should carefully mention such circumstances so double payments may be avoided. The following clause must be added to major leaseholder purchase agreements:

It is understood and agreed that should the lessor or the lessee elect not to enter into this agreement, then this agreement shall be considered null and void and all interests shall become the subject of eminent domain proceedings.

This agreement also applies to and binds the legal successors in interest of the lessee if the lessee warrants possession of a good and valid lease and the right to occupy and use the premises as tenant as well as good and sufficient title to any property sold to the buyer. The lessee agrees to surrender possession of the premises per the terms of the agreement, relinquishes all rights to possession and use of the premises, and acknowledges full satisfaction and settlement from the buyer for all claims of every kind and nature by reason of being deprived of the possession and use of said premises and the construction of the highway. The lessee further agrees to pay all liens, assessments, taxes, and encumbrances for which the lessee may be liable as tenant against any property sold to the buyer.

The buyer makes all payments payable to the lessor and lessee, and the lessor and the lessee agree to make any necessary divisions of the proceeds.

The following procedures are applied to all major leasehold situations and to tenant-owned improvements when there is no agreement regarding the ownership of the improvements:

- ☑ A single, total offer is made to both the lessee and the lessor. The appraiser suggests an allocation of this offer between the lessee and lessor, but the suggested allocation is not binding for negotiation purposes. The acquisition agent may attempt to have both the lessee and lessor agree on the correct allocation of the proceeds based on the terms and conditions of the lease arrangement. These terms may change during the course of negotiations.
- ☑ Both the lessee and lessor are expected to sign the same acquisition agreement that acquires or extinguishes both their interests in the property acquired. The funds may be divided as mutually agreed upon by the terms of the agreement.
- ☑ No agreement is accepted unless it extinguishes all interests on a parcel. Each agreement contains a clause stating: "If either the lessor or the lessee elects not to enter into this agreement, then this agreement shall be considered null and void and all interests shall become the subject of eminent domain proceedings."
- ☑ There are no exceptions to this procedure unless the production coordinator recommends negotiations on a different basis and these written recommendations are approved by the acquisition supervisor or the Right of Way director. All such recommendations are made part of the file.
- ☑ Tenant improvements are considered a separate ownership and entitled to a separate **offer to purchase**.



6. THE FUNCTION OF THE ACQUISITION AGREEMENT

6.1 PURPOSE

The purpose of this chapter is to describe the main objectives of the acquisition agreement and some of the common clauses included in them. It also discusses the procedure for negotiating through Administrative Settlement and details the required contents of records of contact. In addition, this chapter lists some of the common features of acquisition sites that affect the acquisition process.

6.2 POLICY

The Right of Way Bureau strictly adheres to the policy that all acquisition agreements are in writing, thus avoiding oral agreements and verbal obligations or commitments.

One of the acquisition agent's basic objectives is to obtain an agreement that pays just compensation for the property or property rights acquired. Another, equally important objective is to ensure that each property owner understands the acquisition and has accepted the amount agreed upon as full payment for all items upon which the offer is based. When necessary, in order to avoid misunderstandings concerning what is being acquired, the acquisition agent identifies items or property being acquired or damaged and uses or drafts special clauses to clarify the terms of the agreement and the effect of the acquisition. There should be no blank or open spaces left in the agreement.

For this same reason, once an acquisition agreement has been signed by the seller, it is not altered without the approval of the seller. All alterations to signed acquisition agreements are initialed and dated by the seller and acquisition agent. When negotiations are conducted by mail or telephone, the seller may be authorized to alter the terms of the original offer, subject to approval of the acquisition agent. The acquisition agent approves, initials, and dates all agreement alterations made by the seller prior to submitting the agreement for acceptance and payment by the Iowa DOT.

6.3 VERBAL AGREEMENTS ELIMINATED

All acquisition agreement forms contain the following clause, which eliminates the possibility of verbal agreements:

This written agreement constitutes the entire agreement between Buyer and Seller and there is no agreement to do or not to do any act or deed except as specifically provided for herein.

This clause is never to be deleted from any purchase agreement. Verbal agreements that are not made a part of the purchase agreement, as written, are not enforceable by either party.

6.4 COURT APPROVAL IN GUARDIANSHIPS AND CONSERVATORSHIPS

Standard forms of purchase agreements contain the following language:

The Seller also agrees to obtain court approval of this agreement, if requested by the Buyer, in the event title to the premises becomes an asset of any estate, trust, conservatorship or guardianship. The Buyer agrees to pay court approval costs and all other costs necessary to transfer the premises to the Buyer, except attorney fees. Claims for such transfer costs shall be paid in amounts supported by paid receipts or signed invoices.

When the **report of record ownership and liens** shows a title to be, in fact, an asset of an established guardianship or conservatorship, etc., the purchase agreement should contain the following clause:

The Seller agrees that [e.g., John Doe as guardian for the guardianship of minor son] shall proceed promptly and diligently to bring the matter of the approval of this agreement to the court for hearing.

The Buyer agrees to pay court costs and legal expenses incurred in obtaining such approval as a cost incident to the transfer of the premises, but not to exceed the amount of \$_____ for this purpose.

When a compensable interest in land is owned by one under legal disability and no legal guardian has previously been appointed, additional legal procedure is necessary in order to obtain a conveyance of the property. It may be that the state will have to secure this appointment, in which case the Office of the Attorney General handles the matter. However, if a parent, relative, or another party involved in the transaction is willing to agree to handle this matter, the agreement may be drawn as follows:

The Seller agrees to secure the appointment of a legal guardian or conservator for_____. The Seller agrees to proceed promptly and diligently to bring the matter of such appointment and such approvals for hearing for court approval. The Buyer agrees to pay court costs and legal expenses incurred in obtaining such appointment and such approvals as a cost incident to the transfer of the premises, but not to exceed the amount of \$_____ for these purposes.

In these cases, when a minor's share of the proceeds of an acquisition is less than \$1,000, the signature of a parent on the agreement may be accepted. However, the title must be passed by a guardianship and the agreement includes the costs incurred.

6.5 ADMINISTRATIVE SETTLEMENT

After an offer is made on the original appraisal obtained by the state, there may be market factors that have taken place which affect the value of the subject property. **Some of the factors that could increase land values are: recent sales, a change in the highest and best use, or damages not considered by the appraiser.** In addition, the property owner may present an acceptable appraisal based on a different approach than the one used by the state's appraiser. If any of these or other factors lead to a conclusion that a higher value is warranted, an Administrative Settlement may be used.

When making an Administrative Settlement Recommendation, the acquisition agent gives due consideration to the overall effect of the recommendation on the project or projects in the area. The production coordinator concurs with all such recommendations submitted by the acquisition agent who obtains the signature of the owner on an agreement for the Revised Offer to Purchase. The recommendations give consideration to all information, facts, and circumstances of the parcel that support the acquisition agent's recommendation. They are in writing and are signed by the acquisition agent.

The acquisition agent's settlement recommendation notes the appraiser's opinion of value and the determination of the state's reviewing appraiser. In the preparation of the recommendations, the acquisition agent states those facts that differ from or which were omitted in the appraisal or file, the amount or amounts at issue and, where applicable, the nature of the interest represented and the persons involved. Settlement recommendations contain an analysis of the vulnerability of the Iowa DOT in litigation. The acquisition agent may note recent physical improvements, developments, or market sales in the area; recent awards by compensation commissions of similar properties in the same area; the range of the Iowa DOT's probable testimony; and, where applicable, the opinion of the Iowa DOT's legal counsel. Settlement recommendations are not approved simply to avoid a threat by a landowner or their attorney or representative.

All settlement recommendations contain a closing statement to the effect that "this settlement is made in the best interest of the public." The original of the approved settlement recommendation is sent to the Title and Closing Unit along with the acquisition agreement for payment.

6.6 PAYMENT VARIANCES

In most cases, when payments in excess of the appraised value plus right of way fence are made, an Administrative Settlement is used. However, there are matters that may be settled without using that form. **When there are items such as a minor design change that adds or decreases fractional acreage without increasing or causing damage to the property, the value can be added or subtracted from the total payment as long as the reason and basis of value determination is well documented in the file notes.** This may be done either by writing a separate note or detailing the situation in the property owner contact report.

As a general rule, if additional damages are required due to a design change, the damage value should be determined by an appraiser or review appraiser. In those cases, the appraiser or review appraiser must provide a written basis for the valuation change.

6.7 RECORD OF CONTACTS

The acquisition agent is responsible for providing on the acquisition **record of contacts form** a detailed written report of each contact made and/or each effort to make contact with the owner or tenant, whether the contact is in person or by phone.

Each report must contain a minimum the following information:

- Project number.
- Parcel number.
- Date of contact.
- Place of contact.
- Type of contact (in person or by phone).
- Name, address, email address, and telephone number of the person contacted.
- Special instructions, if necessary, for locating that person.
- Names of all other persons present during contact.
- Names, addresses, and phone numbers of attorneys or other representatives.
- The initial contact report should state: “I presented the folder that contained the booklet *Highways and Your Land*, the **offer to purchase**, and the purchase agreement.”
- Main points discussed and commitments made by acquisition agent.
- Principle objections to the **offer to purchase**.
- Whether the **offer to purchase** was accepted or rejected.
- Description of any special features of the **offer to purchase**, acquisition, or interest holder which might have bearing on the outcome of a condemnation or trial.
- Requests made by interest holders and the acquisition agent’s reaction to those requests.
- Names, addresses, and phone numbers of persons other than those shown of record who claim or assert an interest in the property to be acquired.
- Necessary special instructions for closing, relocation, or property management functions.
- All emails and written communication in the parcel file.
- Acquisition agent’s signature and date.
- Legibly typed or handwritten contact records, if applicable.
- The acquisition agent’s conclusions as a result of the contact; these notes should be factual, to the point, and should not contain editorial comments.

6.8 HISTORICAL SITES, SITES OF ARCHAEOLOGICAL SIGNIFICANCE, OR GRAVESITES WITHIN PROPOSED RIGHT OF WAY

Any indication of the existence of an archaeological or historical site or gravesite within a proposed right of way acquisition is reported immediately to the acquisition supervisor. The acquisition supervisor notifies the director of LEB of the location of the site. The director of LEB makes arrangements to have the site investigated.

6.9 ABANDONED WELLS, UNDERGROUND TANKS, BURIAL SITES, AND CONTAMINATED SITES

Any indication of the existence of underground tanks or sites contaminated by toxic or hazardous materials within or adjacent to the proposed acquisition discovered by the acquisition agent is reported immediately to the acquisition supervisor, who requests an on-site investigation and proper testing of the area. No acquisition of that parcel occurs until final clearance is obtained.

Any abandoned well in the proposed acquisition area is identified as to location. A design revision is then prepared to ensure placement of the well on the construction plans. The acquisition of the abandoned well must be made part of the acquisition agreement.

Where debris such as old tires, scrap metal, chemical and paint cans, burn piles, aboveground fuel storage tanks, or other possible contaminants or debris is stored or disposed of on the land to be acquired, the following clause is inserted in the purchase agreement:

It is understood and agreed by the Seller, that debris described as, but not limited to: [insert description of debris] located on the premises described and sought herein, will be removed by the Seller prior to the possession and conveyance date shown on page one of this agreement.

It may be appropriate to withhold a sum of money (10 percent, for example) on the agreement to ensure compliance.

6.10 TAXES

Often, during the acquisition process, the acquisition agent is asked questions concerning capital gains or income tax. These questions should be answered for the owner by their attorney or whoever assists them in preparing their tax forms. Property taxes are the responsibility of the seller until surrender of possession.

6.11 OWNER REPRESENTED BY COUNSEL

When property owners designate an attorney or some other person to act for them, the acquisition agent attempts to purchase the property through this representative. No further negotiations are undertaken except through the attorney or the authorized person. However, copies of any written correspondence to the attorney should be sent to the owner.

If property owners subsequently inform the acquisition agent that they are no longer represented by counsel, it is necessary to get such notification in writing before continuing the negotiations with the owner. The acquisition agent keeps detailed records of the attorney/client relationship during negotiations.

6.12 CONFLICT OF INTEREST

Any acquisition agents with a past, present, or contemplated personal, family, ownership, or business relationship with any owner or tenant on property being sought by the Iowa DOT immediately recuses themselves as the negotiator for that property. (see 49 CFR 24.102(n))

- (1) The appraiser, review appraiser, or person performing the waiver valuation shall not have any interest, direct or indirect, in the real property being valued for the agency. Compensation for developing an appraisal or waiver valuation shall not be based on the reported opinion of value.
- (2) No person shall attempt to unduly influence or coerce an appraiser, review appraiser, or waiver valuation preparer regarding any valuation aspect of an appraisal, waiver valuation, or review of appraisals or waiver valuations. Persons functioning as negotiators may not supervise or formally evaluate the performance of any appraiser, waiver valuation preparer, or review appraiser performing appraisal or appraisal review work, except that, for a program or project receiving Federal financial assistance, the Federal funding agency may waive this requirement if it determines it would create a hardship for the agency.
- (3) An appraiser, review appraiser, or waiver valuation preparer may be authorized by the agency to act as a negotiator for the acquisition of real property for which that person has performed an appraisal, appraisal review or waiver valuation only if the offer to acquire the property is \$10,000, or less. Agencies that wish to use this same authority to act as the negotiator on a valuation greater than \$10,000, and up to \$25,000, may not use a waiver valuation, and these acquisitions are subject to the following conditions:
 - (i) For those acquisitions where the appraiser or review appraiser will also act as the negotiator, an appraisal must be performed in compliance with § 24.103 and reviewed in compliance with § 24.104;
 - (ii) Agencies and recipients desiring to exercise this option must request approval in writing from the Federal funding agency;
 - (iii) The requesting agency shall have a separate and distinct quality control process in place and set forth in the written procedures approved by the Federal funding agency; and

7. STANDARD FORMS OF PURCHASE AGREEMENTS

7.1 PURPOSE

The purpose of this chapter is to discuss in detail the different types of purchase agreements that are used for site acquisition and how to describe the premises to be acquired in any such agreement. This chapter also identifies the policies pertaining to purchasing buildings situated within right of way being acquired and the continued carrying of insurance on a property after negotiations are completed, along with the associated clauses that would be included in the purchase agreement.

7.2 STANDARD TYPES OF ACQUISITION FORMS

The Right of Way Bureau is currently using the following standard types of acquisition agreement forms:

7.2.1 **Partial Acquisition Agreement**

This form is adaptable to most real property purchases. This agreement, along with an attached plot plan or a copy of the land surveyor's plat, is used for all partial acquisitions, including acquisition of access.

7.2.2 **Total Purchase Agreement**

This form is designed for the purchase of both urban and rural properties. This form, along with an attached full legal description, is used when the entire property is being acquired.

7.2.3 **Tenant Agreement**

This form is used for purchase of the leasehold interests of a tenant on property that is being acquired on a separate purchase agreement from the fee owner. This form, along with an attached plot plan or a copy of the land surveyor's plat, is normally used when a nominal payment is made for a tenant release on farm property. It is adaptable to either a total or partial acquisition.

7.2.4 **Tenant Agreement Short Form**

This form is used for purchase of the leasehold interests of a tenant on property that is being acquired on a separate purchase agreement from the fee owner. This form is to be used only when acquiring a tenant-occupied house.

7.2.5 **Access Control Only Agreement**

This form may be used when the only right being acquired is access control. This form does not include temporary easements or other kinds of property rights.

7.2.6 Temporary Easement Agreement

This form is only used for the purchase of a temporary easement upon private property to do work during construction. It is not used in conjunction with the acquisition of land or any property right. Temporary easements are released by the resident construction engineer when the work specified in the agreement has been completed.

7.2.7 Mobile Home Acquisition Agreement

After the relocation agent has met with the owner and determined the need to purchase the mobile home, and discussions of any relocation benefits that may apply, the acquisition agent prepares a purchase agreement that clearly identifies all ownership interests and all real or personal property to be acquired. The Title and Closing agent obtains the mobile home tax lien clearance from the county treasurer. If liens were filed on the title, a determination is made prior to closing any land transaction that may have been acquired with the mobile home.

The property management agent takes possession after delivering payment and obtaining the title to the mobile home.

Items of importance:

- The agreement should contain a complete list of all items that are to be acquired as a part of or in addition to the mobile home.
- A clause identifying the Vehicle Identification Number (VIN) should be included in the agreement.
- An insurance clause protecting the state's interest should be included in the agreement.
- If the acquisition agent obtains the title certificate, it should not be signed by the owner.
- The payment for the mobile home should be separate from the real estate payment.

7.3 DESCRIPTION OF PREMISES

An accurate description of the property to be conveyed must be written if a survey plat is unavailable or the plot plan is not suitable. Regardless of the method to be used in the description, all standard forms of purchase agreements must give the general location of the property by writing in the "1/4 1/4" and "Section" and parts of "Section," "Township," "Range," and "County" or by writing in the "Lots," "Block," and "Subdivision," in accordance with the U.S. government land survey. This information is required by the county recorder for indexing and may be written in different ways, depending upon the particular circumstances. If the entire property is to be conveyed, the best method is to describe it exactly as it is shown in the owner's recorded deed. Examples are as follows:

In rural property, this usually appears as a subdivision of a section, such as:

The East 1/2 of the Northeast 1/4 of the Northeast 1/4 of Section _____, Township _____ North, Range _____ West of the 5th P.M. in _____ County, Iowa.

It may, however, occasionally be a more specific description, in which case it is necessary to be very careful to use the exact description verbatim.

Urban properties are usually described by giving the lot and block numbers in the addition or a subdivision, with reference to the recorded plats of the city, such as:

Lot_____, block_____, in_____ addition to the city of_____, Iowa.

Long and complex descriptions may be copied from the deed to the agreement if they are neat, clean, and legible. A second way to deal with long and complex deed descriptions may be in the following manner; however, this method should be used only with the recommendation by a Title and Closing agent:

The premises located in (1/4 1/4 Sec. TWP Range) or (Lot Blk. Subdivision), as described in a certain_____ deed, dated_____ and recorded in the County Recorder's Office on [date] in Book_____, Page_____, as instrument no._____.

On partial acquisition agreements, the preferred description is a survey plat. In lieu of a survey plat, a plot plan may be attached to the agreement and the following clause included in the agreement:

The Right of Way Design plot plan, attached as page_____ of this agreement, graphically illustrates the proposed acquisition area. It is understood and agreed that the registered land surveyor's plat, which will be attached to the future conveyance document, will supersede and replace this plot plan as the accurate and correct plat of the land being conveyed. Should the land surveyor's plat indicate a slightly greater acreage or square footage to be conveyed than that shown on page_____ of this agreement, the payment due the seller will be increased accordingly and shown on the future conveyance document. The seller hereby waives any increased payment of less than fifty dollars.

7.4 IMPROVEMENTS PURCHASED WITH RIGHT OF WAY

When there are buildings and/or improvements located upon the purchased real property that have been acquired with the land, a clause identifying these items is written in the agreement following the description of the land:

All land, trees, shrubs, landscaping and surfacing attached to the premises sought and described herein, including, but not limited, to: [list all improvements and their locations].

To further clarify the improvements being acquired, the following additional clause should be added to the body of the agreement:

It is the intent of this agreement to acquire all improvements located upon the premises being sought. A brief description of the improvements includes, but is not limited to, the following items:

along with all heating, cooling, plumbing, and electrical systems, and connected apparatus; all doors, windows, cabinets, floor coverings, and any other fixtures that, if removed, would damage the integrity of the structure; and all trees, shrubs, landscaping, surfacing, and any other improvements attached to the premises.

7.4.1 Improvements Reserved Back to Seller

IC § 6B.44 enables an owner to elect to retain and remove the buildings or improvements located on the real property. The following clause is used:

The _____, located _____, is/are reserved to the Seller. The Seller agrees to remove said item(s) from the premises on or before _____. Should the Seller fail to remove said item(s) by said date, they shall become the property of the Buyer, who shall remove said item(s) as they see fit.

It is understood and agreed the sum of \$_____ has been deducted from the total lump sum shown on page one of this agreement for the Seller's salvage rights for said item(s). The Seller agrees to acquire all necessary permits and to comply with all local ordinances and/or requirements, including, but not limited to, the removal of building(s) to the foundation level and to isolate, cap, shut off, and disconnect all utilities to building(s) and/or improvement(s). The Seller indemnifies and holds the Buyer harmless for all salvage activities and agrees to leave the salvage area in a safe manner.

In this case, the listing in the clause must cover all reserved buildings or improvements in detail as to number, type, and present location. Where there are buildings not included in this reservation, the state proceeds to sell or otherwise dispose of them.

7.5 INSURANCE AND RELOCATION ASSURANCE

When purchasing buildings, owners may have insurance on their improvements. If they do carry insurance, it is required that they continue to keep their insurance current until the surrender of possession. Therefore, it is recommended to add the following three clauses to the purchase agreement. (In such cases where owners elect to not have insurance, the following clause should still be added to the purchase agreement, but should be struck out within the agreement, showing that the owner has elected not to continue to carry insurance.)

7.5.1 Hazard Insurance

The following clause is used where possession of buildings and improvements is to be reserved to the seller.

The Seller agrees to keep fire, tornado, extended coverage, and added perils insurance in the minimum amount of \$ _____ payable to all parties as their interests may appear from this date, until delivery of the deed and possession. The Buyer shall notify all insurance companies of this agreement. In case of loss or destruction of part or all of the premises from causes covered by the insurance, the Seller agrees to accept the lump-sum payment and endorse the proceeds of any such insurance recovery. The Seller assigns to the Buyer any and all of the Seller's rights under such insurance agreements.

Use present policy limits of the seller's present fire insurance policy.

7.5.2 Protection of the Premises and Public

The following clause is used in all acquisition of buildings:

The Seller shall protect the premises from damage and prevent injury to people. The Seller shall make all repairs to the heating system, roof, electrical system, doors, windows, and equipment necessary to maintain the premises in a safe operating condition to prevent damage to the premises and avoid injury to all occupants, guests and public. The Seller shall indemnify and save the Buyer harmless from all loss, claims and causes of action for all damage to property and injury to persons arising out of the Seller's continued possession and use of the property.

7.5.3 Insurance Carrier Information

The following clause is used in all acquisition of buildings:

The Seller agrees to maintain existing liability insurance for loss or damage to the property or for personal injury arising out of the Seller's continued possession or use of the property.

Seller's insurance agent and carrier:_____ Policy number:_____ Address:_____

7.5.4 Relocation Assistance Assurance

The following clause is added to all purchase agreement forms when relocation is involved:

It is understood and agreed that the Seller does not jeopardize any rights to relocation assistance benefits available under the law by signing this agreement.

7.6 PURCHASE OF ACCESS RIGHTS

As the acquisition agreement is being prepared, the acquisition agent should become familiar with the access control page (letter) that is part of the final right of way design plans. This helps prevent errors.

In the cases of partial acquisitions, all purchase agreements and tenant agreements provide for the purchase of all access rights to the proposed highway from that portion of the property remaining which abuts on the proposed highway. The partial acquisition agreement and the tenant agreement forms contain an access phrase following the reference to the general location of the property.

One or more of the following access statements are to be used when appropriate:

The Buyer agrees to construct a type_____ entrance at Sta._____, _____ side. It is understood and agreed all other entrances not listed or allowed in this agreement will be eliminated.

It is understood and agreed that the right of access granted in a certain warranty deed/condemnation recorded in the_____ County Recorder's Office on_____, in book_____, page_____, is amended as follows:

Access at Sta._____, on the_____ side, is eliminated. Access at Sta._____, on the_____ side, is allowed.

This amendment is in accordance with the Buyer's right to regulate, restrict, or prohibit such access as set forth in the IC 306A and is binding on the Sellers' heirs, successors, and assigns.

It is understood and agreed that the right of access granted in a certain warranty deed recorded in the_____ County Recorder's Office on_____, in book_____, page_____, is amended as follows:

Access at Sta. _____, on the _____ side, is allowed.

