



**REBUILD NC HOMEOWNER GRANT AGREEMENT  
(Rehabilitation and Reimbursement)**

THIS AGREEMENT (the “Agreement”) is made and entered into this \_\_\_\_day of \_\_\_\_\_, 2019, by \_\_\_\_\_ (“Participant(s)/Homeowner(s)”), in consideration for the grant offered by the North Carolina Department of Public Safety, North Carolina Office of Recovery and Resiliency (“NCORR”). The undersigned makes the following representations, covenants, promises, and agreements in favor of NCORR and in consideration of the award of certain CDBG-DR grant funds as more fully set forth below (“the Grant Agreement”). By signing this Agreement, the undersigned agree(s) to the terms and conditions as stated herein.

<b>SECTION 1: HOMEOWNER INFORMATION</b>	
<b>Homeowner</b>	<b>Co-Homeowner</b>
<b>Name:</b>	<b>Name:</b>
<b>Damaged Home Address:</b>	<b>Damaged Home Address:</b>
<b>Mailing Address (if different from Physical Address)</b>	<b>Mailing Address (if different from Physical Address)</b>
<b>Social Security Number: XXX-XX-####</b>	<b>Social Security Number: XXX-XX-####</b>
<b>SECTION 2: IMPLEMENTING AGENCY</b>	
<b>Name: North Carolina Office of Recovery and Resiliency</b>	
<b>Mailing Address: PO Box 110465, Durham, NC 27709</b>	
<b>SECTION 3: GRANT INFORMATION</b>	
<b>Grant Amount:</b>	<b>Application Number:</b>
<b>Closing Date:</b>	<b>Program Type: State-Managed Rehabilitation and Reimbursement</b>
<p><b>Disbursement of Funds:</b> The proceeds of the Grant will be disbursed by NCORR to the Contractor and/or their designees to complete the Rehabilitation, Elevation, Reconstruction, or Replacement of Homeowner’s property in accordance with the scope of work agreed upon by NCORR, the Homeowners, and the Contractor and/or their designees, and any approved Change Order(s). Subsequent Change Orders must be approved by the Program and the Homeowner(s) prior to initiating additional work. All approved change orders will be incorporated into a final amended Grant Agreement to be signed by the Homeowner(s) prior to program closeout.</p>	

## **RECITALS**

**WHEREAS**, Hurricane Matthew made landfall on the coast of North Carolina on October 8, 2016, leading to the declaration of fifty counties in the State as federal disaster areas and significantly impacting residents of central and eastern North Carolina;

**WHEREAS**, the Participant owned and occupied the property located at the damaged home address listed above (the “Damaged Property”) as his/her/their primary residence at the time of the October 8, 2016 disaster;

**WHEREAS**, the Damaged Property was damaged by the October 8, 2016 disaster;

**WHEREAS**, the United States Department of Housing and Urban Development (“HUD”) has allocated Community Development Block Grant Disaster Recovery (“CDBG-DR”) Program funds to the State of North Carolina through its Department of Commerce (“DOC”) under the Continuing Appropriations Act of 2017 (Public Law 114-254) for the purpose of assisting in the recovery efforts necessitated by the devastation caused by Hurricane Matthew in effected counties;

**WHEREAS**, the administering agency for North Carolina’s CDBG-DR program is DOC as the grantee, and the implementing agency is the North Carolina Department of Public Safety, North Carolina Office of Recovery and Resiliency (“NCORR”), as the sub-grantee, pursuant to the Disaster Recovery Act of 2016 (S.L. 2016-124);

**WHEREAS**, the Participant(s) applied for assistance from the CDBG-DR Housing Recovery Program (the “Program”). In the Program application, the Participant(s) provided among other things, information regarding household income, demographics, and funds received for disaster relief assistance from other sources (e.g., insurance, the Federal Emergency Management Agency (“FEMA”), the Small Business Administration (“SBA”), non-profits, etc.) that NCORR has relied on in determining the Participant’s eligibility for, and the amount of, Program assistance to be awarded;

**WHEREAS**, funding for this Project is provided pursuant to HUD’s CDBG-DR Housing Recovery Program that is being implemented by NCORR. Participant(s) are not required to pay fees or provide any type of payment to any contractors or other third parties in order to participate in this Program, except for any escrow payments that the State may require as outlined below; and

**WHEREAS**, subject to the execution of this Grant Agreement, the terms and conditions set forth herein, the continuing availability of CDBG-DR Program funding and all Program policies and procedures which are incorporated herein by reference, the Participant(s) shall be eligible to receive the Award (as defined below) in accordance with the terms and conditions set forth herein.

