

**StARR PROGRAM
LETTER OF INTENT FOR PURCHASE AND DEMOLITION**

This Letter of Intent is made by the Souris River Joint Water Resource Board, (SRJB), and _____, (Seller), pursuant to the Mouse River Enhanced Flood Protection Project’s Rural Structure Acquisition, Relocation, or Ring Dike Program (StARR). This Letter is not intended to constitute a binding agreement with the Seller. Instead, this Letter outlines the general framework for the StARR Purchase and Demolition Program. If the Seller indicates that the Seller is interested in the StARR Purchase and Demolition Program by executing this Letter, the SRJB and its consultants will commence a study to determine the eligibility of the Property and the Market Value of the structures located upon the Property.

1. Seller affirms that I/we own the real property (Property) described as follows:

(Legal description and physical address).

2. Seller is hopeful that the SRJB will make an offer to purchase the structures located upon the Property from the Seller, and the SRJB is considering making an offer to the Seller to purchase and demolish the structures located upon the Property.
3. It is the intent of the parties that the Seller will retain ownership of the Property, and that the SRJB will only acquire an interest in the structures located thereon. However, the SRJB will legally prevent future building or construction activity on the Property. The SRJB will consider acquiring the Property from the Seller on a case-by-case basis.
4. By signing below, the Seller hereby authorizes SRJB to analyze the structures’ eligibility for the StARR Program, and to determine the structures’ “Market Value” for the purpose of making an offer to the Seller.
5. According to the StARR Program, the Market Value of the structure is its pre-flood or current market value, whichever is higher. Market Value is determined in one of two ways. If available, the tax assessed value of the structures is multiplied by 1.10. If the tax assessed value is unavailable, or if the Seller prefers to hire an appraiser, the SRJB will have the structures appraised. **If an appraisal is required or requested, the Seller must pay for half of the fees for appraisal services as set forth in the Binding Agreement for Appraisal Services between the Seller and the SRJB.**
6. By signing this Letter, Seller grants permission to the SRJB and its consultants to access and inspect the Property. The SRJB will give a minimum notice of 48 hours to Seller

prior to any inspections. Seller may revoke the SRJB's permission to access the Property at any time by providing the SRJB written notice.

7. The StARR Program is a voluntary program. The Property is not a part of an intended, planned, or designated project area where all or substantially all of the property within the area is to be acquired within specific time limits. While the SRJB does not intend to use its eminent domain authority to acquire the Property if the Seller chooses not to participate, or if negotiations fail, the SRJB and its assigns reserve its right to exercise its eminent domain authority at a later date, if necessary for future projects.
8. Seller is not allowed to duplicate public benefits from flood impacts. If the Seller has received NFIP or FEMA benefits or other public benefits for damage suffered as a result of the 2011 flood, those benefits will reduce the benefit the Seller will receive from the StARR Program. Owners choosing to participate in the StARR Program are not eligible for relocation assistance benefits under N.D.C.C. § 54-01.1 or the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970. **The Seller must disclose all public benefits it has received as a result of flood impacts to the Property to the SRJB.**
9. Once the SRJB has determined that the Property is eligible, and has determined its Market Value, the SRJB will make an offer in the form of a binding, written Purchase Agreement, which will remain valid for a period of 30 days from the date of the offer. The offer will equal the Market Value of the structures, reduced by 5%, and further reduced by all applicable compensation that SRJB considers to be a duplication of benefits. Nothing herein shall require the Seller to sell, or the SRJB to Purchase, the Property or any structure located thereon until the Purchase Agreement has been executed by the Seller and by the SRJB.
10. The Purchase Agreement will set forth additional terms and conditions of the sale. Prior to closing the sale, the Seller must permanently relocate from the Property.

Both Parties agree this Letter of Intent is non-binding, and either Party may terminate or suspend negotiations up until the execution of a binding Purchase Agreement.

Property Owner Signature

Date

Property Owner Signature

Date

SRJB's Authorized Agent Signature

Date