This amendment is in accordance with the Buyer's right to regulate, restrict, or prohibit such access as set forth in the IC 306A and is binding on the Seller's heirs, successors, and assigns.

It is understood and agreed that the right of access granted in a certain warranty deed recorded in the _____ County Recorder's Office on _____, in book _____, page _____, is amended as follows:

Access at Sta. _____, on the _____ side, is eliminated.

It is the intent of this agreement not to convey any real estate, but to restrict the right of ingress and egress from the herein described land.

When there is an established access location at a local road connection with an access-controlled highway, that access point is listed on the agreement. Use of the following statement, when appropriate, should be used under item (1b) of the purchase agreement:

Access from the Seller's property to [Highway 00] will be via local road at Sta.00+00, _____ side.

The term "local road" in this manual does not mean or include access ways or frontage roads. Access points do not appear on contracts when access is available by way of an access way or frontage road.

The agreement in these cases include the following clause:

Access from the Seller's property to [Highway 00] will be via [access way and/or frontage road].

Note: Access location should not be mentioned.

The access acquisition phrase in the agreement states:

The Seller also agrees to convey all rights of direct access to Highway _____ as follows: From Sta. 00+00 +-PL to Sta. 00+00 +-PL, _____ side.

Note: The standard access phrase should not be modified.

If access is to be completely denied on existing highways, the designation of these stations is required on the purchase agreement. The range of stations identified shall be property lines and the portion of the remainder property that will abut the proposed highway right of way. If, however, some entrance is to be granted to the proposed highway, then the access phrase must be applied to provide for this.

The location of entrances being permitted is shown on the highway plans, and this must be included in the agreement's access phrase by filling in an extension supplying the additional information, such as:

[. . .] excepting and reserving to the seller the right of access at the following locations:

At Sta. 00+00, North side.

Since the purchase of access requires the transfer of one of the "bundle of rights" which comprises real property, the acquisition must be made a matter of record. For this reason, errors in specifying the location of entrances being reserved must be eliminated. When the transfer of access rights has been recorded, it is usually difficult to correct and it may also be very expensive if the correction should involve a renegotiation for access rights at some future date.

When the total property is purchased, there is no need for the access phrase; therefore, it does not appear in the body of the total acquisition agreement. When the total property is being purchased, the access phrase provided in the body of the tenant agreement is unnecessary.

Occasionally, it becomes necessary to acquire access rights from property abutting the highway right of way when no land or other property right is required. Under these conditions, the access purchase agreement is used to acquire the access rights.

The following clause is part of the agreement:

It is the intent of this agreement not to convey title to land, but to restrict the right of ingress and egress from the herein-described land, to and from Highway_____.

This agreement provides for the conveyance of access rights only, and the extent of the acquisition is set out from survey station to station, as in the acquisition agreement. Similarly, survey station numbers identify any entrances reserved to the seller within these limits.



8. POSSESSION

8.1 PURPOSE

The purpose of this chapter is to explain in detail when it is appropriate for the Acquisition Unit to take possession of a property in accordance with the terms of the purchase agreement and the established waiting periods which provide notice to displacees. Also discussed is the proper timeline for conveyance of title and payment to the seller.

8.2 SELLER'S RIGHTS

Sellers have certain possessor rights and the right to receive just compensation. **The acquisition agent is responsible for informing the seller that vacating the premises or surrendering of physical possession is not required until the seller has been paid the full amount of the appraised value, or, in the case of condemnation proceedings, that amount has been deposited with the county sheriff and made available to the seller.**

The seller is also not required to surrender physical possession or to move personal property from the right of way prior to 90 days after the offer date negotiations have commenced or prior to the date specified in a 30-Day Notice to Vacate the Premises, in accord with the agreement terms. The supervisor is responsible for sending the 30-Day Notice to property owners and tenants at least 30 days in advance of the date they are required to surrender possession of the premises. No 30-Day Notice to vacate or surrender physical possession of the premises is sent until the owner has received payment as agreed or until the award of compensation commission has been deposited as prescribed by law. The owner may forgo these rights and grant earlier or even immediate possession. The purchase agreement reflects the possession schedule agreed upon by the owner.

It is the general policy of the Right of Way Bureau to take physical possession of the premises from the seller on the date specified for the surrender of physical possession in the purchase agreement. Any possession by the seller after that date normally requires a lease agreement between the state through the Property Management Section and the seller when establishing the possession date, considering the Iowa DOT letting and construction schedules. Possession of the property required for construction purposes must be certified by the Right of Way Bureau at least six weeks prior to the scheduled construction letting date on projects.

8.2.1 Possession Dates

Possession dates must always be set in accord with the seller's right to the 90-Day Notice and payment. Through the terms of the purchase agreement, the seller may waive the right to full payment, to 90-day possession, and/or to the 30-Day Notice. When the seller agrees to give the state the right of physical possession before receiving final payment, the seller is required to vacate the premises on the date agreed per the agreement terms. No such agreement is accepted until the acquisition agent is confident the seller is fully aware of the rights being waived and the acquisition agent has documented the Record of Contact notes accordingly. Property taxes are the responsibility of the seller until the actual date of possession by the buyer.

8.2.2 Tenant Agreements

Tenant agreements do not require the tenant to surrender physical possession of the premises by a specific date unless the owner has either signed a purchase agreement or the state of Iowa has acquired the interest of the owner through condemnation. Tenant agreements state that the tenant surrenders physical possession of the premises on or before surrender of possession by owner.

8.2.3 Reserved or Salvaged Items

At times, the seller may wish to retain certain items within the acquisition area. Specific clauses have been tailored for the purchase agreement. The liquidation value for these items is determined by the acquisition supervisor or their designee. These items should not be reserved beyond the date of possession, except in the case of growing crops.

Reservation of crops should not occur beyond a reasonable time for harvest and should not interfere with a letting date. The crop reservation clause should be used rather than having an extended possession date. An extended possession date could prevent a letting. In these cases, reserved crops that are damaged or destroyed after being reserved by the Iowa DOT prior to harvest would be dealt with by the resident construction engineer as a damage item.

8.2.4 Date of Possession

On standard forms of acquisition agreements, the date of possession specifies that the buyer acquires the right of possession of the premises per the terms of the agreement. Surrender of possession requirements are set forth as separate phrases of the standard forms of purchase agreements.

Even though the sellers have the right to continue to occupy the premises for at least 90 days from the date of the initial written offer, they are not required to do so. The property owner is fully informed they have the right to retain possession of their property until payment has been made in full. However, the owner may choose to waive that right and grant early and/or immediate possession as part of a signed purchase agreement.

8.3 DATE OF CONVEYANCE AND PAYMENT

It is the intent of the Iowa DOT to expedite payment to the owner.

All standard agreement forms state that the seller agrees to furnish a signed conveyance of title on form(s) furnished by the buyer on or before a specified date. This date is the date the Iowa DOT agrees to pay the consideration upon its receipt of a signed and satisfactory conveyance. The seller's basic responsibility is to clear up any liens or encumbrances on the property and, when requested to do so, furnish an **abstract of title**.

A partial payment may be made when it has been determined the seller owns a merchantable title, free of all liens and encumbrances, or the seller's remaining equity exceeds the value of the partial payment. A partial payment does not normally exceed 50 percent of the amount allocated in the appraisal for land, land damages, and improvements. A partial payment in excess of 50 percent may be made only when the seller possesses the required title or equity and the payment has been approved by the acquisition supervisor.

8.4 TABULATION OF PAYMENTS: LUMP-SUM AGREEMENT

The lump-sum agreement means simply that the entire payment required by the purchase agreement is lumped into one total amount, which includes the purchase of land acquired, the access rights to the remainder portion, the cost of fences, and any and all other payment items. When turning in a lump-sum agreement, it is required that a breakdown be shown of the total amount. On the **inter-office breakdown** form, the items being paid for are listed separately. The sum of these figures must equal the total amount of the lump-sum payment specified on the agreement. The breakdown of the amount allocated for the “general” item is also shown on the breakdown sheet in the same manner. The seller receives a closing statement at the time of payment.

8.5 FUTURE ABSTRACTING PAYMENTS

Within most purchase agreements, there is an administrative payment of \$150 for future abstracting. This payment is intended to cover all of the abstracting costs created by the Iowa DOT transaction. Often, abstracts have additional updates; this payment is meant only to cover the Iowa DOT title entries.



9. STANDARDIZED SPECIAL CLAUSES FOR USE IN ACQUISITION AGREEMENT

9.1 PURPOSE

The purpose of this chapter is to identify several clauses which, at times, need to be included in a purchase agreement if special circumstances of the acquisition require it.

9.2 USE OF SPECIAL CLAUSES

It may be necessary to add special clauses relating to agreements made regarding the individual property that are not included in the purchase agreement. Many of these clauses are of such a recurring nature that it is desirable to use a standardized clause to provide uniformity in both the writing and interpretation of the agreement.

These special clauses are designed for use when writing the agreements in situations commonly encountered.

9.3 CHANNEL CHANGES

Channel changes are usually indicated by a note on the highway plans. Changes are shown on the plans with a definite alignment and cross-sections. The following clause is used:

The Buyer is granted a temporary easement, as described below, on the Seller's property for the purpose of channel change and as measured from the centerline of the proposed highway, as shown on the project plans. The temporary easement shall terminate upon completion of this highway project.

From Sta. _____ to Sta. _____, a strip _____ feet wide, on the _____ side; and from Sta. _____ to Sta. _____, a strip _____ feet wide, on the _____ side.

The right to construct the channel change is included as items in the general lump sum damage payment.

9.4 FLOWAGE EASEMENTS

The flowage easement grants the state the right to back water onto private property to a prescribed elevation. Flowage easements are not considered permanent easements. Flowage easements are occasional events (e.g., occurring once every 100 years) and should not directly affect the owner's use and enjoyment of the land. To grant a flowage easement, the following is to be added to the purchase agreement:

It is understood and agreed the flowage easement gives the buyer the perpetual right, power, privilege, and easement to overflow, flood, and submerge, to an elevation of _____ feet above mean sea level.

9.5 TEMPORARY CONSTRUCTION DETOURS

When the highway plans call for the construction of a temporary detour on private land, such as around a bridge site, the following clause is used:

The Seller grants the Buyer the right to construct, maintain, operate, and remove a temporary detour road on the seller's property, described as follows and as measured from the centerline of the proposed highway and shown on the project plans:

From Sta. _____ to Sta. _____, a strip _____ feet wide, on the _____ side; from Sta. _____ to Sta. _____, a strip _____ feet wide, on the _____ side.

The temporary detour road will remain in place until the completion of this highway project.

When released back to the Seller, the Buyer agrees to scarify the area by machine method to a depth of 16 to 20 inches.

9.6 STOCK PASSES

No agreement is made in negotiations for the construction of a stock pass until the Right of Way director and district engineer have reviewed the particular case and given prior approval. Stock passes under state highways are only built as a result of negotiated agreements with owners whose farms are severed by either a present or a proposed highway. A determination must first be reached which indicates that the expenditure of the state funds for this purpose is justified by a corresponding reduction in the amount of severance damage paid or by a payment by the owner of an equivalent amount, in cash, to the Iowa DOT.

Any negotiations for a stock pass are within the framework of Iowa DOT Policies and Procedures Manual, Policy No. 610.06.

In the event that a stock pass is to be constructed, the purchase agreement requires the property owner to be responsible for fencing to the headwalls of the structure and otherwise to restrain the livestock.

The determination that a stock pass will be constructed is normally made at the district level prior to the acquisition process.

After the stock pass request has been approved, the Right of Way Design Section requests the Office of Bridge Design to furnish all necessary information.

9.6.1 New Stock Pass on Relocated Highway

The following clause is used only when a new stock pass is to be constructed by the state on a relocated highway for the use of the owner of a severed farm in order to mitigate severance damages:

The Buyer agrees to construct a _____ stock pass at Sta. _____ for the use by the Seller. The Seller agrees to pay \$_____ for the stock pass. The dollar amount is deducted from the total

lump-sum amount shown on page one of this agreement.

Maintenance of the stock pass by the Buyer is limited to the structure itself and does not include maintenance of the approaches or cleaning of the structure.

The Buyer is granted a temporary easement as necessary on the Seller's property in order to construct said stock pass. Said temporary easement terminates upon completion of the highway project.

9.6.2 Use of a Drainage Structure as a Stock Pass

There are times when a granting of the right to use a proposed drainage structure on a relocated highway for a stock pass is considered advisable in mitigation of damages when the construction of a separate structure for this purpose is not practicable. This requires the following special agreement to be inserted in the purchase agreement:

The Seller is reserved the right to use the _____ located at Sta. _____ as a stock pass, with the understanding that the Buyer will maintain the structure for drainage purposes only and assumes no liability for its use as a stock pass.

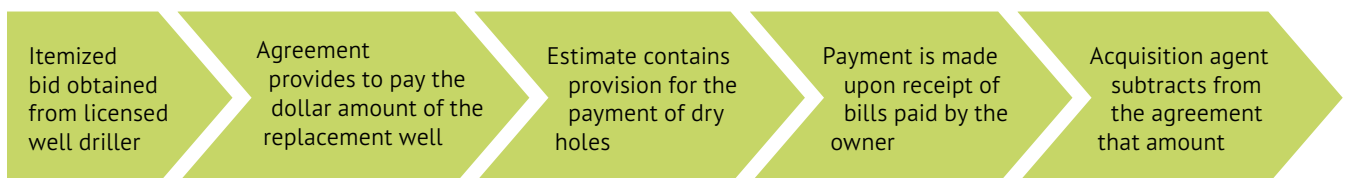
9.7 WELLS WITHIN REQUIRED RIGHT OF WAY

Occasionally, it becomes necessary to destroy a well that is the main source of water supply for a property. If the appraiser has placed a value on the well and the owner agrees with this amount, the following clause may be added:

The total lump sum of this agreement includes \$ _____ as compensation for the well located at _____.

If the owner does not agree with this amount and wants to be paid the actual cost, the following procedure is followed:

Procedure for Actual Cost Payment for Wells Within Required Right of Way



An itemized original bid is obtained from a licensed well driller for a replacement well. The bid is based on the same kind, depth, and size, where possible, of the well being acquired. The agreement then provides to pay the actual dollar amount of the replacement of the well. The estimate should also include a provision for the payment of dry holes, where applicable. The payment is made upon receipt of bills paid by the owner and submitted to the Iowa DOT after the work has been completed. When an agreement is reached on this basis and before it is added to the purchase agreement, the acquisition agent subtracts from the agreement that amount which the appraiser had included for the loss of the well. This amount is added to the following item in the agreement:

The Buyer agrees to pay the actual and reasonable cost, based on a detailed, written estimate of \$ _____ for replacing the well, located at Sta. _____ and measured from the centerline of the highway. Payment will be made when the Seller provides the Buyer with original, itemized

invoices and/or receipts for the replacement of the well and a certificate of compliance from the local sanitarian that the new well is certified for drinking water (potable water) and complies with state law. The Seller agrees to accept the stated sum as payment in full for any and all damages arising from the loss and replacement of the well.

It may be permissible to arrange for and pay for the cost of hooking up to a rural water service in lieu of paying for a new well.

9.8 SEPTIC SYSTEMS WITHIN REQUIRED RIGHT OF WAY

In the case of illegal or nonconforming septic systems, no payment is made. Where a tile outlet dumps effluent into the road right of way and a portion of the tile is affected by construction, the septic outlet is deemed illegal and no payment is made.

If part of a legal septic leech bed will be affected (but to an unknown extent), the following may be added to the purchase agreement:

It is understood and agreed by the Buyer and Seller that if a portion of the septic leech bed or system is damaged or destroyed by the construction of this highway improvement project, that portion shall be repaired or replaced at no expense to the Seller.

When a legal septic tank and system will be destroyed, the owner may be compensated as follows:

The Buyer agrees to pay the Seller the actual and reasonable costs necessary to replace the septic system serving the dwelling.

The septic system is to be constructed and installed in accordance with local and county codes and under the supervision of the local sanitarian. Payment will be made when the Seller provides the Buyer with original, itemized invoices and/or receipts for the replacement of the septic system and a certification of compliance from the local sanitarian. Payment is based upon a current estimate of \$_____.

9.9 SPECIAL TEMPORARY EASEMENT CLAUSES

Often, neither real estate nor any real property rights, such as access, are being acquired, and no conveyance is required. Under these conditions, the temporary easement agreement form should be used.

This form provides for a description of the area for which a temporary easement is required and states the reason why it is needed. The specific reasons for the temporary easement should be listed.

The use of the terms “right to encroach” or “right of entry” is to be avoided as being legally unacceptable. Only the words “temporary easement” should be used.

If temporary easement is required in conjunction with a permanent acquisition, the following clause should be added to the purchase agreement form:

The Sellers grant to the Buyer temporary easement for the purpose of _____, The Right-of-Way Design Plot Plan, attached as a page ___ of this agreement, graphically illustrates the

proposed temporary easement area being granted. The temporary easement shall terminate on completion of this highway project.

The specific purpose of the temporary easement should be stated, such as grading, shaping backslopes, constructing entrances, etc.

9.10 CROP POLICY

The purpose of the policy is to provide consistent treatment of property owners and tenants on projects involving growing crops while protecting the public's right to have access to properties acquired. The acquisition of agricultural land occurs all year. The property owner's and tenant's ability to plant and/or harvest crops needs to be balanced with the public need, regardless of what time of year the acquisition occurs. In the absence of crops, weed and erosion control measures are to be provided on barren land.

When the proposed project letting is scheduled after October 1 of the calendar year that the land is acquired, crops may be reserved to the owner or tenant for that calendar year with the following clause:

All 20___ growing crops are reserved to the Seller, if removed by Nov. 1, 20___. Any crops not removed by that date shall become the property of the Buyer. Should the Buyer require possession of the premises prior to Nov. 1, 20___, the Buyer may enter and damage or destroy the crop. The Buyer shall compensate the Seller for the damaged or destroyed crop based upon a rate of \$_____ per acre.

When the proposed project letting is scheduled before October 1 of the calendar year the land is acquired and if crops have not yet been planted prior to negotiations commencing, the owner or tenant may elect to be compensated for providing weed and erosion cover for the area to be acquired.

Seller agrees to provide weed and erosion control on the premises sought and described herein for the 20__ crop year. Approved control measures include the planting of oats, wheat, barley, soybeans, corn or mowing. Part of the lump sum payment on page one of this contract is settlement in full for providing weed and erosion control.

Should crop be available to harvest when mature, the Seller may harvest crop, at Seller's risk.

There are no assurances from the Buyer that the crop will be available to harvest due to the uncertainty of utility relocations.

Payment is based in a rate of \$___00 per acre.

When the proposed project letting is scheduled for before October 1 of the calendar year the land is acquired, crops are not reserved to the owner and/or tenant.

If crops have been planted prior to negotiations commencing, the owner or tenant could be compensated as follows.

Part of the lump-sum payment is settlement in full for all loss or damage for the 20_____ growing crop season. Payment is based on a rate of \$_____ per acre.

Should crop be available to harvest when mature, the seller may harvest crop, at Seller's risk.

Prior to July 1, compensation is based upon the costs of planting the crop. The following clause is used:

Part of the lump-sum payment is settlement in full for all field preparation and/or planting costs incurred for the 20_____ crop season. Payment is based on the rate of \$_____ per acre.

After July 1, compensation is based upon the value of the crop minus harvest and hauling expenses. The following clause is used:

Part of the lump-sum payment is settlement in full for all loss or damage for the 20_____ growing crop season. Payment is based on a rate of \$_____ per acre.

The agreement clearly reflects that compensation has been received for the crop and belongs to the state of Iowa. The rate should be based on the daily markets.

Crop reservations, payments, and agreements to provide weed and erosion control are generally only considered within the same calendar year that the purchase agreement for the land is signed. Any crop reservations, payments, and agreements to provide weed and erosion control in the subsequent calendar year should be discussed with the Acquisition supervisor prior to being considered.

9.11 IMPOUNDING OF WATER

At times, due to a change or an elimination of highway drainage structures, water may be impounded on a property owner's land for an indefinite period of time. In these cases, the following clause is added to the agreement:

The Buyer shall have the right to impound water from surface and/or tile drainage on the land of the Seller to an elevation of_____+, between Sta._____ and Sta._____ on the side* and extending_____+ feet_____ from the centerline of the proposed highway.

*If an exact description of the area to be ponded is possible, substitute: “[. . .] and extending over the following described area:_____.”

9.12 FARM TILE AND FENCE REPAIR OR REPLACEMENT

Whenever farm field tile lines or outlets and fence are located on the proposed right of way, it is standard practice for the state to assume the responsibility for them in case they are damaged or destroyed by highway construction. The following clause is written in all agreements as a standard clause:

The Buyer agrees that any agricultural drain tiles that are located within the premises that are damaged or require relocation by highway construction shall be repaired or relocated at no expense to the Seller. Where the Buyer specifically agrees to construct and maintain fence, the fence shall be constructed and maintained for vehicle access control purposes at no expense to the Seller. The Buyer has the right of entry upon the Seller's remaining property along the right-of-way line, if necessary, for the purpose of connecting the drain tile, and constructing and maintaining the fence. The Seller may pasture against the fence at his/her own risk. The Buyer will not be liable for fencing private property or maintaining it to restrain livestock.




9.13 FENCING

Right of way fences may be lawfully erected by the adjacent landowner on public highway right of way with the consent of the Iowa DOT District Office. Right of way fence located on highway right of way that is not relocated or moved by the owner may be removed after notice without liability by the Iowa DOT. Private fence constructed or maintained on the right of way by authority of the terms of a purchase agreement or condemnation or with the consent of the resident construction engineer is compensated for in any new acquisition. Examples of the latter include fencing to bridges, drainage structures, or cattle passes necessary to support continued agricultural use of land adjacent to highway right of way.

Fence payments are computed on the basis of an approved fence payment schedule prepared by the Appraisal Section. The schedule is based on unit prices per rod on a straight-line fence over average terrain for the cost of constructing a new fence or constructing a temporary fence. The schedule is updated annually to reflect current costs. The acquisition agent determines the amount of scheduled compensation for the right of way fence. The fence payment schedule includes all labor and materials.

On all partial acquisitions, appraisers consider that the new right of way line is fenced at state expense where the property is currently in a fenced condition. Therefore, any fence on existing right of way, or in the case of relocations, any property line fence that may be involved and whose utility will be replaced by the new right of way line fence, is not considered by the appraiser.

The following items are not considered in the appraisal as items of severance damage:

-  Reestablishment of corners to anchor cross-sections.
-  Relocation of interior fence.
-  Water gaps unfenced by the state.

Payment for those items may be included by the acquisition agent as additional fence costs or additional severance damages.

All other fences located within the acquisition whose utility is not replaced by the new right of way fence may be considered in the appraisal of the remainder property. This may include interior field, lot, or lane fencing. Fencing located within temporary easements are considered. In the case of a detour, any value attributable to the fence located therein or removed as a result of the detour itself should be shown in the allocation of the difference figure. In the agreement, the allocation of the difference figure under “Improvements to be acquired, including fence” should make reference to the inclusion of such fence under the appropriate item.

Ornamental or special-purpose fences whose utility is not replaced by a conventional field fence should be considered by the appraiser.

9.13.1 Interstate and Access Control Fencing Statement

Right of way fencing through access control limits along a roadway system, where applicable, is constructed as a part of the project. The standard forms of the partial acquisition agreement, the

right of entry agreement, and the tenant agreement contain a fence and tile clause. This clause defines the buyer's rights where the buyer agrees to construct and maintain fence. The clause is not operable unless the purchase agreement contains a specific agreement to construct fence. Where the buyer intends to construct fence, as in the case of an interstate, the following statement must be added to the agreement:

It is understood and agreed that the Buyer will construct and maintain access control fencing along Interstate ____/ U.S. ____ from Sta. _____ to Sta. _____, _____ side.

