

**STATE AGRICULTURE DEVELOPMENT COMMITTEE**

**POLICY**

**PROCESSING CLOSING DOCUMENTS FOR THE PURCHASE OF A  
DEVELOPMENT EASEMENT ON FARMLAND**

**I. PURPOSE**

To assure a thorough and accurate review of closing documents where the State Agriculture Development Committee, (SADC) has authorized a cost-share grant to the county for the purchase of a development easement on farmland being preserved pursuant to the Agriculture Retention and Development Act, N.J.S.A. 4:1C-11 et seq., P.L. 1983, c. 32.

**II. AUTHORITY**

N.J.S.A. 4:1C-6  
N.J.A.C. 2:76-6

**III. POLICY**

**1. COUNTY REVIEW OF COUNTY/SADC CLOSING CHECKLIST**

Subsequent to the SADC providing final approval to provide a cost-share grant to the county for the purchase a development easement on farmland, the county shall proceed to secure an insured title policy and survey of the premises pursuant to N.J.A.C. 2:76-6.13.

The County Coordinator shall be responsible for the review of documents to complete the purchase of a development easement on farmland. The documents shall include, but shall not be limited to:

1. Title commitment, endorsements and necessary subordinations;
2. Survey plat and legal description of the premises; and
3. Deed of Easement or Cost-Sharing Grant Agreement.

The County Coordinator shall be responsible for the completion of the **County/SADC Closing Checklist** to assure that all documents forwarded to the SADC are complete and accurate.

The County Coordinator shall forward the following items to the SADC for review:

1. Title commitment, endorsements and necessary subordinations;
2. Survey plat and legal description of the premises;
3. Deed of Easement, (draft) or Cost-Sharing Grant Agreement, (draft); and
4. County/SADC Closing Checklist, (copy).

## 2. SADC REVIEW OF COUNTY/SADC CLOSING CHECKLIST

Upon receipt of the **County/SADC Closing Checklist**, the SADC shall date stamp the Checklist and direct the closing documents to the appropriate staff person for review. **The SADC Coordinator shall complete the review of the closing documents for the purchase of a development easement within two weeks of the date the documents are received in the SADC office.** During this process, the SADC Coordinator shall perform the following:

1. Review all documents;
2. Coordinate with the County Coordinator to review and resolve any minor corrections or problems;
3. Coordinate the review of closing documents with the SADC's Deputy Attorney General; and
4. Coordinate with the County Coordinator to establish a potential closing date.

**In the event that there are significant problems which cannot be resolved within the two-week period, the entire submission will be returned to the County Coordinator for correction. Any subsequent submissions must be accompanied by a new County/SADC Closing Checklist.**

In the event that the documents are complete and accurate or can be corrected within the two-week period, the SADC Coordinator shall proceed to issue a **County/SADC Closing Schedule**.

## 3. COUNTY/SADC CLOSING SCHEDULE

Upon the SADC Coordinator's determination that all documents are complete or complete with conditions, the following documents shall be completed by the SADC and forwarded to the County Coordinator by over-night mail or electronic transfer:

1. **County/SADC Closing Schedule;**
2. Cost-Sharing Grant Agreement (if appropriate);

3. Grant Agreement; and
4. Payment Voucher.

The **County/SADC Closing Schedule** shall contain the following:

1. The SADC certification date that the closing documents are complete or complete with conditions;
2. Projected closing date, (determined in coordination with the County Coordinator);
3. Request for the county's submission of the following documents **at least seven days** prior to the projected closing date:
  1. Deed of Easement (unsigned) or Cost-Sharing Grant Agreement (unsigned);
  2. Grant Agreement (signed); and
  3. Payment voucher (signed); and
4. Date of Electronic Transfer of the SADC's cost-share grant to the county's bank account.

**The SADC shall return the signed Deed of Easement or Cost-Sharing Grant Agreement to the county within three days.**

**It is anticipated that the county will complete the closing for the acquisition of the development easement on the farm within three weeks of the SADC certification date.**

If the closing does not occur within 30 days of the date of the county's receipt of the grant, the county shall return the grant, in the form of a check, by over-night mail to the SADC.

Make check payable to:  
State of New Jersey  
State Agriculture Development Committee

Send over-night mail to:  
State Agriculture Development Committee  
Health & Agriculture Building  
Warren and Market Streets  
2<sup>nd</sup> floor, Room 202  
Trenton, New Jersey 08625-0330

**If the county fails to return the grant to the SADC within the 30-day period, the county shall be assessed an interest payment equal to the interest rate of the State's Cash Management Account on a per diem basis.**

#### 4. POST CLOSING

Upon completing the closing transaction involving a landowner, the county shall immediately forward a copy of the following documents to the SADC:

1. Deed of Easement (signed by all parties, pages initialed);
2. Marked-up title commitment;
3. Affidavit of Title;
4. Settlement Statement;
5. Copy of the county's check to the landowner; and
6. Other

Note: The county shall provide a copy of the recorded Deed of Easement and Title Policy to the SADC as soon as they are available.