

NOTICE OF REAL PROPERTY GROUND LEASE

This Pre-Contract Agreement (Agreement) is for the property located at the following address:

in _____, _____ county, NC between the following parties:
City County

Ground Lessee: _____

Address: _____

Ground Lessor: _____

Address: _____

Agreement Conditions

The Ground Lessee is seeking federal funds through North Carolina Housing Finance Agency's Rental Production Program to lease property owned by the Ground Lessor to construct a multifamily rental project (Project). In accordance with the requirements of the Uniform Relocation Assistance and Real Property Acquisitions Policies Act of 1970, as amended, and all rules and/or regulations implemented or promulgated thereunder, the Ground Lessor is hereby notified that:

Voluntary Lease

1. The ground lease transaction is voluntary. The Ground Lessee does not have the power of eminent domain and cannot lease the property if negotiations fail to result in an agreement.
2. Because this is a voluntary transaction, the Ground Lessee will be unable to lease the property offered for lease if negotiations fail to result in an agreement.
3. The Ground Lessee will inform the Ground Lessor of the property's estimated fair market value prior to entering into the ground lease.
4. While federal funds will be used in the acquisition of the leasehold interest of the Ground Lessor's property, the Ground Lessor WILL NOT be entitled to any relocation benefits.
5. Any tenant legally occupying the property is eligible to receive relocation assistance and benefits as identified in the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended.

Timely Notices

1. The Ground Lessor authorizes the Ground Lessee, the funding agency, or a designated representative to provide to each resident (if any) notices required by HUD's instructions found in HUD Handbook 1378.
2. The Ground Lessor authorizes the Ground Lessee, the funding agency, or a designated representative to provide or permit to be provided a notice of denial to any person who wishes to apply to become a tenant. Before signing a lease and commencing occupancy, the person must be informed of the following:
 - a. If the Project is funded, the person may be displaced; and,
 - b. The person would not qualify as a "displaced person" as a result of the Project and would therefore not be eligible to receive relocation assistance or benefits.

Recordkeeping

1. The Ground Lessor agrees to provide the Ground Lessee, the funding agency, or a designated representative the name and address of each resident (if any).
2. The Ground Lessor authorizes the Ground Lessee, the funding agency, or a designated representative to survey each resident (if any) to determine relocation costs and housing needs.

According to the Real Property Acquisition Policies Act of 1970 with federal funds, an activity or series of activities in a federally-assisted project that are integrally related, each essential to the others, whether or not all of the component activities receive HUD financial assistance, are subject to HUD's implementing instructions.

Agreement Acceptance

The Ground Lessee and Ground Lessor understand if the conditions of this Agreement are not complied with, either party may terminate the ground lease contract (Contract) by notifying the other party by certified mail, return-receipt requested, the Contract is terminated. The Ground Lessee and Ground Lessor: 1) voluntarily accept these Agreement conditions; and, 2) agree to enter into a Contract for the property identified in this Agreement.

Name/Entity of Ground
Lessor

Name (if Ground Lessor is an
Entity)

Title

Signature of Ground
Lessor

Date: _____

Must be executed before or simultaneous to the Option or Contract

Name/Entity of Ground
Lessee

Name (if Ground Lessee is an
Entity)

Title

Signature of Ground Lessee

Date: _____

Must be executed before or simultaneous to the Option or Contract