In those cases where a fence is constructed by the Iowa DOT, such fence is maintained for access control purposes only. The adjacent owner must assume full responsibility for the restraint of livestock. If the property owner requires special fencing, it must be installed and maintained on the landowner's side of the agency-maintained fence. The negotiator may arrange payment for the special fence in the acquisition agreement. Payment is made for the actual cost based on paid receipts and evidence of installation or construction of the fence. The fence billing clause (see section 9.14.3 of this document) may be used for this purpose. Such an arrangement is approved by the acquisition supervisor prior to establishing a purchase agreement with the property owner.

9.13.2 Lump-Sum Fence Payment

In the case of a partial acquisition, purchase agreements contain a statement whereby the buyer agrees to pay for the cost of moving or replacing fence. This applies to all types of fencing on the primary system. The agreement specifies the kind and amount of fence that must be moved or replaced. For example:

The Buyer agrees to pay the cost of _____ rods of _____ fencing. Payment will be made at the rate of \$ _____ per rod and is included in the total lump-sum payment amount shown on page 1 of this agreement. Payment will not be made for replacement of gates. The Seller may salvage any existing gates and/or fencing prior to construction of the project. Any existing gates and/or fencing that are not removed shall become the property of the Buyer.

9.13.3 Fence Billing Agreement

Purchase agreements may grant the owner the right to remove existing fence from right of way. All such provisions agree to pay the fair and reasonable cost of replacing the fence in kind. It also provides that payments are made on the basis of itemized receipts for the cost incurred. If the appraiser has allotted a sum for fencing, reduce the total lump sum amount by the amount allocated to fence and add the following clause to the agreement:

In addition to the total lump-sum payment amount shown on page one of this agreement, the Buyer agrees to pay to the Seller the actual and reasonable costs of replacing ___ rods/feet of ___, not to exceed \$ ___, as furnished by Seller. Payment will be made on the basis of itemized bills and/or receipts furnished by the Seller to the Buyer after the Seller's construction of the fence. Payment will not be made for replacement of gates. The Seller may salvage any existing gates and/or fencing prior to construction of the project. Any existing gates and/or fencing that are not removed shall become the property of the Buyer.

Any costs to salvage existing fence are not considered to be a reimbursable item.

9.13.4 Temporary Fencing

Where the need for temporary fencing is known and the payment amount can be determined, expand the lump sum fence payment clause. If the amount of temporary fencing cannot be determined, use the temporary fencing clause:

It is understood and agreed that, in addition to the total lump-sum amount shown on page one of this agreement, the Buyer agrees to pay the Seller for the Seller's construction of temporary fencing that is necessary along the Temporary Easement area during the construction period. The resident construction engineer will measure the temporary fence, and payment will be made at the rate of \$ _____ per rod for woven wire fence, \$ _____ per rod for barbed wire fence, and \$ _____ per rod for electrical fence.

Temporary fencing is measured by the resident construction engineer. Payment is made or arranged for by the resident construction engineer.

9.13.5 Fencing on Right of Way

In no case does the acquisition agent grant permission to the seller to fence on public right of way without expressed, written consent from the district maintenance manager or resident construction engineer. This is often requested by the owner where irregular right of way is acquired for culvert extensions.

9.13.6 Fencing for Water Gaps

Water gaps usually are not fenced where the proposed perimeter of the drainage structure is 48 inches or more or where a ditch channel exists. Owners are not permitted to anchor any water gap fencing to the state-erected fence.

On a new highway alignment such as a bypass, the acquisition agent may be required to pay a property owner for a water gap. On widening projects, water gaps are also often encountered. These are located at drainage structures such as culverts, bridges under the new road, or an existing structure that is being extended. Water gaps are short sections of fence over a continuously flowing creek or waterway that runs full after heavy rains.

There are varied ways of constructing a water gap. If the property owner is unfamiliar with this situation, the acquisition agent can refer to the Standard Road Plan Manual details for fence construction if this information is needed. If the property owner had an existing water gap, the cost to replace it is based on existing materials such as posts, wire, and cable that are currently used. If necessary, a cost estimate may be sought from a reputable fence contractor. The acquisition agreement should clearly state that payment for the water gap is included in the total lump sum.

10. OUTDOOR ADVERTISING DEVICES IN RIGHT OF WAY

10.1 PURPOSE

The purpose of this chapter is to describe the different situations under which an outdoor advertising device might need to be dealt with in the course of a total, partial, or minor acquisition.

10.2 IDENTIFYING SIGNS

If required to purchase a sign located within the acquisition area, the sign is identified in the following manner:

And which include the following buildings, improvements, and other property: [describe outdoor advertising device];

and/or adding a special clause to the agreement stating:

It is understood and agreed that the advertising device located at Sta._____, permit number_____, is considered to be personal property, the relocation of which will be made part of the Relocation Assistance Program.

In the event that the acquisition agent discovers a sign on the property during negotiations, they promptly note the location on the plans and take a picture of the sign. Upon returning to the office, the agent notifies the production coordinator.

11. NOTARIZING AND ABSTRACTING REQUIREMENTS

11.1 PURPOSE

The purpose of this chapter is to identify the requirements for notarization of signatures as part of the process of completing a purchase agreement. Also described are the circumstances under which an abstract needs to be obtained for a total acquisition, a partial acquisition, and a minor acquisition.

11.2 NOTARIZING

Agents are required to follow the procedures and specifications in accordance with the state of Iowa law established for notarizing signatures by the Iowa Secretary of State.

In all cases, the owners are encouraged to sign as their name appears on the deed.

11.3 ABSTRACTING REQUIREMENTS

Abstracts are required by the terms of the purchase agreement for title opinion purposes in accord with the following policies:

11.3.1 Total Acquisitions

In the case of a total acquisition, the purchase agreement requires delivery of an abstract showing merchantable title in the name of the seller on all but minor parcels. For this purpose, a minor parcel is any parcel (except an urban lot) where the land to be purchased is of one acre or less or where the appraised fair market value of the land is \$5,000 or less. Abstracts are obtained on any minor parcel containing excess land.

11.3.2 Partial Acquisitions

In the case of a partial acquisition, the purchase agreement requires delivery and loan of an abstract continued to date showing merchantable title in the name of the seller where the transaction totals \$75,000 or more or the current value as determined by the Title and Closing Unit. Abstracts are required for transactions of lesser amounts where the parcel contains excess land.

11.3.3 Minor Acquisitions

Abstracts may be required on minor parcels for either total or partial acquisitions when the title to the parcel is unusually encumbered. Such requests are supported by a judgment that the status of title is such that normal closing procedures do not appear to give reasonable assurance of the receipt of a sufficient ownership interest to support highway construction.

12. ACCEPTANCE OF AGREEMENT BY THE IOWA DOT

12.1 PURPOSE

The purpose of this chapter is to explain the procedure for completing the acquisition process (and to identify the chain of persons responsible for approval and finalization of this process).

12.2 ACCEPTANCE PROCEDURE

After obtaining the seller's necessary signatures on the purchase agreement and after reviewing the same for any possible errors, including checking that all signatures are correctly notarized, the acquisition agent turns in the signed agreement and field file to the production coordinator. The production coordinator reviews the agreement, and if found satisfactory, signs the agreement. The production coordinator then conveys the signed agreement and field file to the Title and Closing Section.

Acceptance Procedure



All purchase agreements must be approved to be a binding obligation. The Right of Way director is authorized to approve and sign the agreement for the Iowa DOT. When this has been done, the agreement becomes effective as of that date.

12.3 TRANSMISSION OF AGREEMENT TO FISCAL AND TITLE UNIT

Completed agreements are submitted to the Fiscal and Title Unit for closing and payment.

The agreement must be supported by evidence that the property owner was presented a written offer to purchase containing a statement of the occupant's possessory rights. All subsequent offers to purchase must also be made in writing. The agreement is supported by a signed **certification of acquisition** and **parcel check sheet**.

It is the general policy of the Right of Way Bureau that the acquisition agent explain all variances which result in an adjustment between the review appraiser's approved amount and the total lump-sum payment specified in the purchase agreement, exclusive of any fencing or weed and erosion control payments, through the use of the **administrative settlement** form approved by additional staff as required.

13. CONDEMNATION SUBMITTAL AND CLAIMS OF DAMAGE

13.1 PURPOSE

The purpose of this chapter is to describe the process for submitting a file for condemnation as well as the documentation involved in submitting a damage claim.

The procedure for submitting a file for condemnation is essentially the same as file submissions to the Title and Closing Unit, with some exceptions:

- **Two files are submitted.** One is for the hearing officer's use and one is for the Condemnation Unit.
- **The hearing officer file is to be the complete file used by the acquisition agent during negotiations.** When there are no signed agreements, three copies of the agreement prepared for the property owner's signature and any conveyance documents are to be included.
- **The Condemnation Unit file has one copy of the prepared agreement.** There need not be a copy of the appraisal, contact notes, report of liens, or all other file information, since this is available via electronic storage; however, if there are owner's appraisals or other appraisals that are not in the electronic storage program, a copy must be included in electronic storage and the hearing officer file.
- **Owners who are entitled to a notice of a condemnation proceeding are the same persons who must sign acquisition agreements in order to convey a merchantable title to the state, excepting owners with a registered agent who can accept service.** The acquisition agent is responsible for furnishing current mailing addresses for all owners and/or their registered agent. Post office box numbers are not acceptable.

13.2 DAMAGE CLAIMS

IC § 6B.52 provides:

Whenever property or an interest therein has been taken by condemnation or has been purchased for a public use and a settlement for construction or maintenance damages has been thereafter entered into pursuant to said condemnation or purchase, the owner shall have five years from the date of said settlement to renegotiate construction or maintenance damages not apparent at the time of said settlement. The condemner or purchaser shall give written notice to the owner of such right of renegotiation at the time said settlement is entered into.

A damage claim form is used when it is agreed to that the state has caused a specified damage to the seller during construction or maintenance damages. This form is to be used only with the approval of the acquisition supervisor.

14. INTRODUCTION TO RELOCATION UNIT

14.1 PURPOSE

The purpose of this chapter is to provide the reader with a broad overview of the structure of the Relocation Unit, how it is organized, and the general services it provides. This manual is written in several sections. Each section provides specific information about a particular aspect of the Relocation Assistance Program.

14.2 GOVERNING LEGISLATION AND REGULATIONS

The Iowa DOT is authorized to administer the Relocation Assistance Program through state and federal requirements. Federal requirements may be found in the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (known as the Uniform Act) and Public Law 91-646, as amended. The federal regulations are located in 49 Code of Federal Regulations (CFR) 24. State requirements are found in IC 6B and IC 316, with implementing rules in 761 Iowa Administrative Code (IAC) 111.

14.3 SECTION ORGANIZATION

Administration of the Relocation Assistance Program for the Iowa DOT is assigned to the Acquisition/Relocation Section, Office of Right of Way, and operates under the general administration of the acquisition/relocation supervisor, also referred to as the relocation supervisor. The relocation supervisor reports directly to the director of the Office of Right of Way. The relocation supervisor is supported in program administration by the production coordinator.

The production coordinator is responsible for assigning work, maintaining project and parcel records, providing training and serving as a resource for relocation advisors, and acting as the relocation supervisor's designee when the supervisor is unavailable.

Relocation assistance services are provided by relocation advisors, who act as right of way agents assigned to the Acquisition/Relocation Section. Relocation advisors are often required to serve as relocation advisors and as acquisition agents.

14.4 SERVICES PROVIDED

The Relocation Assistance Program provides two types of services: advisory services and relocation services.

14.4.1 Advisory Services

761 IAC 111.203(1)(b) includes the responsibility to inform the displacee that they will be given reasonable relocation advisory services, including, but not limited to, referrals to replacement properties, help in completing payment claim forms, and other necessary assistance to help the displacee successfully relocate.

14.4.2 Relocation Services

A displaced person is eligible for reimbursement of actual, reasonable, and necessary expenses. The reimbursements depend on the occupancy status.

Residential occupants	
Moving reimbursement	Replacement housing payment or rental assistance
Nonresidential occupants	
Moving reimbursement	Reestablishment
Fixed payment in lieu of actual expenses	

15. PLANNING AND PREPARATION

15.1 PURPOSE

Planning and preparation are essential to the success of any project. The purpose of this chapter is to provide guidance for early planning and preparation of relocation assistance activities. These efforts should begin during the early project development process.

15.2 THE RELOCATION ASSISTANCE PLAN

49 CFR 24 § 24.205(a) and 761 IAC 111.205(1)(a–e) require the creation of Relocation Assistance Plans during the early stages of the development phase of the project. **The goal of the federal and state requirements is to ensure relocation assistance is provided “in such a manner that the problems associated with the displacement of individuals, families, businesses, farms, and nonprofit organizations are recognized and solutions are developed to minimize the adverse impacts of displacement.”**

By becoming familiar with the project and neighboring area, the relocation advisor is more apt to recognize potential issues early in the project development process. Potential issues may include the need for increased time to accomplish successful moves, unusual replacement housing needs or payments, or limited availability of replacement residential or business properties in the local market.

15.3 INTERVIEW PROCESS

The initial interview with the displacee is essential for successful relocation process.

Prior to the meeting, the relocation advisor should become familiar with the general locale of the property to be acquired, the specifics of the proposed acquisition, and the potential impacts on the remaining property, if any. During this initial interview, we discuss income, mortgage information, preferences for school district, or new neighborhood location.

16. COMMONLY USED CONCEPTS, DEFINITIONS, AND TERMS

16.1 PURPOSE

The purpose of this chapter is to familiarize the reader with some of the most frequently used terms and commonly dealt with concepts used or encountered in the Relocation Assistance process. This chapter focuses on those concepts and terms used in all aspects of the Relocation Assistance Program. Other chapters in this manual provide definitions for those concepts and terms unique to the situations detailed in that chapter.

The following definitions may be found in either 49 CFR 24 or 761 IAC 111. For simplification, this manual cites the IAC location. The IAC provides corresponding federal and state requirements.

The [Relocation Assistance and Advisory Services](#) brochure has been prepared for people who are required to move or move their personal property. All displacees and any interested parties are entitled to receive a written description of the Iowa DOT's Relocation Assistance Program. Copies of this brochure are available to attendees of public hearings and upon request.

16.2 DECENT, SAFE, AND SANITARY (DSS)

Decent, safe, and sanitary based on the most stringent local housing codes which can be found at legis.iowa.gov and city websites, federal agency regulations, and the State of Iowa's Right of Way agency policy.

If a person is receiving government housing assistance a comparable replacement dwelling may include a dwelling that reflects similar government housing assistance. A public housing unit may qualify as a comparable replacement dwelling only for a person displaced from a public housing unit. A privately owned dwelling unit with a housing subsidy tied to the unit may qualify as a comparable replacement dwelling only for a person displaced from a similarly subsidized unit or public housing. In such cases any requirements of the government housing assistance program, related to the size of the replacement dwelling would apply. Also, nothing prevents a displaced person not previously receiving government housing assistance from accepting that assistance moving forward.

Many local housing and occupancy codes require the abatement of deteriorating paint, including lead-based paint and lead-based paint dust, in protecting the public health and safety. Where such standards exist, they must be honored.

- The dwelling must have an adequate supply of potable (drinking) water.
- When considering a housekeeping unit, there is a kitchen area containing a fully usable sink that is properly connected to potable hot and cold water and to a sewage drainage system. There must also be adequate space and utility connections for a stove and refrigerator.
- The dwelling must contain a heating system capable of sustaining a temperature of

approximately 70 degrees. The furnace should have been inspected or installed within the past 12 months before relocation occupancy. If not, a furnace inspection by a qualified person is required.

- The property must have a separate, well-lit, and ventilated bathroom affording privacy to the user, containing a sink, bathtub or shower stall, and a toilet, all in good working order and properly connected to appropriate sources of water and a sewage system.
- The dwelling's electrical system must have an adequate and safe electrical wiring system for lighting and other electrical services.
- Many local housing and occupancy codes require the abatement of deteriorating paint, including lead-based paint and lead-based paint dust, in protecting the public health and safety. Where such standards exist, they must be honored.
- The replacement dwelling must be structurally sound, weather-tight, and in good repair. For example, there must be no broken windows, no chipped or peeling paint, and no major foundation problems. It must also have a weather-proof roof, functional gutters, and drainage away from the foundation.
- The dwelling must have a safe, unobstructed means of egress to safe, open space at ground level.
- Replacement housing must be adequate in size with respect to the number of rooms, bedrooms, and living space needed to accommodate the displacee. The number of persons occupying each habitable room used for sleeping does not exceed the number permitted by local housing codes, federal agency regulations or requirements, the agency's regulations or written policy or, in the absence of local codes, each sleeping room should contain at least 72 square feet of floor space for the first occupant and at least 68 square feet for each additional occupant. Generally, children of different genders should not be permitted to share bedrooms. Unique situations may be considered on a case-by-case basis, taking into account the ages and genders of adults and children sharing the unit, cultural customs, and the appropriateness of sharing bedroom space.
- For a displacee who has physical disabilities, the dwelling must be free of any barriers which would preclude reasonable ingress, egress, or use of the dwelling by such person. In such case, dwelling features which may be helpful to such displacees may include wheelchair ramps, wider doorways, grab bars and special bathing facilities, first floor laundry facilities, kitchen modifications, etc.
- The replacement dwelling must have a minimum of one operating smoke alarm per floor, including in the basement, and one outside each sleeping area. Steps and stairways must have adequately attached and functioning handrails.

16.3 COMPARABLE REPLACEMENT DWELLING

No person may be required to move from a dwelling unless they have been offered a comparable replacement dwelling. The Iowa DOT must offer every displaced person at least one comparable replacement dwelling and, if possible, three. The term "comparable replacement dwelling" means a dwelling which is:

- Decent, safe, and sanitary (DSS).
- Functionally equivalent to the displacement dwelling, meaning that it performs the same function, provides the same utility, and is generally similar with regard to number of rooms and area of living space. The comparable replacement dwelling need not possess every feature

of the displacement dwelling, but the principal features must be present. When determining whether a replacement dwelling is functionally equivalent to the displacement dwelling, reasonable trade-offs may be considered for specific features when the replacement dwelling is equal to or better than the displacement dwelling.

- Adequate in size to accommodate the occupants; it should have a similar habitable area.
- In an area not subject to unreasonable adverse environmental conditions.
- In a location generally not less desirable than the displacement dwelling with respect to public utilities, commercial and public facilities, and distance to schools and employment.
- On a site that is typical in size for the residential development with normal site improvements; however, it does not need to include specialized improvements such as swimming pools, greenhouses, oversized garages, outbuildings, etc.
- Currently available to the displacee on the private market; however, the comparable replacement dwelling for a person receiving government housing assistance before displacement should include similar government housing assistance.
- Within the financial means of the displacee. For owners, the cost of the comparable replacement dwelling should not exceed the total amount of the acquisition price for the displacement dwelling plus the supplemental housing payment. For tenants, the monthly rent and utility costs should not exceed the displacement dwelling rent and utility costs plus eligible rental assistance.

16.4 HABITABLE SPACE

Habitable space is the enclosed floor space for living, sleeping, cooking, or eating purposes with minimum ceiling heights of seven feet, except in rooms under a sloping ceiling. In those instances, at least one half of the floor area must have a ceiling height of seven feet. Floor area located under the portion of the room where the ceiling height is less than five feet may not be counted when computing maximum permissible occupancy. Areas excluded as habitable space include bathrooms, hallways, closets, basements without proper egress, and bedrooms that are throughways.

16.5 CONTRIBUTE MATERIALLY

For a farm or business to be considered eligible for a fixed payment in lieu of actual expenses, they must show the operation contributed to the displacee. During the two taxable years prior to the taxable year in which displacement occurs, a business or farm operation:

- ☑ Must have had average annual gross receipts of at least \$5,000.
- ☑ Must have had average annual net earnings of at least \$1,000.
- ☑ Must have comprised at least 33 ⅓ percent of the owner's or operator's average annual gross income from all sources.

If the application of all criteria creates an inequity or hardship in any given case, the Iowa DOT may approve the use of other criteria as determined appropriate.

16.6 DISPLACED PERSON (DISPLACEE)

Generally, a person is considered to be displaced if they are any person who permanently moves from the real property or moves his or her personal property from the real property.

Persons required to move temporarily.

- A person who is required to move or moves his or her personal property from the real property as a direct result of the project but is not required to relocate permanently.
- Such determination shall be made by the agency in accordance with any requirement, policy, or guidance established by the Federal agency funding the project

Voluntary acquisitions.

- A tenant who moves as a direct result of a voluntary acquisition as described in § 24.101(b) (1) through (3) is eligible for relocation assistance when there is a binding written agreement between the agency and the owner that obligates the agency, without further election, to purchase the real property.
- Provided that, the agency may determine that a tenant who moves before there is a binding agreement is eligible for relocation assistance once a binding agreement exists.

Except as provided in paragraph (ii) of this definition in The Uniform Act of 1970, any person who permanently moves from the real property or moves his or her personal property from the real property.

Please note per 761 IAC 111.2(22), a “person” includes any individual, family, partnership, corporation, or association.

Persons considered not to be displaced per 761 IAC (111.2(9)(c)) are persons who:

- Are not legally present in the United States.
- Move before the initiation of negotiations, unless the Iowa DOT determines they were displaced as a direct result of the project.
- Initially enter into occupancy of the property after the date of its acquisition for the project or have occupied the property for the primary purpose of obtaining relocation assistance under the Uniform Act.
- Are determined to be in unlawful occupancy prior to the initiation of negotiations or have been evicted for cause under applicable laws.
- Are not required to relocate permanently as a direct result of the project.
- Occupy the property (other than the original occupant) on a rental basis for a short term, subject to termination when the real property is needed for the project.
- As owner occupants, voluntarily sell the property after being informed in writing that if a mutually satisfactory agreement cannot be reached, the Iowa DOT will not acquire the property (displaced tenants being eligible).
- The Iowa DOT determines are not displaced as a direct result of a partial acquisition.
- Are notified in writing, after receiving an offer of relocation assistance, that they will not be displaced. Notice is not given unless the person has moved and the Iowa DOT agrees to reimburse for any expenses incurred to satisfy binding, contractual relocation obligations

entered into after the effective date of the notice of relocation eligibility.

- Retain the right of use and occupancy of the real property for life after the acquisition by the Iowa DOT of the real property.
- Occupants of a temporary, daily, or emergency shelter.
 - Shelters can serve many purposes, and each will have specific rules and requirements as to who can occupy or use the shelter and whether prolonged and continuous occupancy is allowed.
 - Persons who are occupying a shelter that only allows overnight stays and requires the occupants to remove their personal property and themselves from the premises on a daily basis and that offers no guarantee of reentry in the evening typically would not meet the definition of displaced persons as used in this part, nor would the shelter meet the definition of dwelling as used in this part.
 - Persons who live at the shelter on a continuous, prolonged, or permanent basis may be considered displaced. These determinations are fact-based determinations.
 - Facts that might assist in the determination include whether the person is employed because they work to pay their rent or there may be a residential landlord-tenant relationship

16.7 ELIGIBILITY OF THOSE NOT LEGALLY PRESENT IN THE UNITED STATES

Each person seeking relocation payments or relocation advisory services shall, as a condition of eligibility, certify:

- In the case of an individual, that they are either a citizen or national of the United States or are legally present in the United States.
- In the case of a family, that each family member is either a citizen or national of the United States or is legally present in the United States. The head of the household may certify on behalf of other family members.
- In the case of an unincorporated business, farm, or nonprofit organization, that each owner is either a citizen or national of the United States or an immigrant who is lawfully present in the United States. Certification may be made by the principal owner, manager, or operating officer on behalf of other persons with an ownership interest.
- In the case of an incorporated business, farm, or nonprofit organization, that the corporation is authorized to conduct business within the United States.

