



Land Acquisition Grant Program Purchase Agreement Guidance

Oregon Watershed Enhancement Board
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If the OWEB Board awards conditional funding for an acquisition project, the grant agreement will require submittal of the binding sale contract between the grant applicant and landowner for OWEB review. If an applicant is seeking compensation for a completed acquisition that qualifies for reimbursement, the purchase and sale agreement for the completed transaction must be submitted to OWEB for review. OWEB encourages grant applicants to use contemporary option or purchase and sale agreements when negotiating for the property purchase, and offers templates for discretionary use by grant applicants.

If tenants may be displaced from the property as a result of the purchase, the tenants may be eligible for relocation advisory services and benefits from OWEB (refer to relocation guidance available on the OWEB web site). OWEB requires that the applicant make the landowner aware of this possibility, either in the purchase and sale agreement, or otherwise. The grant applicant may work with the landowner to ensure that any agreements with new tenants are structured in a manner that avoids additional relocation obligations, but should consult with OWEB when doing so. The purchase agreement may include an option for the buyer to enter into a rent agreement with the landowner to prevent new tenants on the property, and associated relocation responsibilities for OWEB, during the term of the purchase and sale agreement.

When negotiating purchase and sale agreements, it is important that grant applicants understand that if OWEB awards funds:

1. ***OWEB will require review of all appropriate due diligence information relevant to the property being purchased***, including, but not limited to: appraisals; title reports; environmental site assessments; surveys; water rights documentation; rights of first refusal; option agreements; purchase and sale agreements; leases; licenses; rental agreements; permits; easements; security instruments; UCC financing statements; fixture filings; documents pertaining to litigation, encroachments, disputes (including boundary line disputes), or prescriptive rights; a description of any work performed on or use made of the property by parties other than the seller; and other documents and information that OWEB determines are reasonably necessary to review before disbursing grant funds.
2. ***OWEB will be not be obligated to complete its due diligence reviews within the timeframes established in purchase and sale agreements negotiated between grant applicants and landowners.***

Purchase agreement templates are available on the OWEB web site, at http://www.oregon.gov/OWEB/GRANTS/Pages/acquisition_grants.aspx

Any questions should be referred to Miriam Hulst at 503-986-0026 or miriam.hulst@state.or.us.