

**StARR PROGRAM
LETTER OF INTENT FOR RING DIKE ASSISTANCE**

This Letter of Intent is made by the Souris River Joint Water Resource Board, (SRJB), and _____, (Property Owner), 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 Property Owner. Instead, this Letter outlines the general framework for the StARR Ring Dike Program. If the Property Owner indicates that the Property Owner is interested in the StARR Ring Dike 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. Property Owner affirms that I/we own the real property (Property) described as follows:

(Legal description and physical address).

2. Property Owner is hopeful that the SRJB will make an offer to design and construct a Ring Dike that will provide flood risk reduction for the structures located upon the Property.
3. It is the intent of the parties that the Property Owner will retain ownership of the Property. However, the SRJB will legally prevent future building or construction activity on the Property lying outside of the Ring Dike and within the 2011 flood plain.
4. By signing below, the Property Owner hereby authorizes the 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 Property Owner. Because the construction of a ring dike will not remove the requirement of a structure owner to purchase and maintain flood insurance, only those insurable structures located outside of the regulatory (100-year) flood plain but within the 2011 flood plain will be eligible for ring dike assistance. Structures within the regulatory flood plain may be eligible for the StARR Relocation Program or the StARR Purchase and Demolition Program.
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 Property Owner prefers to hire an appraiser, the SRJB will have the structures appraised. **If an appraisal is required or requested, the Property Owner must pay for half of the fees for appraisal services as set forth in**

the Binding Agreement for Appraisal Services between the Property Owner and the SRJB.

6. By signing this Letter, Property Owner 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 Property Owner prior to any inspections. Property Owner 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 SRJB does not intend to use its eminent domain authority to acquire the Property if the Property Owner 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. Property Owner is not allowed to duplicate public benefits from flood impacts. If the Property Owner, or its predecessor(s) in title to the Property, 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 Property Owner 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 Property Owner 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, has determined its Market Value, and has determined a preliminary ring dike alignment and cost estimate, the SRJB will make an offer in the form of a binding, written Ring Dike Assistance Agreement, which will remain valid for a period of 30 days from the date of the offer. If the Property is eligible, the SRJB will offer to pay for 95% of the eligible costs (as specifically set forth in the Ring Dike Assistance Agreement) incurred to design and construct a Ring Dike. The Property Owner will indemnify the SRJB for all liability stemming from the design and construction of the Ring Dike. The ring dike assistance provided by the SRJB will not exceed the Market Value of the structures to be protected by the Ring Dike, reduced by 5%, and further reduced by all applicable compensation that the SRJB considers to be a duplication of benefits. Nothing herein shall require the Property Owner to accept the design and construction of a Ring Dike, or the SRJB to provide financial assistance with the design and construction of a Ring Dike, until the Ring Dike Assistance Agreement has been executed by the Property Owner and by the SRJB.

10. The Ring Dike Assistance Agreement will set forth additional terms and conditions. The SRJB will design and construct the ring dike prior to closing.

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 Ring Dike Assistance Agreement.

Property Owner Signature

Date

Property Owner Signature

Date

SRJB's Authorized Agent Signature

Date