Certifying that the displacee is a citizen or national of or is legally present in the United States is accomplished during the first contact between the relocation advisor and the potential displacee via Receipt for Brochure. Refusal to sign the receipt should be noted by the advisor and brought to the attention of the relocation supervisor. The advisor is not expected to do an exhaustive investigation as to whether the displacee is lawfully present in the U.S., but they should be relatively certain that the criteria for certification have been met. Documentation may include, but is not limited to, a birth certificate, driver's license, Social Security card, or green card, for example. Any review of documentation must be conducted in a nondiscriminatory manner. Our standard of review must be consistent for all persons.

If the Iowa DOT has reason to believe that a person's certification is invalid, and that, as a result, the person may be an immigrant not lawfully present in the United States, verification should be obtained from the local Bureau of Citizenship and Immigration Service (BCIS) Office.

16.8 NOTICES

16.8.1 General Information Notice

The General Information Notice informs occupants of possible displacement either permanently or temporarily and provides an overview of the Relocation Assistance Program as well as contact information for their Iowa DOT relocation advisor.

16.8.2 90-Day Notice

761 IAC 111.203(3) states that **no lawful occupant is required to move without at least 90 days' written notice.** This notice is usually delivered by the acquisition agent within the Iowa DOT's official Offer to Purchase. Delivery of the Offer to Purchase is considered to be the initiation of negotiations, which serves to establish eligibility for relocation assistance benefits.

The residential displacee cannot be given a 90-Day Notice until the Iowa DOT has demonstrated that replacement housing is currently available. A comparable replacement is considered not to be available if there is a sale pending or it has been removed from the market. The acquisition agent who delivers the offer must confirm the availability of comparable replacement housing. This is accomplished by contacting the listing realtor identified on the Comparable Inspection Sheet, just prior to the appointment.

The 90-Day Notice also states that the owner will receive a written notice at least 30 days prior to the specific date they must move.

16.8.3 30-Day Notice

The subsequent 30-Day Notice is not issued until the displacee has received payment as agreed upon in the contract or until the condemnation award has been deposited by the state, as prescribed by law.

16.8.4 Notice of Relocation Eligibility

Generally, persons that move prior to initiation of negotiations are not considered eligible for relocation assistance payments (761 IAC 111.2(9)(c)(i)). One exception occurs when the Iowa DOT provides a notice of intent to acquire, as provided in 761 IAC 111.2(20).

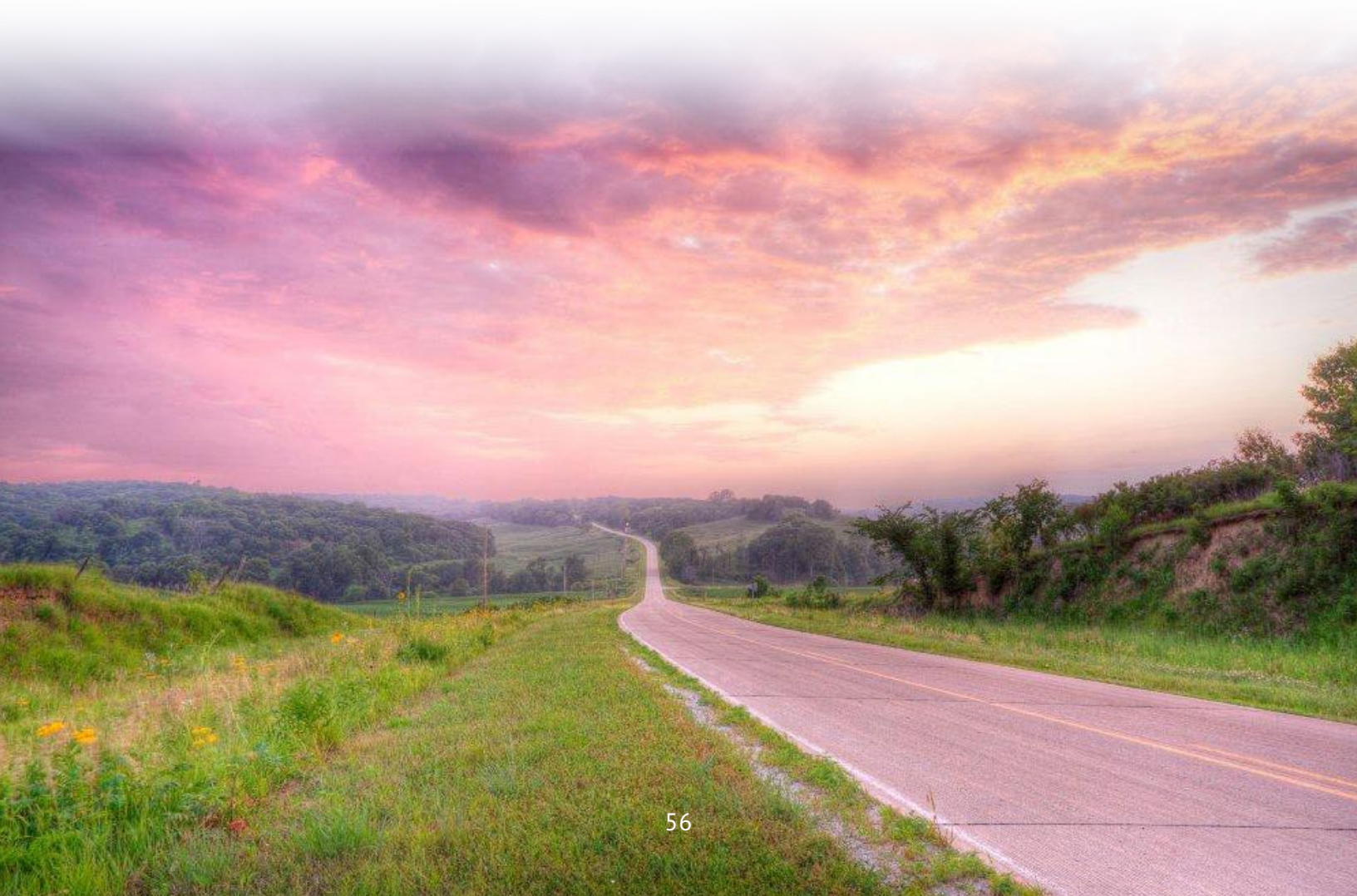
16.9 UNLAWFUL OCCUPANCY

Any person who unlawfully occupies the real property on the date of the initiation of negotiations is presumed to not be entitled to relocation payments and other assistance. A person is considered to be in an unlawful occupancy if:

- The person received an eviction notice prior to the initiation of negotiations and, as a result of that notice, is later evicted.
- The Iowa DOT determines the person is a squatter who is occupying the property without permission of the owner and otherwise has no legal rights concerning the property.

- The person is evicted after the initiation of negotiations for serious or repeated violation of material terms of the lease or occupancy agreement.

In no event is the eviction to be undertaken for the purpose of evading the obligation to make available the relocation payments or other assistance available to a displace. The relocation supervisor should be consulted prior to denial of relocation assistance and advisory services.



17. OWNER-OCCUPIED RESIDENCES

17.1 PURPOSE

The purpose of this chapter is to outline the significant state and federal benefits available to those displaced from their homes as a result of a public project. These benefits include replacement housing payments (RHPs), purchase supplements, and mortgage interest differential payments, among others.

17.2 TYPES OF OWNER OCCUPANTS

A person is considered to have met the requirement to own a dwelling if the person purchases or holds any of the following interests in real property:

- A fee title, a life estate, a land contract, a 99-year lease, or a lease including any options for extension with at least 50 years to run from the date of acquisition.
- An interest in a cooperative housing project which includes the right to occupy a dwelling.
- A contract to purchase any of the interests or estates described above.
- Any other interest, including a partial interest, which, in the judgment of the Iowa DOT, is considered to be ownership.

17.2.1 90-Day Owner Occupant

A person is considered to be in this category and may be eligible for an RHP if the person has actually owned and occupied the displacement dwelling for no less than 90 days prior to the initiation of negotiations for its purchase by the Iowa DOT.

- The maximum RHP is the threshold for payment for this category is \$41,200 unless last resort housing provisions apply, as further described in this manual. Please see 761 IAC 111.401(2). The payment is the sum of:
 - The supplemental payment.
 - The increased mortgage interest costs and other debt service costs incurred in connection with the mortgage of the replacement dwelling, limited to: the remaining balance of the mortgage(s) on the displacement dwelling.
 - The expenses incidental to the purchase of the replacement dwelling, limited to the lesser of either the costs that would have been incurred had the person purchased a comparable replacement dwelling or the actual expenses.

17.2.2 Less than 90-Day Owner Occupant

This status identifies a displaced person as one who has actually and lawfully occupied the dwelling to be acquired for the project less than 90 days immediately prior to the initiation of negotiations for its purchase. Please note that this category includes owners and tenants. Benefits for these individuals would come from last resort housing.

A person is considered to be in this category if the person has actually rented and occupied or owned and occupied the displacement dwelling for less than 90 days prior to the initiation of negotiations for its purchase by the Iowa DOT.

17.2.3 Subsequent Occupants

This status denotes occupants that begin their occupancy after acquisition of the property. **Persons who occupied the property after its acquisition by the Iowa DOT are provided advisory assistance and services if such assistance is needed and is requested in writing.**

17.2.4 Multiple Occupants of One Displacement Dwelling

When two or more occupants live together, they may be considered a family unit for relocation assistance purposes, and one comparable housing study is prepared and presented to them as a unit.

If they elect to move to separate replacement dwellings, each occupant is entitled to a reasonable prorated share, as determined by the Iowa DOT, of any relocation payments that would have been made if the occupants had moved together to a comparable replacement dwelling. If the Iowa DOT determines that two or more occupants maintained separate households within the same dwelling, each occupant has separate entitlement to relocation payments.

All residential displacees, except persons occupying the property after it was acquired by the Iowa DOT, are entitled to comparable replacement housing, moving cost reimbursement, and advisory services.

17.3 REPLACEMENT HOUSING

While displacees are entitled to purchase the replacement housing of their choice, state and federal requirements necessitate that minimum standards be in place before public funds may be used for participation in the costs.

All RHP categories have specific requirements for eligibility and computation. However, all categories also have a number of features in common.

17.4 DETERMINING THE COST OF A COMPARABLE REPLACEMENT DWELLING

The upper limit of a purchase supplement is based on the cost of a comparable replacement dwelling. **A minimum of one to three comparable replacement dwellings should be located by the relocation advisor so that the addresses and locations can be provided to the displacee.** If less than three are available in the local market, the relocation advisor should document the extent of the search that was conducted.

If possible, the comparable replacement dwellings are selected within the neighborhood from which the person was displaced. When it is not possible to find replacement dwelling within the neighborhood, comparables are selected from nearby or similar neighborhoods with housing costs that are generally the same or higher than the displacee's former neighborhood.

The relocation advisor should state the reasons for selecting the most comparable dwelling. An obviously overpriced dwelling should be ignored.

In some cases, there may not be suitable properties available for sale. The relocation advisor may then determine that in order to provide comparable replacement housing, last resort housing is necessary. In these cases, the Iowa DOT cannot ensure the availability of comparable replacement housing until the housing is DSS and available for occupancy.

It may be determined that new construction or rehabilitation of existing housing is necessary. An example of circumstances under which new construction would be acceptable is when there is a partial acquisition of an operating farm operation that includes the acquisition of the owner-occupied dwelling. In this case, new construction of a replacement dwelling would be appropriate.

17.5 ADJUSTMENTS TO THE PRICE OF THE DISPLACEMENT DWELLING

If the comparable replacement property lacks a major exterior attribute that the displacement property has, the contributive value of that attribute may be subtracted from the approved appraised value of the residential portion of the property for purposes of calculating the maximum payment.

When locating comparable replacement properties, the relocation advisor should make every attempt to locate a comparable that includes all the amenities of the displacement and may consider attributes that the comparable has in offsetting attributes found in the displacement.

Examples of such adjustments include:



Lot size



Decks



Location



Patios



Street surfacing



Outbuildings



Swimming pool

••• Etc.

17.6 PRICE DIFFERENTIAL OR SUPPLEMENTAL HOUSING PAYMENT

The price differential is the amount that must be added to the final acquisition price, whether it is established through the approved appraised value, negotiated settlement, or condemnation (or an appeal from condemnation) of the displacement dwelling to provide an amount equal to the lesser of:

- The reasonable cost of a comparable replacement dwelling as determined by the Iowa DOT.
- The purchase of the DSS replacement dwelling actually obtained and occupied by the displacee.

If the displacee has a disability or requires modifications in their accommodations that are necessary for their reasonable enjoyment of the replacement dwelling, those needs should be considered. Because it may be difficult to find properties to accommodate those special needs, the reasonable cost of the modifications may be reimbursed in addition to the calculated RHP.

RHPs provide another set of benefits for persons displaced from their homes by public improvement projects. These RHPs are designed to help eligible displaced persons to move into housing which is DSS, adequate for their needs, and comparable to where they lived before the displacement required their move. These payments are available to residential displaced persons only.

The three basic RHPs are supplemental housing payments, rental assistance, and down payment assistance. Sometimes even these payments are not sufficient to meet the objectives of the law and regulations, and it is necessary to provide last resort housing payments or procedures. Please see 761 IAC 111.404(1).

All RHP offers are conditional. In order to receive the maximum amount calculated, the displacee must spend or be legally committed or bound to spend the amount indicated on the offer as the basis for the determination.

Displacees are not required to relocate to housing that keeps them in the same occupancy status. Tenants are eligible for assistance in the purchase of replacement housing and owners are eligible for rental assistance.

17.7 CALCULATING RESIDENTIAL PORTION

If the displacement dwelling is a part of a property that is not just a single-family residence but contains another dwelling unit, has space used for nonresidential purposes, and/or is located on a lot that is larger than typical for residential purposes, only the acquisition price that is actually attributable to the displacement dwelling is considered.

When determining the cost of a replacement dwelling, this section requires that the contributory value of a major exterior attribute, as determined in the real property valuation, be subtracted from the acquisition price of the displacement dwelling for purposes of computing the replacement housing payment if the comparable replacement dwelling lacks the major exterior attribute.

The adjustment to the value of the displacement dwelling for the purpose of computing a replacement housing payment eligibility when a major exterior attribute is not available in the comparable replacement housing on the open market is often referred to as a “carve out.”

17.8 CALCULATING BENEFITS FOR PARTIAL OWNERS

If a partial owner is the occupant of the property, the calculation of the supplemental housing payment is somewhat different.

To receive the maximum payment, an owner occupant with a partial interest must spend their share of the acquisition payment plus the amount of the computed replacement housing payment in order to receive the maximum computed replacement housing payment. Owner occupants with partial interests who cannot secure financing or who cannot afford to purchase comparable replacement housing may be treated as tenants and receive rental assistance.

17.9 MORTGAGE INCREASE DIFFERENTIAL PAYMENT (MIDP)

A mortgage interest differential payment is intended to compensate the displaced owner occupant for the increased costs of refinancing their current mortgage on a comparable property. The

mortgage on the displacement dwelling must have been a bona fide and valid lien, including a home equity loan, in existence for at least 180 days prior to the initiation of negotiations. More than one qualifying mortgage may be considered.

The payment for increased mortgage interest cost is the amount which reduces the mortgage balance on a new mortgage to an amount which could be amortized with the same monthly payment (principal and interest) as that for the mortgage(s) on the displacement dwelling.

The agency must know the remaining principal balance, the interest rate, and monthly principal and interest payments for the old mortgage as well as the interest rate, points, and term for the new mortgage to compute the increased mortgage interest costs. If the combination of interest and points for the new mortgage exceeds the current prevailing fixed interest rate and points for conventional mortgages and there is no justification for the excessive rate, then the current prevailing fixed interest rate and points shall be used in the computations. Justification may be the unavailability of the current prevailing rate due to the amount of the new mortgage, credit difficulties, or other similar reasons.

17.9.1 Reverse Mortgages

The payment for replacing a reverse mortgage shall be the difference between the existing reverse mortgage balance and the minimum dollar amount necessary to purchase a replacement reverse mortgage which will provide the same or similar terms as that for the reverse mortgage on the displacement dwelling.

In addition, payments shall include other debt service costs, if not paid as incidental costs, and shall be based only on reverse mortgages that were valid liens on the displacement dwelling for at least 180 days prior to the initiation of negotiations.

- The payment shall be based on the difference between the reverse mortgage balance and the minimum amount needed to qualify for a reverse mortgage with the similar terms as the reverse mortgage on the displacement dwelling; however, in the event the displaced person obtains a reverse mortgage with a smaller principal balance than the reverse mortgage balance(s) computed in the buydown determination, the payment will be prorated and reduced accordingly. The reverse mortgage balance shall be that balance which existed 180 days prior to the initiation of negotiations or the reverse mortgage balance on the date of acquisition, whichever is less.
- The interest rate on the new reverse mortgage used in determining the amount of the eligibility shall not exceed the prevailing rate for reverse mortgages currently charged by mortgage lending institutions for owners with similar amounts of equity in their units in the area in which the replacement dwelling is located.

17.9.2 Carve Out

When determining the cost of a replacement dwelling, this section requires that the contributory value of a major exterior attribute, as determined in the real property valuation, be subtracted from the acquisition price of the displacement dwelling for purposes of computing the replacement housing payment if the comparable replacement dwelling lacks the major exterior attribute.

The adjustment to the value of the displacement dwelling for the purpose of computing a replacement housing payment eligibility when a major exterior attribute is not available in the comparable replacement housing on the open market is often referred to as a “carve out.”

17.10 EXCEPTIONS TO THE PREVAILING INTEREST RATE

There are instances when the displacee cannot become eligible for the prevailing interest rate due to the amount of the new mortgage, credit difficulties, or some other reason. In these cases, the file should be documented, and the computation of the MIDP is based on the mortgage interest rate that the displacee can qualify for and obtain.

17.11 INCIDENTAL EXPENSES

Reimbursement may be made for the actual and reasonable expenses incurred by the displacee in the purchase of a replacement dwelling and customarily paid by the buyer.

Inspections of the replacement dwelling are also reimbursable costs. These include whole house inspections, furnace inspections, and other inspections as necessary.

17.12 PAYMENT AFTER DEATH

An RHP is personal to the displaced person, and upon their death, **the undisbursed portion of any RHP is not paid to the heirs or assigns.**

17.13 RECALCULATING SUPPLEMENTAL HOUSING PAYMENTS

Supplemental housing payments are conditional and subject to recalculation. The initial determination and offer are based on the approved appraised value of the displacement dwelling and available comparable replacement dwellings at the time of the study. In the event the compensation for the residential portion changes through either **administrative settlement** or eminent domain proceedings, the amount of the supplemental payment may change.

In the event that the determination made by a compensation commission is appealed to a district court, a significant delay may ensue. If the displacee opts to move prior to final adjudication, the displacee is required to sign an agreement (similar to the **replacement housing and possession agreement**) that requires the displacee to refund any part of the supplemental housing payment for which they are not eligible, based on the final adjudicated residential value as determined by the court.

17.14 RENTAL ASSISTANCE PAYMENT

If an owner occupant of 90 days or more—who could be eligible for a supplemental housing payment to purchase replacement housing—instead elects to rent a replacement dwelling, they are eligible for a rental supplement. The amount of the rental supplement payment is based on a determination of market rent for the acquired dwelling compared to a comparable rental dwelling available on the market. The difference, if any, is computed and disbursed in accordance with the procedures for tenant occupants of 90 days or more. Under no circumstances would the rental assistance payment exceed the amount that could have been received had the 180-day homeowner elected to purchase and occupy a comparable replacement dwelling.

18. TENANT-OCCUPIED RESIDENCES

18.1 PURPOSE

The purpose of this chapter is to identify different categories of displaced tenants and how those in each category may gain assistance through various types of tenant-specific benefits. State and federal requirements provide significant benefits for tenants displaced from their homes as a result of a public project.

18.2 OCCUPANCY STATUS OF TENANTS

18.2.1 Occupants of 90 Days or More

A person is considered to be in this category and may be eligible for a rental supplement if the person has actually rented and occupied the displacement dwelling for more than 90 days prior to the initiation of negotiations for its purchase by the Iowa DOT and either rents or purchases and occupies a DSS replacement dwelling within one year after the date they move from the displacement dwelling.

18.2.2 Tenant Occupants of Less than 90 Days and/or Subsequent Tenants

A person is considered to be in this category if the person has actually rented and occupied or owned and occupied the displacement dwelling for less than 90 days prior to, or after, the initiation of negotiations for its purchase by the Iowa DOT.

All RHPs to displacees in this category are paid under last resort housing provisions. Benefits for low-income tenants will still be calculated using the 30% of income rule contained in §24.402(b)(2).

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For others who are not low income, the calculation will be rent-to-rent.

The less than 90-day occupant rental assistance can be converted to a down payment to purchase at the discretion of the agency on a case-by-case basis.

For this category, the procedures and requirements are the same as for tenants of more than 90 days. However, if there is comparable DSS replacement housing available within the displacee's financial means, the displacee is not eligible for a rental supplemental payment.

18.2.3 Multiple Occupants of One Displacement Dwelling

When two or more occupants live together, they may be considered a family unit for relocation assistance purposes, and one comparable housing study is prepared and presented to them as a unit. **If they elect to move to separate replacement dwellings, each occupant is entitled to a reasonable prorated share, as determined by the Iowa DOT, of any relocation payments that would have been made if the occupants had moved together to a comparable replacement dwelling.** If the Iowa DOT determines that two or more occupants maintained separate households within the same dwelling, each occupant has separate entitlement to relocation payments.

All residential displacees, except persons occupying the property after it was acquired by the Iowa DOT, are entitled to comparable replacement housing, moving cost reimbursement, and advisory services.

18.3 COMPARABLE REPLACEMENT DWELLING

No person may be required to move from a dwelling unless they have been offered a comparable replacement dwelling. The Iowa DOT must offer every displaced person at least one comparable replacement dwelling and, if possible, three.

18.4 RENTAL ASSISTANCE PAYMENTS

Payment or eligibility for payment is based upon current rent, including utilities, as well as the monthly rent and utilities for a comparable dwelling. Assistance is limited to 42 months.

Rental assistance payments provide another set of benefits for persons displaced from their homes by public improvement projects. These payments are designed to help eligible displaced persons to move into housing which is DSS, adequate for their needs, and comparable to where they lived before the displacement required their move. Payments are available to residential displaced persons only.

18.5 DETERMINING THE COST OF A COMPARABLE REPLACEMENT DWELLING

The upper limit of a rental supplement is based on the cost of a comparable replacement dwelling. A minimum of one to three comparable replacement dwellings should be located by the relocation advisor so that the addresses and locations can be provided to the displacee. If less than three are available in the local market, the relocation advisor should document the extent of the search that was conducted.

If possible, the comparable replacement dwellings are selected within the neighborhood from which the person was displaced. When it is not possible to find replacement dwelling within the neighborhood, comparables are selected from nearby or similar neighborhoods with housing costs that are generally the same or higher than the displacee's former neighborhood.

The relocation advisor should state the reasons for selecting the most comparable dwelling. An obviously overpriced dwelling should be ignored.

In some cases, there may not be suitable properties available for sale or rent. The relocation advisor may then determine that in order to provide comparable replacement housing, last resort housing is necessary.

18.6 DOWN PAYMENT ASSISTANCE

Rather than continue to rent, a residential tenant displacee may decide to purchase replacement housing, and it is the policy of the Iowa DOT to encourage home ownership if it is a viable alternative for the displacee. **It is not necessary for the relocation advisor to locate comparables for the displacee to purchase, only to compute and advise the tenant of the potential rental supplement discussed earlier.**

If the displacee elects to purchase replacement housing, they are eligible to receive either the calculated rental supplemental payment or \$9,570 the threshold provided by the Uniform Act, whichever is greater.

The full amount of down payment assistance must actually be applied to the purchase price and/or incidental expenses. The displacee may not use these funds for other purposes. A commitment to spend is not sufficient.

See 761 IAC 111.401(5) for further details.

18.7 CONVERSION OF PAYMENT

A displaced person who initially rents replacement housing and receives a rental assistance payment may change their mind and purchase replacement housing. This can be done within one year of moving from the displacement dwelling.

In the event that the person does opt to purchase replacement housing, any rental assistance that has been paid to them is deducted from the calculated rental supplement or down payment.

18.8 PREVENTING SUBSEQUENT OCCUPANCY

Displaced tenants may move prior to the Iowa DOT acquiring the property and receiving possession from the owner of the property. In these instances, it is desirable to acquire the owner's right to rent the property in order to avoid having to relocate a subsequent tenant (i.e., a tenant of less than 90 days). The Iowa DOT reduces potential exposure to increased relocation costs, and the owner does not suffer a loss in rental income before surrendering the property.

18.9 DISBURSING PAYMENTS

Prior to the disbursement of rental assistance payments, the replacement dwelling must be inspected to ensure it is DSS.

In some cases in which rental assistance requires assignments of future payments to a third party, an **assignment of interest** can be used. Rental assistance payments are vested once they have moved into replacement housing, regardless if they move again.

19. HOUSING OF LAST RESORT

19.1 PURPOSE

The purpose of this chapter is to define the appropriate ways that displaced persons may be relocated under housing of last resort provisions.

19.2 METHODS OF PROVIDING REPLACEMENT HOUSING

There is broad latitude in the methods of providing replacement housing, but the method must be cost effective and must be justified on a case-by-case basis unless a determination is made that housing of last resort assistance is necessary for an entire project.

Possible methods include, but are not limited to, the following.

19.2.1 For Owners

- Payments in excess of the monetary threshold.
 - Most of the time, this is the situation that triggers the implementation of last resort payments and the need to complete the documentation requirements that accompany it.
- Rehabilitation of and/or additions to an existing replacement dwelling.
 - There may be occasions when there is available housing, but it may be necessary to cure DSS deficiencies or make modifications that would make an otherwise deficient replacement dwelling work for the displacee. If cost effective, this a viable solution to solve the displacee's housing needs.
- The purchase of land and/or a replacement dwelling by the Iowa DOT with subsequent lease to, or sale to, or exchange with a displacee.
- The removal of barriers for persons with disabilities.
- A change in status of the displacee, with their agreement, from homeowner to tenant, if it is more economical to provide a rental supplemental payment rather than a housing of last resort down payment.

19.2.2 For Tenants

- Payments in excess of the threshold.
 - If a rental assistance payment in excess of \$10,000 is necessary, the payments may be provided in periodic installments (generally annually). The relocation advisor should seek input from the relocation supervisor and/or production coordinator on payments over \$10,000. If the relocation advisor believes that it would be in the displacee's best interest (because of a personal circumstance or condition) to provide a payment that is less than \$10,000 in periodic installments, the relocation supervisor and/or production coordinator should be consulted.

- A direct loan with regular amortization or deferred repayment, secured or unsecured, interest bearing or interest free.
- The purchase of land and/or a replacement dwelling by the Iowa DOT with subsequent lease to, sale to, or exchange with a displacee.
- The removal of barriers to persons with disabilities.
- A change in status of the displacee, with their agreement, from tenant to homeowner, if it is more economical to provide a down payment rather than a housing of last resort rental supplemental payment.

19.2.3 New Construction

New construction may be warranted when a partial acquisition from an operating farm includes the acquisition of an owner-occupied dwelling with suitable remaining land to build on. The Iowa DOT has historically agreed with the necessity of the owner-operator to remain living on the farm operation.

The value of new construction may also be warranted when comparable replacement housing is not available in the market. For example, a rural market may not have any available rural residential properties for sale at the time of displacement. The need for particular attributes, such as several bedrooms for a displacee with a large family, may necessitate new construction if adequate DSS housing is not available in the market at the time of displacement.

19.3 DOCUMENTATION

To document the need for last resort housing provisions, the relocation advisor develops a written plan that addresses the circumstances of the displacee, the problems encountered, and the proposed solution. This plan must provide a solution that is legally possible, cost effective, and orderly. This plan is submitted to the relocation supervisor for review and approval.

20. RESIDENTIAL MOVING PAYMENTS

20.1 PURPOSE

The purpose of this chapter is to describe the different methods of completing a residential move and what kinds of assistance payments are available for each of these types of moves.

20.2 TYPES OF PAYMENTS

Residential moving expense payments are designed to compensate the displacee for moving and moving-related expenses that are incurred as a result of having to move from their dwelling or to move personal property as a result of the project.

20.2.1 Actual Cost Method

Any owner or tenant occupant of a dwelling who qualifies as a **displaced person is entitled to payment or reimbursement of those actual and reasonable expenses** that the Iowa DOT determines to be necessary for a successful move.

20.2.2 Scheduled Method

Any person displaced from a dwelling or seasonal residence may choose to receive a fixed lump sum amount which includes a dislocation allowance for utility reconnection fees as an alternative to reimbursement of actual expenses. This scheduled or fixed method is based on the number of rooms of furniture in the dwelling from which the move occurred.

It may be appropriate to reimburse the residential displacee for their time in packing and/or unpacking their personal property, regardless of whether the displacee elected to use a commercial mover. If there are special items of personal importance that the displacee elects to move themselves, it may be reasonable to allow a payment as compensation for this unusual amount of effort.

20.2.3 Combination of Actual and Scheduled Methods

In some cases, persons who plan to claim only a fixed payment may also be eligible for additional moving options to aid in moving personal property that is not considered in the Fixed Moving Cost Schedule and that is located outside the dwelling (such as a jungle gym, hot tub, etc.). These options may also apply to personal property items located within the dwelling which require specialized moving assistance (such as a piano, pool table, medical equipment, etc.). In these situations, the displacee may also be eligible for a payment based on actual costs for a self-move of these items.

20.3 ADDITIONAL MOVING REIMBURSEMENTS OR ELIGIBILITIES

In cases in which the displacee is older, has special needs, or cannot physically perform the task, the relocation advisor obtains estimates and payment is made on an actual and reasonable cost basis.

As determined by the Right of Way/Relocation agency, a displaced tenant is entitled to reasonable reimbursement for actual expenses not to exceed \$1,000, incurred for rental replacement dwelling application fees or credit reports required to lease a replacement dwelling.

Displacees move or dispose of all personal property prior to receipt of the moving payment. The intent is to ensure that significant items of personal property and any unwanted or discarded materials that are substantial enough to attract rodents or other pests are removed.

Storage of personal property is an eligible expense for a maximum of 12 months. This would include the cost to move into and out of storage. If a dumpster is required, it would be considered an eligible expense.

During the relocation advisor's inspection of the property to be acquired, hazardous items should be noted and pointed out to the displacee to alert them to special disposal procedures.

Other items of personal property which may be located outside the dwelling also need to be moved. These items may include contents of garages or other outbuildings and sheds, satellite systems, liquid propane tanks, ornamental displays, portable clothesline poles, swing sets, aboveground swimming pools, etc.

20.4 INELIGIBLE EXPENSES

The following expenses are not eligible for reimbursement as residential moving and moving-related expenses:

- The cost of moving any structure or real property improvement in which the displacee reserved ownership.
- Interest on a loan to cover moving expenses.
- Personal injury.
- Legal or other costs of preparing a claim for a relocation payment or for representing the displacee with the Iowa DOT.
- Expenses for searching for a replacement dwelling.
- Expenses for storage of personal property at a location where the displacee has an ownership or tenant interest.
- Cosmetic changes.

21. MOBILE HOMES

21.1 PURPOSE

The purpose of this chapter is to explain the circumstances under which a mobile home occupant is considered a tenant or an owner and how this affects the types of benefits they are eligible to receive.

21.2 POLICY

A person displaced from a mobile home is entitled to the same benefits and payments as a person displaced from a conventional dwelling.

In Iowa, a “mobile home” is defined in IC § 321.1(36C.a) as “any vehicle without motive power used or so manufactured or constructed as to permit its being used as a conveyance upon public streets and highways and so designed, constructed or reconstructed as will permit the vehicle to be used as a place for human habitation by one or more persons.” Mobile homes are not built to a mandatory building code, contain no state or federal seals, and were built before June 15, 1976.

Mobile homes present unique situations, as they may be considered either real property or personal property, and there may be a separation of ownership between the dwelling and the site.

These differences present two general problems. The first involves a decision concerning whether to acquire or move the mobile home from subject property. The second is a major increase in the complexity of determining the relocation assistance payments for which the displaced person is eligible.

21.3 REALTY VERSUS PERSONAL PROPERTY

The first consideration when dealing with mobile home moves is to determine the status of the mobile home as real or personal property. In Iowa, if a mobile home is located in a mobile home park, it must be titled and is subject to the mobile home square foot tax. If it is permanently placed outside a mobile home park, the mobile home is assessed and taxed as real estate. **For relocation assistance purposes, a mobile home is considered to be personal property unless the mobile home has been permanently affixed to the site and is now considered part of the real estate.** In this case, the mobile home is appraised and acquired as part of the real estate.

21.4 MOBILE HOME VERSUS SITE

Mobile homes, unlike conventional structures, may be separated from their sites from an ownership standpoint. **Since a mobile home displacement often has two distinct components—the mobile home itself and the site—it is often necessary to compute two separate RHPs.** It is not unusual to have payments that reflect a different status (owner or tenant), since the displacee might own the mobile home but rent the site or vice versa.

21.5 OWNER VERSUS TENANT

Like conventional dwellings, RHPs for persons displaced from mobile homes differ based on their status as homeowner or tenant. **For RHP purposes, the occupant's status as an owner or a tenant is determined by the ownership or tenancy of the mobile home and not the site on which it is located.**

Thus, an occupant of a mobile home who owns the mobile home and its site and an occupant who owns the mobile home but not the site are both homeowners for RHP purposes and are eligible for a supplement payment. Conversely, an occupant who owns the site but rents the mobile home is a tenant for rental supplement purposes and is eligible for a rental assistance payment not to exceed \$9,570 the threshold, unless housing of last resort provisions apply.

Eligibility for RHPs parallels the requirements for occupants of conventional dwellings.

21.6 MOVING COSTS AND RELATED EXPENSES

Any displaced person who owns and/or occupies a mobile home located within the proposed acquisition area is entitled to reimbursement of moving costs and related expenses for moving the mobile home—if it is considered personal property—and/or for moving the contents of the mobile home.

21.6.1 Moving Expenses for Mobile Homes Occupied by Owners

An owner occupant of a displaced mobile home classified as personal property and not acquired by the Iowa DOT may be reimbursed for moving and moving-related expenses on an actual cost basis—provided the Iowa DOT determines the costs are reasonable and necessary—or a scheduled move basis for the contents of the mobile home. Experience indicates it is necessary to remove the personal property in the mobile home prior to the moving of the home so that the structural integrity of the mobile home is not jeopardized by the move.

If a displaced owner occupant is reimbursed for the cost of moving the mobile home and any necessary related expenses, that displacee is not eligible to receive a supplemental housing payment for the mobile home itself. However, the displacee may be eligible for a supplemental payment in connection with the rental or purchase of a replacement site, depending upon the length and type of occupancy on the displacement site.

21.6.2 Moving Expenses for Mobile Homes With Nonoccupant Owners

A nonoccupant owner of a displaced mobile home that is not acquired by the Iowa DOT may be reimbursed for the actual and reasonable cost of moving the mobile home from the site based on moving estimates. **The use of business move procedures is proper in this case because the mobile home is personal realty and may be used for a business. As a business, the owner also has the option of a self-move. Since the owner in this case is not an occupant, there is no eligibility for an RHP.**

21.6.3 Moving Expenses for Mobile Homes Occupied by Tenants

A tenant of a displaced mobile home may be reimbursed for moving their personal property on an actual cost basis or a scheduled move basis. **Note that under this category, there may be two moving expense payments: one for the owner to move the mobile home, and one for the tenant to move furnishings and other personal property** (similar to when a nonoccupant owner has personal property to be moved from a conventional dwelling).

21.7 PARTIAL ACQUISITION OF A MOBILE HOME PARK

If the proposed partial acquisition of a mobile home park leaves a remainder that is not adequate to continue the operation of the park, the Iowa DOT may determine that the remaining tract has become an uneconomic remnant. The Iowa DOT may elect to acquire the entire tract or consider a highest and best use change for the subject property. In either event, the remaining mobile homes located on the remainder may be considered displaced as a result of the project, and the owners or tenants of those homes are eligible for payments and assistance. These determinations are usually made during the appraisal process but may also occur during acquisition activities.



22. NONRESIDENTIAL RELOCATION ASSISTANCE

22.1 PURPOSE

This portion of the manual discusses nonresidential aspects of moving businesses; farm operations; non profit organizations (NPOs); simple, personal, property-only moves; and advertising devices, both on- and off-premise.

22.2 NONRESIDENTIAL DISPLACEMENTS

For relocation assistance purposes, the term “person” is any individual, family, partnership, corporation, or association. The term “business” means any lawful activity, except a farm operation, that is conducted:

- Primarily for the purchase, sale, lease, and/or rental of personal and/or real property, and/or for the manufacture, processing, and/or marketing of products, commodities, and/or any other personal property.
- Primarily for the sale of services to the public.
- Primarily for outdoor advertising display purposes when the display must be moved as a result of the project.
- By a nonprofit organization that has established its nonprofit status under applicable federal and state law.

22.3 PAYMENTS FOR MOVING AND MOVING-RELATED EXPENSES

Simple personal property moves and advertising device moves are limited to reimbursement of moving expenses.

Businesses, farm operations, and NPOs may choose either of two methods, or a combination of both, for computing nonresidential moving expense payments.

Any individual, business, farm operation, or NPO that qualifies as a displaced person is entitled to payment or reimbursement of those actual and reasonable expenses that the Iowa DOT determines to be necessary for a successful move.

The Appraisal and the Acquisition/Relocation Sections should concur regarding the realty property versus personal property determinations prior to the development of issues. Upfront planning and communication are very important to ensure the success of the negotiations and move.

The approved appraisal report should include these determinations. Fixtures and other equipment considered to be part of the real property should be identified, but it is possible that some items

may require further identification. Misunderstandings and clarifications must be identified and resolved. The relocation advisor is responsible for bringing any questions to the attention of the relocation supervisor and/or production coordinator for discussion.

22.3.1 Self-Moves

A displacee may elect to take full responsibility for the move of their business, farm operation, NPO, personal property, or advertising device. This provision allows the Iowa DOT to reimburse the displacee for the move, but the cost determination and levels of documentation which are required vary based on the estimated cost of the move. Payment to a displacee for a self-move never exceeds the lower of two firm bids received for the larger, more complicated moves or the relocation advisor's estimate based on local information.

Type of Self-Moves	Description
Uncomplicated self-moves of \$5,000 or less	Self-moves in this category are considered uncomplicated, as the move basically requires labor and a truck. The difference between this move and the previous category is the quantity of items to be moved, transported, and unloaded.
Complicated self-moves and moves of more than \$5,000	Moving costs in this category are not to exceed moving bids by competent, knowledgeable, professional movers. Monitoring these moves is necessary to ensure that the amounts reimbursed are reasonable and necessary and that the required methods and special handling, if any, were actually performed. Generally, more expensive moves require more monitoring than less expensive moves.
Actual cost self-moves	Actual cost self-moves must be planned and monitored in a manner similar to the category of complicated self-moves of \$5,000 or more. If the displacee uses their own employees, reasonable and acceptable documentation of their salaries and time spent must be provided.

The relocation advisor explains to the displacee that the amount to be reimbursed is to be based on the lower of two firm bids.

22.3.2 Commercial Moves

Commercial moves are moves performed by competent, licensed, and insured moving firms that are based on firm bids. **The displacee may contract with the commercial mover of their choice**, but reimbursement by the Iowa DOT is limited to the lower of two bids.

22.3.3 Eligible Actual Moving Costs as Defined by The Uniform Act

Actual direct loss of tangible personal property incurred as a result of moving or discontinuing the business or farm operation. The payment shall consist of: (i) If the item is currently in use, the lesser of: (A) The estimated cost to move the item up to 50 miles and reinstall; or (B) The fair market value in place of the item, as is for continued use, less the proceeds from its sale. To be eligible for payment, the claimant must make a good faith effort to sell the personal property, unless the agency determines that such effort is not necessary. (ii) If the item is not currently in use: The estimated cost of moving the item 50 miles, as is.

When payment for property loss is claimed for goods held for sale, the fair market value shall be based on the cost of the goods to the business, not the potential selling prices.

- Transportation of the displaced person and personal property for a distance not to exceed 50 miles, unless transportation exceeding 50 miles is determined to be justified.
- Packing, crating, unpacking, and uncrating personal property.
- Disconnecting, dismantling, removing, reassembling, and reinstalling items such as machinery, equipment, substitute personal property, and connections to utilities available within the building.
- Modifications to the personal property that are mandated by law, code, or ordinance to adapt them to the replacement structure and replacement site, as well as modifications necessary to adapt the utilities at the replacement site to the personal property.
- Storage of personal property, not to exceed 12 months.
- Insurance for the replacement value of the property in connection with the move and necessary storage.
- Replacement value of property lost, stolen, or damaged in the process of moving (not through the fault or negligence of the displaced person, his or her agent, or employee) where insurance covering such loss, theft, or damage is not reasonably available.
- Any license, permit, fees, or certification required of the displaced person at the replacement site; reimbursement may be based on the remaining useful life of the existing license, permit, fees, or certification.
- Professional services such as planning, moving and installing personal property that are determined to be actual, reasonable, and necessary.
- Relettering signs, replacing stationery on hand, and updates to other media at the time of the displacement that are rendered obsolete as a result of the move.
- Actual, direct loss of tangible personal property incurred as a result of moving or discontinuing the business or farm operation; payment is limited to either the fair market value in place—less proceeds from sale—or the cost to move, whichever is less.
- The reasonable cost incurred in attempting to sell an item that is not to be relocated.
- Purchase of substitute personal property if an item, which is used as part of the business or farm operation, is not moved, but is promptly replaced with a substitute item that performs a comparable function at the replacement site; payment is limited to the lesser of either the cost of the substitute item—minus proceeds from sale or trade-in of the replaced item—or the cost to move and reinstall the replaced item.
- Expenses negotiating the purchase of a replacement site based on a reasonable salary or fee, including actual, reasonable, and necessary attorney's fees, up to \$5,000.
- Low value/high bulk: When the cost to move an item is disproportionate to its value, the allowable moving cost payment will not exceed the lesser of either the amount which would be received if the property were sold at the site or the replacement cost of a comparable quantity delivered to the new business site.

The Federal funding agency may, on a program-wide or project basis, allow a one-time payment of \$1,000 for search expenses with minimal or no documentation as an alternative payment method.

22.3.4 Related Nonresidential Eligible Expenses

The following expenses shall be provided if the Iowa DOT determines that they are actual, reasonable, and necessary:







- Connection of available, nearby utilities from the replacement site's property line to improvements at the replacement site.
- Professional services performed prior to the purchase or lease of a replacement site to determine its suitability for the displaced person's business operation.
- Impact fees or onetime assessments for anticipated heavy utility usage.
- Actual, reasonable, and necessary reimbursement for connection to available utilities are for the necessary improvements to utility services currently available at the replacement property.

22.4 REESTABLISHMENT PAYMENTS

In addition to actual moving expenses, a small business, farm, or NPO is entitled to receive a payment, not to exceed \$33,200, the threshold provided in the Uniform Act, for expenses that the Iowa DOT determines to be reasonable and necessary in connection with reestablishing such small business, farm, or NPO at a replacement site. Reimbursement of reestablishment expenses may not exceed \$33,200 the threshold (see 761 IAC 111.304).

22.4.1 Eligible Expenses

Eligible expenses include, but are not limited to:

-  Repairs or improvements to the replacement real property as required by law, code, or ordinance.
-  Modifications to the replacement property to accommodate the business or render replacement structures suitable for conducting the business.
-  Construction and installation costs for exterior signage to advertise the business.
-  Redecoration or replacement of soiled or worn surfaces at the replacement site.
-  Advertisement of the replacement location.
-  Estimated increased costs of operation during the first two years at the replacement site.

It is important to remember that such expenses should be necessary to reestablish the present operation, not to improve it, allow it to enter new markets, or do those things that the operation should have done itself or wanted to do at the displacement location. Displacement provides an excellent opportunity for an operation to do all of those things itself, but they should not be accomplished with public funds.

22.4.2 Ineligible Reestablishment Expenses

The following is a nonexclusive listing of reestablishment expenditures not considered to be reasonable, necessary, or otherwise eligible for reimbursement:

- Purchase of capital assets, such as office furniture, filing cabinets, machinery, or trade fixtures.
- Purchase of manufacturing materials, production supplies, product inventory, or other items used in the normal course of the business operation.

- Interest on money borrowed to make the move or purchase the replacement property.
- Payment to a part-time business in the home which does not contribute materially, defined at § 24.2(a), to the household income.
- Construction costs for a new building at the business replacement site, or costs to construct, reconstruct or rehabilitate an existing building.

22.5 NONRESIDENTIAL FIXED PAYMENT FOR MOVING EXPENSES OR IN LIEU OF PAYMENT

A displaced business, farm operation, or NPO may be eligible to choose to accept a fixed payment in lieu of the payments for actual moving and related expenses and actual reasonable reestablishment expenses. Landlords and billboard owners are not eligible for a fixed payment.

Payment under this category can range from a minimum payment of \$1,000 to a maximum payment of \$53,200 as provided by the greater maximum established in either the Uniform Act or 49 CFR Part 24.

There are several advantages to the fixed payment. First, it is simple to administer and relieves the Iowa DOT and the displacee of having to detail actual moving costs. Second, it provides flexibility for the displacee to use the fixed payment to cover those costs it deems to be most important. This can be especially useful for the eligible operation which chooses not to reestablish and may have to cover loss of income or the cost of discontinuing operations.

Not all small businesses, farm operations, or NPOs are eligible for a fixed payment under this category. To be eligible for this payment, the displacee must meet certain criteria. Specific requirements and payment calculations for small businesses, farm operations, and nonprofit organizations are slightly different.

22.5.1 Business or Farm Operations

An eligible displaced business may choose a fixed payment in lieu of the payments for actual moving and moving-related expenses and actual, reasonable reestablishment expenses if it is acquired as a total acquisition; the fixed payment may not be less than \$1,000, nor more than the threshold. Certain criteria must be met:

- ☑ The business owns or rents personal property which must be moved in connection with such displacement and for which an expense would be incurred in such move, and the business vacates or relocates from its displacement site.
- ☑ The business cannot be relocated without a substantial loss of its existing patronage (clientele or net earnings). A business is assumed to meet this test unless the Iowa DOT determines that it will not suffer a substantial loss of its existing patronage.
- ☑ The business is not part of a commercial enterprise having more than three other entities which are not being acquired by the Iowa DOT and which are under the same ownership and engaged in the same or similar business activity.
- ☑ The business is not operated at the displacement dwelling or site solely for the purpose of renting to others.
- ☑ The business contributed materially to the income of the displaced person during the two taxable years prior to the displacement.

The fixed payment calculation for farm operations is similar to that of a business. The fixed payment is based on the average net earnings, from all sources, for the two years prior to displacement. In Iowa, if a farm operation had a loss during one year, the farm operation is not penalized; rather, the net income for that year is considered to be zero.

If the farm operation was not in operation for the two full years prior to displacement, like the business, net earnings are prorated to an annual amount for the partial year or over a two-year period, whichever is greater.

22.5.2 Partial Acquisition of a Farm Operation

In the case of a partial acquisition of land that was a farm operation before the acquisition, the fixed payment shall be made only if the Iowa DOT determines that:

- The acquisition of part of the land caused the operator to be displaced from the farm operation on the remaining land.
- The partial acquisition caused a substantial change in the nature of the farm operation.

22.5.3 Nonprofit Organization

An NPO is eligible to claim a fixed payment in lieu of actual expenses for moving and moving-related expenses and reestablishment expenses if the Iowa DOT determines the NPO cannot be relocated without substantial loss of existing patronage (membership or clientele). They are assumed to meet this test unless demonstrated otherwise.

Demonstrating such a loss may prove difficult to document. Proceeding with a fixed payment may be in the best interest of all parties. Benefits, including moving and reestablishment expenses, must be provided to the displacee prior to a fixed payment decision being made.

A displaced NPO that meets the criteria described earlier is eligible to claim a fixed payment of a minimum of \$1,000 to a the maximum threshold of the greater maximum established in either the Uniform Act or 49 CFR Part 24. The amount of this payment is the average gross revenue of the organization, less administrative expenses, from the two years prior to displacement.

If the NPO was not in existence for the two full years prior to displacement, as in the case of businesses and farm operations, the gross revenue, less administrative expenses, are either prorated to an annual amount for the partial year or over a two-year period, whichever is more advantageous to the displacee.

Gross revenues may include membership fees, class fees, cash donations, tithes, receipts from sales, or other forms of fund collection that provide money for the organization to operate. Administrative expenses are those that serve as administrative support, such as rent, utilities, salaries, advertising, and other items, as well as fundraising expenses. Expenses for carrying out the purpose of the NPO are not included.

If the NPO intends to claim only the minimum payment of \$1,000, a statement signed by the organization indicating that fact is generally sufficient to document the file and generate payment. There may be cases when more documentation is needed, and the relocation supervisor and/or production coordinator should be consulted.

23. ADVERTISING DEVICES (SIGNS)

23.1 PURPOSE

The purpose of this chapter is to distinguish between different types of advertising devices and to identify the policies regarding site acquisitions and relocations that involve them.

23.2 POLICY

When an advertising sign is located within the proposed acquisition area and the device may be moved to another location, it is considered a nonresidential personal property move, and the owner of the sign is eligible for reimbursement of those actual and reasonable expenses that the Iowa DOT determines are necessary for a successful move. If the device cannot be moved to another location, the device is considered real property and acquired.

The relocation of an advertising sign (generally off-premise) may be subject to Iowa laws regulating outdoor advertising along the state's primary and interstate highways. The law defines various types of outdoor signs and presents the general prohibitions and controls which apply to outdoor advertising.

Advertising signs may be categorized into two main groups: on-premise signs and off-premise signs.

23.3 ON-PREMISE SIGNS

On-premise signs advertise the principal product sold or activity conducted on the property where the sign is located and may concern the sale or lease of the property on which the sign is located. "For Sale" or "For Lease" signs displaying the legend "Sold" or "Leased" are not legally considered to be on-premise signs. Political signs are considered on-premise signs.

23.4 OFF-PREMISE SIGNS

The Advertising Management Section in the Office of Traffic and Safety at the Iowa DOT defines off-premise signs as those signs displaying general advertising about products or services available at locations other than at the sign site.

Advertising Management distributes a brochure titled *Guide to Outdoor Advertising Sign Regulations*, which generally refers to billboards with the above definition and also discusses off-right of way private directional signs; county, municipal, and school district recognition signs; and church and service club signs separately.

The Guide to Outdoor Advertising Sign Regulations provides a general overview of current regulations. For specific regulations, please refer to 761 IAC 117.3 (as well as IAC 306B and IAC 306C).

24. MISCELLANEOUS

24.1 PURPOSE

The purpose of this chapter is to provide discussions regarding an assortment of issues that do not conform to the content of the other chapters and do not warrant a separate chapter for each of the items presented.

24.2 CLAIMS AND PAYMENTS

24.2.1 Direct Payments

If the vendor has an outstanding lien with the state of Iowa, the Iowa Department of Revenue may attach any payments to satisfy said lien. When this occurs, it is important that the relocation advisor notify both the displacee and vendor that this has happened. Neither the displacee nor the Iowa DOT are required to make additional payments to the vendor.

24.2.2 Advance Payments

At times, it is necessary to make an advance payment in order to reduce a hardship on a displacee. Funds can be advanced subject to safeguards. In the instance when the displacee needs the RHP funds to close on the replacement dwelling, the displacee is required to sign an agreement to perform. The form required for the advancement of funds is the Relocation Housing Payment Possession Agreement. Other advance (partial) payments may be necessary to enable the displacee to complete a transaction, rent necessary moving equipment, close on the replacement house, etc., prior to actually moving or giving possession of the acquired property. In these instances, the relocation supervisor and/or production coordinator should be consulted. The relocation advisor advises the displacee of the requirements for the early release of funds. The relocation advisor clearly documents these actions in the file.

24.2.3 Deductions from Relocation Assistance Payments

No payment may be withheld from a displacee to satisfy an obligation to any creditor.

24.2.4 Time for Filing Claims

All claims for payment must be filed within a specific time frame unless there are extenuating circumstances. This time frame is dependent on occupancy status.

- Tenants must claim payments within 18 months after the date of their move from the displacement.
- For owners, the date is the later of:
 - 18 months after the actual date moved.
 - 18 months after the final acquisition payment, including condemnation or court awards.
- Sites occupied solely by outdoor advertising signs, displays, or devices do not qualify for these benefits by adding a reference to § 24.303.

In all residential cases, the eligible expenses must be incurred within 12 months. Business relocations are allowed 18 months to incur and claim.

24.2.5 Not Considered as Income

Relocation assistance payments are not considered income for tax purposes. However, the relocation advisor should avoid giving the impression of providing tax advice.

24.3 PARCEL FILES

The assigned relocation advisor is responsible for maintaining a parcel file for each displacee. When one parcel has both a residential and nonresidential move, the relocation advisor maintains a parcel file for each. This file contains all information specific to that parcel and contains all documentation needed to support payment of relocation benefits. A summary of payments form is in each file to assist in an up-to-date review of remaining eligibility.

24.4 PROJECT FILES

All information gathered on a project that is not parcel-specific should be included in the project general file. This includes:



A relocation plan.



Public hearing information.



Sign information.



ROW Design submittal.



General correspondence.

24.5 TRANSFER OF OWNERSHIP

Upon request, the displacee transfers ownership of any personal property not moved, sold, or traded in to the Iowa DOT. Usually this is in the form of a notarized **letter of understanding**.

25. RELOCATION APPEAL PROCESS

25.1 PURPOSE

The purpose of this chapter is to explain the appeal process that gives recourse to displacees who feel their displacement has not been satisfactorily resolved. The appeal process should be explained by the relocation advisor to anyone who believes that the Iowa DOT has failed to properly determine the amount of or eligibility for relocation benefits.

25.2 REQUEST FOR REVIEW

A request for review should be submitted in writing within 60 days after written notification of a relocation assistance determination has been sent or delivered to the displacee. The request should outline the items or issues and amounts in dispute and provide documentation supporting the position. The request for review should be submitted to:

Director, Highway Division
Iowa Department of Transportation
800 Lincoln Way
Ames, IA 50010-6993

25.2.1 Response to Request

The relocation supervisor reviews the claim and attempts to resolve the dispute prior to arranging a hearing. If there is a resolution, it is approved by the appellant in writing. A hearing is then not necessary.

25.2.2 Appeal Review Board

If the claim cannot be resolved, the highway division director appoints a three-person review board consisting of persons who have not been involved directly in the matters under appeal. These persons are familiar with the statutes and regulations involved and review the Iowa DOT's records that relate to the matters under appeal. One member of the review board is the district engineer, or their designee.

The relocation supervisor attempts to schedule a time and location convenient to the appellant and notifies the review board, as well as the appellant. Legal counsel for the appellant is not necessary; however, they do have the right to counsel, at their expense.

25.2.3 Hearing Agenda

During the hearing, both the appellant and relocation representative are given a full and equal opportunity to be heard. **Both parties may present oral and written information on an informal basis without regard to rules of evidence.** Each may object to the information presented and may question those presenting the information.

The appellant may inspect and copy materials pertinent to the claim except those items that are, by law, confidential and not open to public inspection. Consistent with applicable law, the department may impose reasonable conditions on this activity.

25.2.4 Determination of the Decision

Promptly after all information is submitted by the appellant, the committee prepares a decision. The review board may refer back to notes of oral and written information. An internal document is prepared as a written summary of the information considered and a listing of documents received. This document is included in the appeal file.

The decision awards all benefits and payments for which the appellant is deemed to be eligible. This decision also reports the rationale underlying the decision, shows appropriate calculations, and cites the sections of the law or regulations that support the determination.

25.2.5 Decision

Using the report of appeal award, the decision of the review board is reported to the highway division director. The director then forwards the results to the relocation supervisor. At that time, the relocation supervisor notifies the appellant in writing and provides a copy of the appeal award. The appellant is also informed, in writing, of their right to seek judicial review.

All information relating to the claim may be sent by regular mail. The appeal payments, if any, are reported and accepted by the department and are vouchered by the appropriate section in the amount determined by the appeal board and shown in the report of appeal board.

All records related to the claim are retained in the Relocation Assistance Section for three years after the final payment is made for project right of way.

26. EXHIBITS

Acquisition Exhibits

- Acquisition Agreement Clauses 5-7-13
- Administrative Settlement Determination
- Certification of Acquisition & Parcel Check Sheet
- Compensation Estimate
- Condemnation Hearing Report
- Damage Claim
- Information for Condemnation Proceedings
- Inter-Office Breakdown
- Landowner Consent to Property Examination
- LLC Guidelines for Acquisition Agents
- Offer to Donate
- Offer to Purchase and Notice of Earliest Move Date
- Offer to Purchase Compensation Estimate
- Order Claim Form
- Picture Form
- Receipt for Abstract of Title
- Record of Contact
- Report of Record Ownership & Liens Form
- Request for ROW Revision
- Revised Offer to Purchase
- ROW Director's Recommendation
- Ten Day Negotiation Waiver
- Tenant Offer to Purchase and Notice of Earliest Move Date
- W-9 Form

Relocation Exhibits

- 30-Day Notice to Vacate Letter Certified 2016
- 30-Day Notice to Vacate Letter 2016
- Abandonment Agreement
- Assignment of Interest
- Claim for Non-Residential Relocation Assistance Reimbursement
- Claim for Residential Relocation Assist. Reimbursement
- Comparable Inspection Sheet
- Determination of Eligibility for Fixed Payment
- Extension Letter 2016
- General Info Notice Letter 2016
- Keep Vacant Agreement
- Letter of Relocation Eligibility
- Mortgage Interest Differential Payment Determination (MIDP)
- Non-Res Est. Cost of Self-Move_Personal Property
- Non-Res Fixed Payment
- Non-Res Information Form
- Parcel Checksheet
- Possession Agreement
- Receipt for Brochure
- Receipt of Warrant Acknowledgement
- Relocation Assistance Fixed Payment Acknowledgement
- Relocation Housing Payment Possession Agreement
- Rental Assistance Payment Summary
- Replacement Housing Payment Summary & Cert.
- Residential Est. Cost of New Housing
- Residential Last Resort Housing Plan
- Residential Tenant Purchase Agreement
- Subject Inspection Sheet

27. GLOSSARY

A

Abstract: A document which shows the condensed history of a property's title. It may include portions of prior conveyances and/or other pertinent instruments relating to the estate or interest in the property and all liens, charges, encumbrances, and releases.

Acceptance: 1. The formal acceptance of a document by resolution. 2. The certificate of such resolution. 3. With private parties, voluntarily agreeing to the terms of an offer.

Access: This means to approach, to enter, and to exit property.

Access control: Government's power to restrict or control a property owner's right to enter on and exit from a public road.

Access rights: The right of ingress to and egress from one's property to a public road. The right may be actual or implied. Access is a private right as distinguished from the public's rights.

Acknowledgment: The act by which a party executing a legal document appears before an authorized officer or notary public and declares the execution to be a voluntary act.

Acquisition: The process of obtaining right of way by negotiation or eminent domain to construct or support a project.

Acre: A land measurement equaling 160 square rods or 4,840 yards or 43,560 feet or 0.4047 hectares.

Actual moving expenses: The costs paid to disconnect, move, and reinstall personal property. The costs are usually associated with a business move.

Agreement: A word used to describe a common opinion of two or more people regarding each party's rights and obligations related to the agreement.

Allocation: 1. The process of separating value into its components. 2. A method to opine land value by which improved property sales are analyzed to develop a typical land value to property value ratio with the ratio multiplied by the property being appraised or the comparable sale being analyzed.

Amortization: 1. The process of recovering, over a stated period of time, a capital investment. 2. The provision for the gradual reduction of an obligation, usually on an installment basis.

Appeal: The complaint to an appellate court of an injustice done or error committed by a trial or lower court, whose judgment or decision the appellate court is called on to correct or reverse.

Appellant: The party who takes an appeal from one court or jurisdiction to another.

Appraisal: The act or process of developing a value opinion.

Appraisal process: A systematic procedure to address the client's valuation issue.

Appraisal report: Any communication, written or oral, of an appraisal, appraisal review, or appraisal consulting service that is transmitted to the client upon completion of an assignment.

Appraisal review: The process of developing and communicating a credible opinion as to the quality of another's appraiser's work.

Appraisal waiver: A document used to determine the value for simple, uncomplicated acquisitions when the need for an appraisal report is waived because compensation to the property owner is estimated to not exceed the amount defined in the rule manual titled "[Section II Uniform Manual, Real Property Acquisition and Relocation Assistance](#)"

Appraised value: The appraiser's opinions and conclusions resulting from an assignment.

Appraiser: A person who performs valuation services competently and in an independent, impartial, and unbiased manner.

Approved appraisal: The approval of an appraisal by an agency official before it is used by the agency as its just compensation offer.

Appurtenance: An item of property accessory to or incidental to other property. The title usually passes with title of the principal property.

Asset: Items that have value in use or exchange.

Assignee: One who receives an assignment. For example, the assignee of a mortgage.

Assignment: The method by which a right or contract or property is transferred from one person to another.

Attorney: 1. A person who is legally permitted to transact business on another's behalf. 2. A person who advises and represents clients as to legal rights and obligations.

B

Backslope: The portion of the roadway between the side drainage ditch and the top of the cut, usually measured as a ratio of horizontal distance to each foot of increase in elevation.

Balance: A real estate principle that holds that value is created and maintained in proportion to the equilibrium (balance) attained in the amount and location of essential uses of real estate. Maximum value is created at that point where the four factors of production (land, labor, capital, and management) are in equilibrium (balance).

Benefits: An increase in value to property not acquired but which benefits from the acquisition.

Borrow: Suitable material from sources outside the roadway prism, used primarily for embankments.

Building code: A governmental entity's ordinances, rules, and regulations relating to the construction, use, repair, and remodeling of buildings.

Breakdown: A method of estimating depreciation in which the total loss in property value is estimated by analyzing and measuring each cause of depreciation separately.

Bridge: A structure of over 20-foot span.

Broker: A person licensed to engage in real estate business.

Bundle of rights: All the rights of real estate ownership. A fee ownership of a real estate parcel that includes possession, enjoyment, disposal, etc. Any one, or several, of the rights may be transferred or conveyed to another, with the owner retaining any rights not conveyed.

Business: Any lawful activity, except a farm operation, that is conducted.

C

Capital: 1. Accumulation of wealth. 2. One of the agents in production. 3. Money available for investment.

Centerline: The longitudinal center of a right of way project.

Chain: A surveying instrument consisting of 100 linked pieces of iron or steel and measuring 66 feet (20.1 meters).

Client: The party or parties who engage another, by contract or employment.

Closing statement: A listing of the debits and credits of the seller and buyer in the settlement of a real estate transaction.

Comparables: Properties used as comparisons to opine the value of a specific property.

Compensable interest: A property right, which if acquired for public purposes, would entitle the owner to receive just compensation.

Complaint: The plaintiff's presentation in an action, setting forth the claim on which relief is sought.

Condemnation: 1. The process by which property is acquired for public purposes under the power of eminent domain following due process of law and on the payment of just compensation. 2. The act of a federal, state, county, or other government or district or public utility or corporation vested with the right of eminent domain to take private property for public use when a public necessity exists.

Condemnee: The owner of the property or the property right acquired under eminent domain.

Condemner: The agency acquiring property under the right of eminent domain.

Conditions, covenants, and restrictions: A list of uses and restrictions usually contained in the conveyance, to which property can or can not be put. Commonly used by land subdividers.

Conservator: A court-appointed individual assigned to protect and preserve the property of a person physically incapacitated or otherwise unable to handle the incapacitated person's affairs.

Consideration: The inducement, generally monetary, that moves a party to enter into a contract.

Contaminant: Any physical, chemical, biological, or radiological substance or matter that has an adverse effect on air, water, or soil.

Contamination: Introduction of microorganisms, chemicals, toxic substances, waters, or wastewater in water, air, soil, and structures in concentrations that make the medium unfit for its intended use.

Contract: A legally enforceable agreement between two or more people or parties.

Contribute materially: A business that contributes materially to the income of the displaced person during the two taxable years prior to displacement.

Convey: The act of deeding or transferring a title to another.

Conveyance: A written instrument by which a title, estate, or interest in property is transferred.

Corridor: A long, narrow strip of property between two termini generally used for transportation purposes (e.g., canals, electrical power transmission, fiber optics, telephone, gas and oil pipelines, roads, etc.).

Cost: The total dollar amount necessary to create an improvement.

Cost to cure: The cost to restore an item of physical deterioration or functional obsolescence to near new or new condition.

Cross-section: The land surface exposed by cutting at right angles to an axis.

Cost of substitute personal property: A payment to a business or farm owner when the owner decides to replace personal property items rather than moving the items to the relocation site.

Culvert: Any structure not classified as a bridge which provides an opening under a roadway.

D

Damages: In condemnation, the loss in value of to the remainder property as a result of a partial taking. Generally, it is the difference between the value of the property before the acquisition and the value of the property after the acquisition.

Date of the report: The date of the transmittal letter of a written report or the date a written report lacking a transmittal letter is prepared by the appraiser. The date of an oral report is the date it is communicated to or for the client. The date of the report may or may not be the same as the effective date of the appraisal.

Debt service: The total annual principal and interest loan payment.

Decent, safe, and sanitary (DSS): The term decent, safe, and sanitary dwelling refers to a dwelling which meets local housing and occupancy codes.

Deed: A written instrument, usually under seal, by which the ownership interests in real estate are transferred from one party to another.

Delivery: The placing of the property in the actual or constructive possession of the grantee. Usually accomplished by delivery of the deed to the grantee or by recordation.

Depreciation: 1. A loss in value from any cause. 2. Physical deterioration, functional obsolescence, and external obsolescence.

Deterioration: Impairment of condition; one of the causes of depreciation and reflecting the loss in value brought about by wear and tear, disintegration, use in service, and the action of the elements.

Displaced person (displacee): Any person who permanently moves from the real property or moves his or her personal property from the real property.

Donation: The voluntary conveyance by the owner of private property to public ownership and use without compensation.

Drainage ditch: 1. Any open watercourse used for drainage. 2. The depressed area within the roadway given over to the collection and removal of surface drainage within the right of way.

Dwelling: The place of permanent or customary and usual residence of a person, including a single-family house; a single-family unit in a two-family, multifamily, or multipurpose property; a unit of a condominium or cooperative housing project; a nonhousekeeping unit; a mobile home; or any other residential unit.

E

Easement: A nonpossessory interest held by one person in property of another where the first person is accorded partial use of the property for a specific use. An easement restricts but does not abrogate the fee owner's rights to the use and enjoyment of the property.

Economic feasibility: An investment's ability to produce sufficient income to pay expenses and provide a reasonable return on and recapture of the capital invested.

Effective date: The date at which the analysis, opinions, and advice in an appraisal, review, or consulting service apply.

Eminent domain: The right or power of public and quasi-public agencies to take private property for public purposes.

Encumber: To burden a parcel of land with a lien or charge (e.g., mortgage).

Encumbrance: A charge, claim, liability, or lien attached to real property.

Environmental assessment: An environmental analysis prepared pursuant to the National Environmental Policy Act to determine whether a federal action would significantly affect the environment and thus require a more detailed environmental impact statement.

Environmental impact statement: A document required of federal agencies by the National Environmental Policy Act for major projects or legislative proposals significantly affecting the environment. A tool for decision making, it describes the positive and negative effects of the undertaking and cites alternative actions.

Equity: The owner's interest in real estate.

Escrow: A procedure whereby a disinterested third party controls the legal documents and funds on behalf of a seller and buyer.

Estate: A right or interest in property.

Eviction: A process to oust a person from the possession of property.

External obsolescence: An element of depreciation, usually incurable, caused by negative influences outside the property.

F

Fair market value: The most probable price which a property should bring in a competitive and open market under conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition

is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. buyer and seller are typically motivated;
2. both parties are well informed or well advised, and acting in what they consider their best interests;
3. a reasonable time is allowed for exposure in the open market;
4. payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
5. the price represents the normal consideration for the property sold, unaffected by special or creative financing or sales granted by anyone associated with the sale.

Farm operation: Any activity conducted solely or primarily for the production of one or more agricultural products or commodities, including timber (for sale or home use), and customarily producing such products or commodities in sufficient quantity to be capable of contributing materially to the operator's support.

Fixture: An item that was once personal property but is now an integral part of the real estate.

Front ending: Front ending is the process in which the owner, at the time of negotiations, is presented the deed or easement and purchase agreement.

Foreclosure: A legal proceeding to extinguish a property owner's rights, title, and interest in order to sell the owner's property to satisfy a lien.

Functional obsolescence: Impairment of functional capacity or efficiency.

G

Grantee: 1. One to whom property is conveyed. 2. The buyer.

Grantor: 1. One who conveys property. 2. The seller.

Guardian: A person who is entitled or legally appointed to the care and management of the person or property of another.

Gutter: Any prepared open watercourse, whether paved or not, constructed inside the shoulder line.

H

Hazardous materials: Any material that poses a threat to human health and/or the environment. Typical hazardous substances are toxic, corrosive, ignitable, explosive, or chemically reactive.

Hectare: A land measurement equaling 10,000 square meters or 2.471 acres.

Heir: One who by operation of law inherits the property and especially the real property of a person who dies without leaving a valid will.

Highest and best use: The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, and financially feasible, and that results in the highest value.

Historical site: A structure, monument, park, cemetery, or other site having public interest and local, state, regional, or national significance.

I

Improvement: A building or other structure permanently attached to the land.

Incidental expenses: Actual and reasonable expenses incurred by the displacee in the purchase of a replacement dwelling and customarily paid by the buyer.

Increased mortgage interest costs: Under the Uniform Act, the payment that a residential property owner may be eligible to receive to offset the increased cost of obtaining a replacement dwelling mortgage.

Initiation of negotiations: 761 IAC 111.2(16) provides a thorough description of the initiation of negotiations.

Instrument: Any legal document (e.g., deed, lease, mortgage, will).

J

Judgment: 1. A formal decision or determination on a matter or case by a court. 2. In a condemnation case, a decision as to damages suffered by the condemnee.

Just compensation: The compensation for property acquired under eminent domain that places a property owner in the same position as before the property is taken. It is usually the fair market value of the property acquired.

L

Land: 1. The earth's surface. 2. In an economic sense, one of the agents or factors of production. 3. In a legal sense, the solid part of the surface of the earth, as distinguished from water.

Land contract: An installment contract for the sale of property. The seller (vendor) retains title until paid in full by the buyer (vendee).

Land surveyor: A person whose occupation is to establish property boundary lines.

Landlocked remnant: A parcel of land surrounded entirely by privately owned land without access to any type of public or private access. Often associated with the partial taking of land for highway purposes.

Lease: A contract where the owner transfers the right of possession and use of the real estate for a specified time period and on payment of consideration, usually rent.

Leasehold interest: 1. The right to possess, use, and quietly enjoy the real estate for the lease term. 2. The present (discounted) value of the difference between market rent and contract rent.

Legal description: A method, acceptable in court, that geographically locates property.

Lessee: The party to whom a lease is given in return for a consideration, usually rent.

Lessor: The party who gives a lease in return for a consideration, usually rent.

License: A personal privilege to do some act on the land of another.

Lien: A hold or claim that one party has on the property of another (e.g., security for a debt or a charge, judgment, mortgage, tax, etc.).

Life estate: An estate in property for the duration of a specific person's life. Upon that person's death, the estate reverts to the grantor to a remainder interest.

Location 1. Position with respect to human activities. Location is considered one of the basic elements contributing to the value of a property; and accessibility is the principal measure of the value of location. 2. The fixed position of the highway on the ground, including curves and tangents.

M

Market: 1. The place where people interact to sell and buy. 2. The area in which buyers and sellers of a commodity are in communication with one another.

Market rent: The most probable rent that a property should bring in a competitive and open market.

Market value: See entry for fair market value.

Maximum rental supplement: This payment is based on the difference between the monthly rent and utilities necessary to rent a comparable replacement dwelling (as determined by the Iowa DOT) and the monthly rent and utilities for the displacement dwelling. Utilities include heat, electricity, water, and sewer.

Metes and bounds: 1. The limits and boundary of a tract of land. 2. Generally, a description that has a point of beginning and uses bearings (the angles east or west of due north or due south) and distances (usually in feet or chains or meters) to describe the perimeter of a tract of land.

Mitigation: Measures taken to reduce adverse impacts on the environment.

Mitigation of damages: A legal obligation on an injured party to attempt to minimize damages to property after an event or action.

Monument: A visible permanent object placed by a surveyor to establish the lines and boundaries of land.

Mortgage: 1. A pledge of real property as security for the payment of a debt. 2. A written document by which property is given as security for a debt with the right of redemption.

Mortgage differential payment: A mortgage differential payment is intended to compensate the displaced owner occupant for increased interest costs which they are required to pay for financing the replacement property.

N

National Environmental Policy Act of 1969: Applies to all federal agencies and many activities it manages, regulates, or funds that affect the environment. It requires all agencies to disclose and consider the environmental implications of a proposed action.

Negotiation: 1. The primary method used to acquire property. 2. The process by which two or more people resolve differences to reach a mutually acceptable agreement.

Negotiator: A person who arranges or settles transactions by discussion and mutual agreement.

Neighborhood: A group of complementary land uses.

Nonconforming use: A use that was lawfully established and maintained but which, because of the application of a zoning ordinance, no longer conforms to the use regulations of the zone in which it is located.

Nonprofit organization: An organization that is incorporated under the applicable laws in Iowa as a nonprofit organization and is exempt from paying federal income taxes under section 501 of the Internal Revenue Code (26 USC 501).

Notary public: A legal officer with specific judicial authority to attest to legal documents usually with an official seal.

Null and void: Not legally binding.

O

Obsolescence: A loss in value due to defects in design, materials, workmanship, or external factors as measured by present standards. May be functional or external.

Offer: An explicit proposal to contract which, if accepted, completes the contract and binds both the party that made the offer and the party accepting the offer to the terms of the contract.

Operating expenses: The sum of all fixed and variable operating expenses and the replacement allowance cited in the appraiser's operating expense statement.

P

Parcel: A piece of land of any size in one ownership.

Partial interest: Divided or undivided rights in real estate that represents less than the whole.

Partial acquisition: The acquisition of a part of a real estate parcel or a real property interest for public or quasi-public use under eminent domain.

Partial taking: The acquisition of a part of a real estate parcel or a real property interest for public or quasi-public use under eminent domain.

Permanent easement: 1. An easement conveyed in perpetuity. 2. An easement that lasts forever.

Person: Any individual, family, partnership, corporation, or association.

Personal property: 1. Property that is movable. 2. Property that is not permanently attached to, or part of, real estate. 3. Identifiable, tangible objects that are considered by the general public as being "personal"; for example, furnishings, artworks, antiques, gems and jewelry, collectibles, machinery, and equipment. 4. All tangible property that is not classified as real estate.

Physical deterioration: Loss in value due to age, wear and tear, and use.

Plaintiff: A person who brings an action. In condemnation cases, this role is called the condemnor.

Plat: An individual property map that shows property lines and other features (e.g., buildings and topographic elements).

Price: The amount asked, offered, or paid for a property.

Property: Anything, real or personal, that is owned.

Property line: The division between two parcels of land, or between a parcel of land and the street.

Property management: Administration of property with the objective being to maintain, enhance, or maximize its productivity and value.

Prorate: To allocate between seller and buyer their proportionate share of an obligation or interest paid, for example, a proration of real property taxes.

Proximity damage: 1. Damage to property arising as a consequence of the nearness or proximity of a project (e.g., highway) to the property. 2. The diminution in property value as a result of the proximity of a highway or other construction project to a property.

Public hearing: A formal meeting where officials hear and consider the public's views and concerns about an action, project, or proposal.

Public use: A use benefitting the entire community.

Purchase supplement: The difference between the price actually paid by the displaced person for a replacement dwelling and the price paid by the Iowa DOT for the displacement dwelling. The purchase supplement may not exceed the price of a comparable dwelling, which is established in the comparable housing study completed by the advisor.

Q

Quasi: Having some resemblance, usually by possession of certain attributes.

Quiet enjoyment: A covenant that the tenant or grantee of an estate shall enjoy the possession of the premises in peace and without disturbance by defective title or hostile claimants.

R

Real estate: 1. An identified parcel or tract of land, including improvements, if any. 2. The physical land and attachments (e.g., buildings).

Real property: 1. The interests, benefits, and rights inherent in the ownership of real estate. 2. The bundle of rights.

Recordation: The process of filing a copy of a deed or other document concerning real estate with the land records office for the county in which the land is located. Recording creates a public record of changes in ownership of all property.

Reestablishment expenses: Under the Uniform Act, reimbursement of some expenses related to the relocation and reestablishment of a business, farm, or nonprofit organization when it is required to move as a result of a federally aided project.

Relinquishment: 1. The release or quitclaim of an easement to the underlying fee property owner.

2. The conveyance of a portion of a transportation facility from a state transportation agency to another government agency for transportation purposes.

Relocation agent: A person who provides relocation advisory services and benefit determinations to people and businesses displaced by a public program or project under the Uniform Act.

Relocation appeal process: This process is designed to be an uncomplicated procedure for the resolution of grievances relating to claim or eligibility review.

Relocation assistance: Advisory and financial aid assistance to residential occupants, businesses, farms, and nonprofit organizations displaced by a public program or project under the Uniform Act.

Remainder: The portion of a parcel that is retained by the owner after a partial taking.

Remediation: 1. Cleanup or other methods used to remove or contain a toxic spill or hazardous materials. 2. Abatement methods including evaluation, repair, enclosure, encapsulation, or removal of hazardous materials.

Remnant: A remainder property of little value or use.

Rent: The consideration paid for the use of property.

Replacement allowance: An expense that provides for a prorated portion of the cost to replace a building component (e.g., roof, HVAC units, remodeling) that will reach the end of its life prior to the building reaching the end of its remaining economic life.

Replacement cost: 1. The cost to construct a structure of equivalent utility to the subject structure as of the effective date of the appraisal. 2. The cost to replace structural components.

Replacement housing payments (RHPs): There are three basic components of RHPs: purchase supplements, rental assistance, and down payment assistance.

Replacement housing supplement: These payments are designed to help eligible displaced persons to move into housing which is decent, safe, and sanitary (DSS), adequate for their needs, and comparable to their living conditions before the project required their move. These payments are available to residential displaced persons only.

Reproduction cost: The cost to construct a structure that is an exact replica of the subject structure as of the effective date of the appraisal.

Reservation: A right retained by a grantor in conveying property.

Restriction: The restrictions and prohibitions placed on the property owner from doing certain things relating to the property.

Right of entry: The right to enter on the property of another for construction purposes prior to the completion of the acquisition process.

Right of immediate possession: The right to occupy property for public purposes, after preliminary steps for acquisition have been taken but before final settlement.

Right of way: 1. The right to pass across the lands of another. 2. Land or property, or an interest in land or property, for transportation purposes (e.g., roads, public transport, utilities, etc.).

Right of way agent: A person who acquires rights of way for public and quasi-public use.

S

Salvage value: Salvage value means the probable sale price of an item if offered for sale on the condition that it will be removed from the property at the buyer's expense, allowing a reasonable period of time to find a buyer with the knowledge of the uses and purposes for which it is adaptable and capable of being used. This includes the value of the item's separate use of serviceable components and scrap when there is no reasonable prospect of sale except on that basis.

Section: A land measurement equaling one square mile or 640 acres.

Site: Land that is ready to be used for a specific purpose.

Site improvements: Improvements on and off a site that make it suitable for its intended use or development.

Small business: A business is designated as a small business when it employs less than 500 employees. These employees must be working at the site that is the economic locus of the business being acquired or displaced by the project. Sites occupied solely by outdoor advertising signs, displays, or devices do not qualify as a business for purposes of eligibility for reestablishment expenses.

Specifications: A general term covering all directions, provisions, and requirements contained within a specifications manual.

Specific performance: An action that compels a person to carry out the terms of the agreement or contract.

Specific requirements: All or part of a Standards Rule of Uniform Standards of Professional Appraisal Practice from which departure is permitted under certain limited conditions.

Station number: Station numbers are found either stamped in the concrete along the road shoulder every 100 feet or on posts near the right of way line (typically every 500 feet). The station numbers are at least three digits, with the last two digits separated by a plus sign (such as "300+00"). They identify a location based on the survey of the most recent highway project on the route. The numbers normally increase from south to north or from west to east. The post-mounted station numbers colors are black on white, red on white, or white on black. There are a few metric station numbers in use, in which case they are stamped every 20 meters or post mounted every 100 meters.

Subdivision: A tract of land divided into blocks or lots.

Subsequent occupant: A subsequent occupant is a person who has occupied the property being acquired after the initiation of negotiations but before the date the property is actually acquired by the Iowa DOT.

T

Take: The acquisition of property.

Temporary easement: An easement granted for a specific use for a limited time.

Tenant: One who holds possession of the real estate of another.

Title: 1. The evidence of a person's right to own or possess property. 2. The quality of ownership as determined by a body of facts and events.

Title certificate: A document based on a title search stating that the title or interest in property is vested in a designated party and showing outstanding liens, charges, or other encumbrances, if any.

Title opinion: An analysis and interpretation of a title search concerning present ownership, encumbrances, clouds on title, and other infirmities.

Title search: An investigation of public records and documents to ascertain the history and present status of title to a property, including ownership, liens, charges, encumbrances, and other interests.

Township: A territorial subdivision six miles square and containing 36 sections.

Trade fixtures: Articles placed in or attached to rented buildings by a tenant to help carry out the trade or business of the tenant.

U

Uneconomic remnant: A remainder property of little value or use.

V

Valuation: The process of developing a value opinion.

Valuation process: A systematic procedure to address the client's valuation issue.

Valuation services: Services pertaining to aspects of property value.

Value: 1. The monetary relationship between properties and those who buy, sell, or use those properties. 2. The monetary worth of a property, good, or service to buyers and sellers at a given time.

Value in place: The amount a prudent purchaser would pay for an item in place. Its value is determined by the use the item contributes to the value of the whole acquisition.

W

Waiver valuation: The valuation process used and the product produced when the agency determines that an appraisal is not required, pursuant to § 24.102(c)(2) appraisal waiver provisions. Waiver valuations are not appraisals as defined by the Uniform Act and this part.

Warranty deed: A deed warranting that the grantor has a good title free and clear of all encumbrances and will defend the grantee against all claims.

28. ACQUISITION AGREEMENT CLAUSES

Clause: Abbreviations
Situation: Whenever any of the abbreviations are used
Instruction: Add the following clause:

Abbreviations:

Sta.	Station
SR	Side road
+/-	Plus or minus
+/-PL	Plus or minus property line
+/-Ex R/W	Plus or minus existing right of way
+/-PROP R/W	Plus or minus proposed right of way

Clause: **A-1**
Situation: Access constructed where the Buyer agrees to construct the entrances
Instruction: Add the following clause:

Buyer agrees to construct a type _____ entrance at Sta. _____, _____ side.
It is understood and agreed all other entrances not listed or allowed in this Agreement will be eliminated.

Clause: **A-2**
Situation: Access amended due to relocation of entrance(s) on property where access was previously acquired and entrance(s) were previously granted and new access is being allowed

Instruction: Add the following clause:
It is understood and agreed that the right of access granted in a certain Warranty Deed/Condemnation recorded in the _____ County Recorder's Office on _____, in book _____, page _____, is amended as follows:
Access at Sta. _____, on the _____ side, is eliminated. Access at Sta. _____, on the _____ side, is allowed.
This amendment is in accordance with the Buyer's right to regulate, restrict or prohibit such access as set forth in Code of Iowa chapter 306A and shall be binding on the Seller's heirs, successors and assignees.

Clause: A-3

Situation: Permitting of entrance(s) on property where access was previously acquired and entrance(s) were NOT previously granted, but are NOW being allowed

Instruction: Add the following clause:

It is understood and agreed that the right of access granted in a certain Warrant Deed /Condemnation recorded in the _____ County Recorder's Office on _____, in book, _____ page _____, is amended as follows:

Access at Sta. _____, on the _____ side, is allowed.

This amendment is in accordance with the Buyer's right to regulate, restrict or prohibit such access as set forth in Code of Iowa chapter 306A, and shall be binding on Seller's heirs, successors and assigns.

Clause: A-4

Situation: Permitting of entrance(s) on property where access was previously acquired and entrance(s) were previously granted, but are NOW being eliminated

Instruction: Add the following clause:

It is understood and agreed that the right of access granted in a certain Warranty Deed/Condemnation recorded in the _____ County Recorder's Office on _____, in book _____, page _____, is amended as follows:

Access at Sta. _____, on the _____ side, is eliminated.

This amendment is in accordance with the Buyer's right to regulate, restrict or prohibit such access as set forth in Code of Iowa chapter 306A, and shall be binding on Seller's heirs, successors and assigns.

Clause: A-5

Situation: Access control only Agreement with no conveyance of real estate

Instruction: Add the following clause to the Agreement:

It is the intent of this Agreement not to convey any real estate, but to restrict the right of ingress and egress from the herein-described land.

Clause: A-6

Situation: Advertising device(s)

Instruction: Add the following clause regarding Mutual Benefit Tenant Agreement for advertising signs:

It is understood and agreed that the advertising device located at Sta. _____, permit number _____, is considered to be personal property and the relocation of which will be made part of the Relocation Assistance Program.

Clause: B-1

Situation: Surface borrow, topsoil will not be replaced

Instruction: Add the following clause:

In consideration of this contract, the provisions of this borrow Agreement and the total lump-sum payment shown on page one of this Agreement, the Seller hereby grants to the Buyer a temporary easement for the purpose of removing borrow material.

The right-of-way plot plan, attached as page ____ of this Agreement, graphically illustrates the proposed temporary easement for the borrow area being granted.

The Resident Construction Engineer will release the said temporary easement by recording a release of temporary easement no later than one year after the grading, paving, shouldering, and erosion control have been completed on this project. The Buyer will provide the Seller with a copy of the release after it has been recorded.

It is further specifically understood and agreed that the Buyer will leave the surface of the borrow area sloped to drain and will not repair or replace any drain tile within the borrow area. The topsoil will not be replaced upon the borrow area. The Buyer makes no warrants or promises as to the final condition or design of the borrow area.

The Buyer agrees the borrow area will be fertilized and seeded with an appropriate temporary seed mixture based on soil types, conditions and time of the year.

Clause: B-2

Situation: Surface borrow, topsoil will be replaced

Instruction: Add the following clause:

In consideration of this Agreement, the provisions of this Borrow Agreement and the total lump-sum payment shown on page one of this Agreement, Seller hereby grants to the Buyer a temporary easement for the purpose of removing borrow material.

The right-of-way plot plan, attached as page ____ of this Agreement, graphically illustrates the proposed temporary easement for the borrow area being granted.

The Resident Construction Engineer will release the said temporary easement by recording a release of temporary easement no later than one year after the grading, paving, shouldering, and erosion control have been completed on this project. The Buyer will provide the Seller with a copy of the release after it has been recorded

It is further specifically understood and agreed that the Buyer will leave the surface of the borrow area sloped to drain and will not repair or replace any drain tile within the borrow area. The Buyer makes no warrants or promises as to the final condition or design of the borrow area.

The Buyer agrees to remove, stockpile and replace a minimum of 8 inches of topsoil over the borrow area. The Buyer agrees the borrow area will be fertilized and seeded with an appropriate temporary seed mixture based on soil types, conditions and time of the year.

Clause: **B-3**

Situation: Pond borrow

Instruction: Add the following clause to the Agreement:

In consideration of this contract, the provisions of this borrow Agreement and the total lump-sum payment shown on page one of this Agreement, the Seller hereby grants to the Buyer a temporary easement for the purpose of removing borrow material.

The right-of-way plot plan, attached as page ____ of this Agreement, graphically illustrates the proposed temporary easement for the borrow area being granted.

The Resident Construction Engineer will release the temporary easement by recording a release of temporary easement no later than one year after the grading, paving, shouldering, and erosion control have been completed on this project. The Buyer will provide the Seller with a copy of the release after it has been recorded.

The Buyer does not warrant or guarantee the pond borrow will hold water. The drain tile within the borrow area will not be replaced. The Buyer makes no warrants or promises as to the final condition or design of the borrow area.

The Buyer agrees to remove, stockpile and replace a minimum of eight inches of topsoil over the borrow area to the approximate waterline of the pond area.

The Buyer agrees to borrow, except the pond area, will be fertilized and seeded with an appropriate temporary seed mixture based on the soil types, conditions and time of year.

Clause: **B-4**

Situation: When the owner wants the borrow to be acquired by temporary easement rather than by fee title:

Instruction: Add the following clause to the Agreement:

It is understood and agreed that at the Sellers have requested that the borrow area described in Item No. ____ of the Agreement be acquired by temporary easement rather than by fee title as offered by the Buyer. The Seller understands and agrees there are no warrants or promises as to the condition of the temporary borrow area after completion of the highway project other than what is written in this Agreement. The Seller will accept the temporary easement area "as is" when the temporary easement is released at the completion of this highway construction project.

Clause: B-5

Situation: When the DOT has offered to acquire a borrow area by fee title and the area does not have access to the owners remaining land or the public road system but the owner wants to retain the borrow area and requests that it be acquired by Temporary Easement.

Instruction: Add the following clause to the Agreement:

It is understood and agreed that at the Seller has requested that the borrow area described in Item No. ___ of this Agreement be acquired by temporary easement rather than by fee title as offered by the Buyer. The Seller understands and agrees there are no warrants or promises as to the condition of the temporary borrow area after completion of the highway project other than what is written in this Agreement. The Seller will accept the temporary easement area “as is” when the temporary easement is released at the completion of this highway construction project.

It is further understood and agreed the described borrow area will not have access to the Sellers remaining property or to the public road system. As such the State has offered to acquire the property by fee title as an uneconomic remnant. The Seller acknowledges that payment in full as an uneconomic remnant is included in the total lump sum on page one of this Agreement.

Clause: B-6

Situation: Buildings and/or improvements salvage deduction

Instruction: Add this clause when reserving a building(s) and/or improvement(s) for the Seller, with the salvage value deducted from the Agreement’s total lump-sum amount:

The ____, located ____ is/are reserved for the Seller. The Seller agrees to remove the item(s) from the premises on or before _____. Should the Seller fail to remove the item(s) by the date specified, they shall become the property of the Buyer, who shall remove them from the property as they see fit.

It is understood and agreed that the sum of \$ _____ has been deducted from the total lump-sum amount shown on page one of this Agreement for the Seller’s salvage rights to for the item(s). The Seller agrees to acquire all necessary permits and to comply with all local ordinances and/or requirements, including, but not limited to, the removal of building(s) to the foundation level and to isolate, cap, shut off, and disconnect all utilities to building(s) and/or improvement(s). The Seller indemnifies and holds the Buyer harmless for all salvage activities and agrees to leave the salvage area in a safe manner.

Clause: B-7

Situation: Buildings and/or improvements are being acquired

Instruction: Add these clauses when acquiring buildings and/or improvements. Complete the listing of the items being acquired.

It is the intent of this Agreement to acquire all improvements located upon the premises being sought. A brief description of the improvements includes, but is not limited to, the following items:

_____, along with all heating, cooling, plumbing, and electrical systems, and connected apparatus; all doors, windows, cabinets, floor coverings, and any other fixtures that, if removed, would damage the integrity of the structure; and all trees, shrubs, landscaping, surfacing, and any other improvements attached to the premises.

Clause: C-1

Situation: Conveyance to the city or county.

Instruction: Add this clause when part of an acquisition is to be deeded directly to another jurisdiction, such as a city or county.

The Seller agrees to convey that portion of the premises needed for this improvement project directly to _____, Iowa. This portion contains _____.

Clause: C-2

Situation: Court approval is required to proceed with this Agreement since the conservator or executor has no authority to convey deed to the property.

Instruction: Add this clause when a conservator or executor has no authority to convey the deed to the property.

Seller agrees to proceed promptly and diligently to secure district court approval of this Agreement. Buyer agrees to pay court costs and legal expenses incurred by Seller in obtaining such approval, but not to exceed \$ _____.

Clause: C-3

Situation: Court appointment of a conservator is needed for a minor or legally incompetent person

Instruction: Add this clause when the court needs to appoint a conservator for a minor or a legally incompetent person.

The Seller agrees to promptly and diligently proceed in securing district court appointment of a legal conservator for _____. The Buyer agrees to pay court costs and legal expenses incurred by the Seller in obtaining the court appointment, not to exceed \$_____.

Clause: C-4

Situation: When the proposed project letting is scheduled after October 1 of the calendar year in which the land is to be acquired. Crops may be reserved for the owner and/or tenant for the calendar year.

Instruction: Add the following clause to the Agreement:

All 20___ growing crops are reserved to the Seller, if removed by Nov. 1, 20___. Any crops not removed by that date shall become the property of the Buyer. Should the Buyer require possession of the premises prior to Nov. 1, 20___, the Buyer may enter and damage or destroy the crop. The Buyer shall compensate the Seller for damaged or destroyed crops based upon a rate of \$_____ per acre.

Clause: C-5

Situation: If the crops have not yet been planted, the owner or tenant may elect to be compensated for providing weed and erosion cover for the area to be acquired.

Instruction: Add the following clause to the Agreement. NOTE: When the proposed project letting is scheduled prior to October 1 of the calendar year the land is acquired, the crops will not be reserved to the owner and/or tenant.

If the crops have been planted prior to July 1, the owner and/or tenant will be compensated based upon the costs of planting the crop.

Seller agrees to provide weed and erosion control on the premises being sought for the 20___ crop year. The control shall include the planting of oats, wheat or barley, and mowing. Payment is based on a rate of \$_____ per acre. The planting of row crops is prohibited. Part of the lump-sum payment on page one of this Agreement is settlement in full for providing the weed and erosion control. The Buyer retains ownership of the cover crop and full possession of the premises.

Clause: C-6

Situation: Field preparation and/or crop planting has already occurred

Instruction: Add the following clause to the Agreement. NOTE: After July 1, compensation will be based upon the value of the crop, minus harvest and hauling expenses:

Part of the lump-sum payment in this Agreement is settlement in full for all field preparation and/or planting costs incurred for the 20___ crop season. Payment is based on a rate of \$_____ per acre.

Clause: C-7

Situation: Loss or damage to crop

Instruction: Add the following clause to the Agreement. NOTE: Crop reservations, payment and Agreements to provide weed control shall only be considered within the same calendar year the Agreement for the land is signed:

Part of the lump-sum payment in this Agreement is settlement in full for all loss or damage for the 20___ crop season. Payment is based on a rate of \$_____ per acre.

The Agreement will clearly reflect that compensation has been received for the crop and belongs to the State of Iowa.

Clause: C-8

Situation: If Seller hauls and disposes of contamination

Instruction: Add the following clause. NOTE: Contamination clauses are not to be used without prior approval from the Supervisor:

It is understood the property being sought has been used for a fuel station and the soil may be contaminated. The acquisition price of the property reflects its value, without the presence of contamination.

As part of this highway project, it may be necessary to excavate soil between Sta. _____ and Sta. _____, a strip _____ feet wide, on the _____ side. The soil may require disposal as contaminated material. The Buyer agrees to excavate the soil and provide suitable fill material. The Buyer shall place any contaminated material upon the Seller's remaining and adjoining land; and the Buyer is granted a temporary easement as necessary upon the Seller's remaining property for this stockpiling purpose. The Seller agrees to dispose of any contaminated material under the direction of the Iowa Department of Natural Resources. The Seller shall indemnify and hold harmless the Buyer from all costs, expenses and liabilities arising out of the storage, hauling and disposal of any contaminated material.

Clause: C-9

Situation: The soil is contaminated. The state will dispose of the material and bill the Seller.

Instruction: Add the following clause to the Agreement:

It is understood the property has been used for a fuel station and there may be contamination of the soil. The acquisition price of the property reflects its value, without the presence of the contamination.

As part of this highway project, it may be necessary to excavate soil between Sta. _____ and Sta. _____, a strip _____ feet wide, on the _____ side. The soil may require disposal as contaminated material. The Buyer agrees to excavate and haul away the soil, dispose of any contaminated material and provide suitable fill material. The Seller agrees to reimburse the Buyer for all costs incurred in the hauling and disposal of the contaminated material. Reimbursement will be made promptly upon the provision of an itemized invoice or copies of receipts to the Seller for the costs. The Seller shall indemnify and save harmless the Buyer from all costs, expenses and liabilities arising out of the storage, hauling and disposal of any contaminated material.

Clause: C-10

Situation: Elimination of a monitoring well

Instruction: Add the following clause to the Agreement:

As a part of this highway project, the monitoring well located at Sta. _____ owned by Seller on the property sought shall be eliminated. The Buyer shall plug and abandon the well. If replacement of the well is required to comply with the terms

of any law, rule or administrative order, in addition to the total lump-sum shown on page one of this Agreement, Buyer agrees to reimburse Seller for the actual and reasonable cost of replacing said well. The replacement of said well shall be accomplished under the direction of the Iowa Department of Natural Resources. Reimbursement will be made upon Seller providing Buyer with itemized bills and receipts for the replacement of the well. The current estimate for replacing the well is \$_____.

Clause: D-1

Situation: Debris disposal

Instruction: Add the following clause to the Agreement:

It is understood and agreed by the Seller, that the debris described, but not limited to that listed below, located on the premises being sought, will be removed by the Seller prior to the possession date shown on page one of this Agreement.

Clause: D-2

Situation: Description, more or less

Instruction: Add this clause to the Agreement when the land surveyor's plat is not yet available:

It is understood and agreed that the final conveyance document will show the area of the premises to be conveyed, as determined by a land surveyor's plat. Should the plat indicate a slightly greater area to be conveyed than that shown on page one of this Agreement, then the Buyer will adjust the total lump-sum amount of this Agreement to pay for the additional area. The Seller hereby waives any additional payment of less than \$50.00.

Clause: D-3

Situation: Detour road

Instruction: Add the following clause when a temporary detour road is needed during construction:

The Seller grants the Buyer the right to construct, maintain, operate and remove a temporary detour road on the Seller's property, described as follows and as measured from the centerline of the proposed highway and shown on the project plans:

From Sta. _____ to Sta. _____, a strip _____ feet wide, on the _____ side;

From Sta. _____ to Sta. _____, a strip _____ feet wide, on the _____ side;

The temporary detour road will remain in place until the completion of this highway project. When released back to the Seller, the Buyer agrees to scarify the area by machine method to a depth of 16 to 20 inches.

Clause: D-4

Situation: Divorce

Instruction: Add this clause when there is a pending divorce between a husband and wife that are grantors:

Seller agrees that if either spouse files for dissolution of marriage, they shall promptly and diligently petition the District Court for approval of this Agreement and distribution of the monetary proceeds.

Clause: D-5

Situation: Donation of the land to the State of Iowa

Instruction: Add this clause when the property owner elects to donate the land to the State of Iowa:

The Seller acknowledges entitlement to just compensation based upon the Buyer's approved appraisal of the property described on page one of this Agreement. Nevertheless, the Seller desires to donate the property as allowed in Code of Iowa section 6B.54. The Seller agrees and is responsible for all taxes due up to and including the date of possession.

Clause: D-6

Situation: Payment for an extended driveway

Instruction: Add the following clause to the Agreement:

It is understood and agreed that the total lump-sum payment shown on page one, paragraph three of this Agreement, includes payment in full for an additional _____ lineal feet of driveway.

Clause: F-1

Situation: Fence payment, where costs are incurred by the Seller

Instruction: Add the following clause to the Agreement:

The Seller will erect replacement fence and then provide the Buyer with paid receipts documenting actual labor and material costs.

In addition to the total lump-sum payment amount shown on page one of this Agreement, the Buyer agrees to pay to the Seller the actual and reasonable costs of replacing length measurement of type fencing, not to exceed \$_____, as furnished by Seller. Payment will be made on the basis of itemized bills and/or receipts furnished by the Seller to the Buyer after the Seller's construction of the fence. Payment will not be made for replacement of gates. The Seller may salvage any existing gates and/or fencing prior to construction of the project. Any existing gates and/or fencing that are not removed shall become the property of the Buyer.

Clause: F-2

Situation: Scheduled replacement fence payment

Instruction: Add the following clause to the Agreement:

The Seller will erect replacement the fence and the Buyer will include payment for the fence in the total lump-sum payment amount, based on the cost-per-rod schedule developed by the Buyer.

The Buyer agrees to pay the cost of \$_____ rods of _____ fencing. Payment will be made at the rate of \$ _____ per rod and is included in the total lump-sum payment amount shown on page one of this Agreement. Payment will not be made for replacement of gates. The Seller may salvage any existing gates and/or fencing prior to construction of the project. Any existing gates and/or fencing that are not removed shall become the property of the Buyer.

Clause: F-3

Situation: Payment for temporary fencing

Instruction: Add the following clause to the Agreement:

For control of farm animals during construction, the Seller will erect temporary fencing for the borrow or other easement areas.

It is understood and agreed that, in addition to the total lump-sum amount shown on page one of this Agreement, the Buyer agrees to pay the Seller for the Seller's construction of temporary fencing that is necessary along the Temporary Easement area during the construction period. The Resident Construction Engineer will measure the temporary fence and payment will be made at the rate of \$_____ per rod for woven wire fence, \$_____ per rod for barbed wire fence and \$_____ per rod for electrical fence.

Clause: F-4

Situation: Fencing for access control on the interstate

Instruction: Add this clause on Agreements for certain interstate and freeway projects, where required. Replace the underlined text with the name of the route:

It is understood and agreed that the Buyer will construct and maintain access control fencing along Interstate _____ / U.S. _____.

Clause: F-5

Situation: Fencing across a water gap

Instruction: Add this clause on Agreements whenever fencing across a water gap is required and payment is included in the lump sum:

Included in the total lump sum on page one of this Agreement, is payment in full in the amount of \$_____ for water gap fencing at Sta. _____. The Seller is

responsible for all future maintenance or replacement of said water gap fencing.

Clause: F-6

Situation: Fencing across a water gap

Instruction: Add this clause on Agreements whenever fencing across a water gap is required and payment will be made at the actual and reasonable costs:

It is understood and agreed in addition to the total lump sum on page one of this Agreement, the Buyer agrees to pay the Seller the actual and reasonable costs, based on paid receipts, of the water gap fencing at Sta._____. It is further understood the Seller is responsible for all future maintenance or replacement of the water gap fencing.

Clause: F-7

Situation: Flowage easement

Instruction: Add the following clause to the Agreement. Select meters or feet as the form of measurement:

It is understood and agreed that the flowage easement gives the Buyer the perpetual right, power, privilege, and easement, to overflow, flood and submerge, to an elevation of _____ meters/feet above mean sea level.

Clause: F-8

Situation: Federal Estate Tax Repayment

Instruction: Add the following clauses to the Agreement. *(insert following language when State tax also involved): and the amount of recaptured State Inheritance Tax incurred to obtain partial release of State Tax Lien under Code of Iowa chapter 450B (qualified use election):

Buyer agrees to reimburse Seller the amount of recaptured Federal Estate Tax incurred to obtain partial release of Federal Tax Lien under IRC Sec. 2032A(c) due to the special valuation elected under section 2032A, and/or section 2057(f),** as to the subject property only, and legal fees not exceeding \$_____ incurred to obtain such release. Said reimbursement shall be made upon submission of paid itemized receipts.

Clause: I-1

Situation: Public liability insurance

Instruction: Add the following clause to either a Partial or Total Acquisition Agreement when granting continued possession of an acquired property:

The Seller agrees to maintain existing liability insurance for loss or damage to the property or for personal injury arising out of the Seller's continued possession or use of the property.

Seller's insurance Agent and carrier _____ Policy number _____ Address _____

Clause: I-2

Situation: Extended insurance coverage

Instruction: Add to a Partial Acquisition or Total Acquisition Agreement when granting continued possession on acquired major structures and/or improvements:

The Seller agrees to keep fire, tornado, extended coverage and added perils insurance in the minimum amount of \$_____ payable to all parties as their interests may appear from this date, until delivery of the deed and possession. The Buyer shall notify all insurance companies of this Agreement. In case of loss or destruction of part or all of the premises from causes covered by the insurance, the Seller agrees to accept the lump-sum payment and endorse the proceeds of any such insurance recovery. The Seller assigns to the Buyer any and all of the Seller's rights under such insurance Agreements.

Clause: I-3

Situation: Insurance protection for the premises

Instruction: Add this clause to a Total Acquisition Agreement and Partial Acquisition Agreement when granting continued possession on acquired major structures and/or improvements:

The Seller shall protect the premises from damage and prevent injury to people. The Seller shall make all repairs to the heating system, roof, electrical system, doors, windows, and equipment necessary to maintain the premises in a safe operating condition to prevent damage to the premises and avoid injury to all occupants, guests and public. The Seller shall indemnify and save the Buyer harmless from all loss, claims and causes of action for all damage to property and injury to persons arising out of the Seller's continued possession and use of the property.

Clause: I-4

Situation: Intent to acquire

Instruction: Add the following clause to the Agreement:

It is the intent of this Agreement to totally acquire the parcel of land described as.

Clause: I-5

Situation: Indemnification for project work

Instruction: Add the following clause to the Agreement. Note: This clause should only be used with Supervisor approval:

The Sellers agree that payment in full as shown on page one of this Agreement shall indemnify, release, acquit, hold harmless and forever discharge the State of

Iowa, its agencies, officers, employees, agents and all other persons acting on behalf of the State or any state agency, including any and all contractors, from all liability, including any and all claims, demands, rights of subrogation and course of action for property damage relative to the above referenced project affecting the Seller, which the Seller may have or claim to have by reason of such project.

Clause: L-1

Situation: Lessor/lessee Agreement

Instruction: Add this clause when a major leasehold interest is being acquired and both the lessor and lessee must execute the same Agreement:

It is understood and agreed that should the lessor or lessee elect not to enter into this Agreement, the Agreement shall be considered null and void and all interests shall become the subjects of eminent domain proceedings.

This Agreement shall also apply to and bind the legal successors in interest of the lessee. The lessee warrants possession of a good and valid lease and the right to occupy and use the premises as tenant, as well as good and sufficient title to any property sold to the Buyer. The lessee agrees to surrender possession of the premises per the terms of this Agreement, relinquishes all rights to possession and use of the premises and acknowledges full satisfaction and settlement from the Buyer for all claims of every type by reason of being deprived of the possession and use of the premises due to construction of the highway. The lessee further agrees to pay all liens, assessments, taxes and encumbrances for which the lessee may be liable as a tenant against any property sold to the Buyer.

The Buyer will make all payments payable to the lessor and lessee. The lessor and lessee agree to make any necessary divisions of the proceeds.

Clause: M-1

Situation: Division on monetary proceeds from Agreement

Instruction: Add this clause when the Seller requests that payment be made by separate warrants to various Sellers. Please note contractual obligations such as payment for abstracting:

The Sellers request, and the Buyer agrees, that the gross proceeds of this Agreement shall be paid as follows:

_____ percent payable to _____ and all applicable interests, as described in Items 6 and 7 of this Agreement; and;

_____ percent payable to _____ and all applicable interests, as described in items six and seven of this Agreement.

Clause: N-1

Situation: Notarization

Instruction: Use this clause when notarizing

Seller's signature and claimant's certification: Upon due approval and execution by the Buyer, the undersigned sellers/claimants certify the total lump-sum payment amount shown here is just and unpaid.

(NOTARY PUBLIC: PLEASE COMPLETE LEFT AND RIGHT SIDES)

SELLER'S ALL-PURPOSE ACKNOWLEDGMENT:

STATE OF _____ }

COUNTY OF _____ } ss:

On this ____ day of _____, A.D. **20** , before me, the undersigned, a Notary Public in and for said State, personally appeared _____,

- to me personally known **or**
- proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

_____(Sign in ink)

_____(Print/type name)

Notary Public in and for the State of _____

My Commission expires _____

(NOTARIAL SEAL)

CAPACITY CLAIMED BY SIGNER:

- Individual
- Corporate

Title(s) of Corporate Officer(s):

- Corporate Seal is affixed
- No Corporate Seal procured
- PARTNER(s):
- Limited Partnership
- General Partnership
- ATTORNEY-IN-FACT
- EXECUTOR(S) OR TRUSTEE(S)
- GUARDIAN(S) OR CONSERVATOR(S)
- OTHER: _____

SIGNER IS REPRESENTING:

List name(s) of entity (ies) or person(s)

Clause: N-2

Situation: Notarization

Instruction: Use this clause when notarizing municipalities:

Seller’s signature and claimant’s certification: Upon due approval and execution by the Buyer, the undersigned Sellers/claimants certify the total lump-sum payment amount shown here is just and unpaid.

MUNICIPAL ACKNOWLEDGEMENT – Acknowledgement for municipal corporations

STATE OF IOWA

COUNTY OF _____ ss:

On this ____ day of _____, _____, before me, the undersigned, a notary public in and for said the State of Iowa, personally appeared _____ and _____ to me personally known, who being by me duly sworn, did say that they are the mayor and city clerk, respectively, of the City of _____, Iowa; that the seal affixed to the foregoing instrument is the corporate seal of the corporation and that the instrument was signed and sealed on behalf of the corporation by authority of its city council, as contained in ordinance number _____, passed (the resolution adopted) by the city council under roll call number _____ of the city council on the ____ day of _____, and that _____ and _____ acknowledged the execution of the instrument to be their voluntary act and deed and the voluntary act and deed of the corporation, by it voluntarily executed.

(NOTARY SEAL)

_____ (Sign in ink)

_____ (Print/type name)

Notary Public in and for the State of Iowa

Clause: P-1

Situation: Plot plan attached to the Agreement

Instruction: Add the following clause to the Agreement:

The Right-of-Way Design plot plan, attached as page ____ of this Agreement, graphically illustrates the proposed acquisition area. It is understood and agreed that the registered land surveyor’s plat, which will be attached to the future conveyance document, will supersede and replace this plot plan as the accurate and correct plat of the land being conveyed. Should the land surveyor’s plat indicate slightly greater acreage/square footage to be conveyed than that shown on page one of this Agreement, the payment due the Seller will be increased accordingly and shown on the future conveyance document. The Seller hereby waives any increased payment of less than \$50.

Clause: P-2

Situation: The plot plan for a temporary easement is attached to the Agreement.

Instruction: Add the following clause to the Agreement:

The Sellers grant to the Buyer a temporary easement for the purpose of _____. The Right-of-Way Design plot plan, attached as page _____ of this Agreement, graphically illustrates the proposed temporary easement area being granted. The temporary easement shall terminate on completion of this highway project.

Clause: R-1

Situation: Relocation assistance assurance

Instruction: Add the following clause to the Agreement:

It is understood and agreed that the Seller does not jeopardize any rights to relocation assistance benefits available under the law by signing this Agreement.

Clause: R-2

Situation: Owner has requested 6B.52 in the purchase agreement

Instruction: Add the following clause to the Agreement:

Buyer hereby gives notice of Seller's five-year right to renegotiate construction or maintenance damages not apparent at the time of the signing of this Agreement as required by the Code of Iowa, section 6B.52.

Clause: S-1

Situation: Supplemental Owner Agreement

Instruction: Add this clause when preparing a Supplemental Agreement required because a change or correction is needed in an owner's Agreement that is already signed and processed:

This Agreement is a supplement to the original Agreement between the same parties, dated _____, recorded on _____ in the _____ County Recorder's Office _____, all terms of which remain in full force and effect.

Clause: S-2

Situation: Supplemental Tenant Agreement

Instruction: Add this clause when preparing a Supplemental Agreement that is required because a change or correction is needed in a Tenant's Agreement that is already signed and processed:

This Agreement is a supplement to the original Agreement between the same parties, dated _____, all terms of which remain in full force and effect.

Clause: S-3

Situation: Septic System

Instruction: Add this clause when a septic system lying within the proposed right of way will be disturbed by new construction and must be either repaired or replaced:

The Buyer agrees to pay the Seller the actual and reasonable costs necessary to replace the septic system serving the dwelling.

The septic system is to be constructed and installed in accordance with local and county codes and under the supervision of the local sanitarian. Payment will be made when the Seller provides the Buyer with original itemized invoices, and/or receipts, for the replacement of the septic system and a certification of compliance from the local sanitarian. Payment is based upon a current estimate of \$ _____.

Clause: S-4

Situation: Septic System

Instruction: Add this clause when it is unclear if highway construction will impact the Seller's septic system.

It is understood and agreed by Buyer and Seller that if a portion of the legally constructed septic leech bed, or system, is damaged or destroyed by the construction of this highway improvement project, that portion shall be repaired or replaced at no expense to the Seller.

Clause: S-5

Situation: Drainage structure used as stockpass

Instruction: Add this clause when the Seller is granted the right to use a drainage structure as a stockpass, with no payment to the Seller:

The Seller is reserved the right to use the _____ located at Sta. _____ as a stockpass, with the understanding that the Buyer will maintain the structure for drainage purposes only and assumes no liability for its use as a stockpass.

Clause: S-6

Situation: The Seller agrees to participate in construction cost and the Seller's share of the cost is deducted from the total lump-sum amount.

Instruction: Add the following clause to the Agreement. Caution This clause is not to be used without prior approval of the Acquisition Supervisor and the Right of Way Director:

The Buyer agrees to construct a _____ stockpass at Sta. _____ for the use by the Seller. The Seller agrees to pay \$ _____ for the stockpass. The dollar amount is deducted from the total lump-sum amount shown on page one of this Agreement.

Maintenance of the stockpass by the Buyer is limited to the structure itself and does not include maintenance of the approaches or cleaning out the structure.

Buyer is granted a temporary easement “as necessary” on Seller’s property in order to construct said stockpass. Said temporary easement shall terminate upon completion of this highway project.

Clause: S-7

Situation: Seller’s share of the cost of the stockpass to be paid by the Seller separately; the Seller agrees to participate in the construction cost and the Seller’s share of the cost is to be paid to the Buyer upon request.

Instruction: Add the following clause to the Agreement. Caution This clause should not be used without prior approval of the Acquisition Supervisor:

The Buyer agrees to construct a _____ stockpass at Sta. _____ for the use of the Seller. The Seller agrees to pay \$ _____ for the stockpass. Payment is to be made by certified check payable to the Buyer upon request of the Resident Construction Engineer prior to construction of the stockpass.

Maintenance of the stockpass by the Buyer is limited to the structure and does not include maintenance of the approaches or cleaning out the structure.

The Buyer is granted a temporary easement “as necessary” on the Seller’s property to construct the stockpass. The temporary easement shall terminate upon completion of this highway project.

Clause: T-1

Situation: Temporary easement

Instruction: Add the following clause to the Agreement:

The Buyer is granted a temporary easement, as described below, on the Seller’s property for the purpose of _____; and as measured from the centerline of the proposed highway, as shown on the project plans. The temporary easement shall terminate upon completion of this highway project.

From Sta. _____ to Sta. _____, a strip _____ feet wide, on the _____ side; and

From Sta. _____ to Sta. _____, a strip _____ feet wide, on the _____ side

Clause: T-2

Situation: Release of a major, temporary easement

Instruction: Use this clause to release a major, temporary easement that must be released by the Resident Construction Engineer at a later date. For example, easements necessary for borrows, channel reconstruction, detour roads, haul roads, and other major, temporary construction rights that require a considerable portion of a single or several construction seasons or will cause considerable damage to the property:

The Resident Construction Engineer will release said temporary easement by recording a Release of Temporary Easement no later than one year after the grading, paving, shouldering and erosion control have been completed on this project. The Buyer will provide the Seller with a copy of the release after it has been recorded.

Clause: T-3

Situation: Temporary easement for a haul road

Instruction: Add these clauses when need a temporary easement is needed to provide access to a borrow or other construction area:

The Buyer is granted a temporary easement on the Seller's property for the purpose of constructing, maintaining, operating, and removing a _____-foot wide haul road on the Seller's property from Sta. _____ to the construction area, by the most direct route.

The temporary easement shall terminate upon completion of this highway project. When released back to the Seller, the Buyer agrees to scarify the area by machine method to a depth of 16 to 20 inches.

Clause: W-1

Situation: Hazardous waste

Instruction: This Iowa Department of Natural Resources clause is a requirement in all right-of-way acquisition Agreements. It is included in the "body" of the Agreements:

The Seller states and warrants that there is no known well site, solid waste disposal site, hazardous substances, burial site or underground storage tanks on the premises being sought, except _____.

Clause: W-2

Situation: Waste material created by the Buyer on the project site

Instruction: This clause is used when the Buyer is allowed to dispose of waste material on the Seller's property, when required by the construction plans.

It is understood and agreed that the Buyer is granted the right to deposit waste material, consisting of _____, on the Seller's property within an area described as _____.

Clause: W-3

Situation: Impounding of water

Instruction: Add the following clause to the Agreement:

The Buyer is granted the right to impound water from surface and/or tile drainage on the Seller's land to an elevation of _____ feet, as described below and

measured from the centerline of the proposed highway, as shown on the project plans.

From Sta. _____ to Sta. _____, a strip _____ feet wide, on the _____ side; and

From Sta. _____ to Sta. _____, a strip _____ feet wide, on the _____ side

Clause: **W-4**

Situation: Replacement of a well with the costs paid by the Buyer on future receipts

Instruction: Add the following clause to the Agreement:

The Buyer agrees to pay the actual and reasonable cost, based on a detailed written estimate of \$_____, for replacing the well, located at _____, and measured from the centerline of the highway. Payment will be made when the Seller provides the Buyer with original itemized invoices, and/or receipts, for the replacement of the well and a certificate of compliance from the local sanitarian that the new well is certified for drinking water (potable water) and complies with state law. The Seller agrees to accept the stated sum as payment in full for any and all damages arising from the loss and replacement of the well.

Clause: **W-5**

Situation: Replacement of a well with the costs paid by the Buyer

Instruction: Add the following clause to the Agreement:

The total lump sum of this Agreement includes _____ as compensation for the well located at _____.



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