**NOW, THEREFORE**, in consideration of the Grant Award, and other good and valuable consideration, the receipt and sufficiency of which the Participant(s) hereby acknowledge, the Participant(s) make the following continuing representations, agreements, and promises:

- 1. Term.** This Grant Agreement, except for provisions set forth below that expressly survive the termination thereof, shall begin on the effective date and terminate upon NCORR's receipt and approval of all closeout documentation. Before closeout, the damaged property must be rehabilitated, pass final inspection meeting Program requirements, any damaged property or debris must be removed from the Project site, and all other closeout paperwork must be submitted to NCORR for approval. Any extension of this Agreement must be in writing and shall not exceed one (1) year from the expiration of the original term, including any extensions.
- 2. Award Amount.** NCORR has offered a Grant for \$ \_\_\_\_\_ (the "Award") (see Exhibit A "*Award Calculation Table*") for rehabilitation of the damaged home and reimbursement for repair of the damaged home, pursuant to the Programs policies and procedures. This amount was determined based on the information the Participant(s) provided in the Program application, in accordance with Program policies and procedures and all applicable federal, state and local rules and regulations governing the Program. The Participant(s) understand that the Grant amount may be modified by approved Change Orders not contemplated on the effective date of this Agreement. Any changes to the Grant amount not addressed in this Agreement must be approved by the Participant(s) and NCORR, and shall be memorialized in a Change Order and shall be incorporated herein by reference into this original Grant Agreement.
- 3. Award Calculation.** Participant(s) have selected and been deemed eligible for assistance for rehabilitation and/or elevation and reimbursement from the CDBG-DR Program. NCORR will manage the assistance Participant(s) receive from the Program. Based on the information provided by the Participant(s) and reviewed by the Program Management Contractor, the Participant(s) are eligible for the Award (1) to pay an authorized Contractor for the rehabilitation and/or elevation services deemed necessary by the Program inspectors to make the damaged home decent, safe and sanitary, and (2) to reimburse the Participant(s) for eligible out-of-pocket expenses related to the rehabilitation and/or elevation of the damaged property paid by Participant(s) prior to the execution of this Agreement. The necessary rehabilitation and/or elevation is based on a Scope of Work determined by a damage assessment made by the Program and using economy/standard grade building materials determined by industry software prices and not the price of replacing the damaged property or its components with like or similar materials. The work to be conducted on the damaged property is set out in the rehabilitation and/or elevation estimate attached as *Exhibit B "Scope of Work,"* and any Change Order(s) approved by NCORR and the Participant(s). Participant(s) have received and consent to NCORR's calculation of the value of the Scope of Work, and the calculation of the final Grant Amount, including any reduction to the applicable eligible percentage as shown on *Exhibit B*.

To be eligible for reimbursement under the Program, eligible expenses necessary for the rehabilitation and/or elevation of the damaged home are priced based on economy/standard grade building materials determined by industry software prices and not actual expenses incurred by the Participant(s). In-kind services, services performed by Participant(s) family, and donated services or materials are not eligible for reimbursement. Participant(s) have received and consented to NCORR estimate of reimbursable expenses, less any DOB, and the calculation of the final Grant Amount as shown in *Exhibit A*. Participant(s) acknowledge that the Grant Amount is not calculated or intended to be equal to or based on the actual amount spent by the Participant(s) on repairs. The inspector's valuation of the work completed and eligible for

reimbursement is attached hereto as *Exhibit C* (“*Reimbursement Estimates.*”)

The Grant Amount may be limited to a percentage of the cost of the Scope of Work and/or the Reimbursement Estimate based on Program eligibility policies. The Grant Amount is subject to adjustment based on approved Change Order(s) and any Duplication of Benefits (“DOB”) received by the Participant(s) (as further described below), regardless of when those benefits are received. Participants (s) must deposit the amount determined to be a DOB into a bank account controlled by the State in a non-interest-bearing escrow account. (“Escrow Account”). Participant(s) have received and consented to NCORR’s calculation of the value of the reimbursement and rehabilitation of the home, less any DOB and the calculation of the final Grant Amount, as shown on *Exhibit A* (“*Calculation of Grant Award*”) attached hereto. Participant(s) are responsible for providing gap financing if the amount to rehabilitate the home exceeds the Grant Amount.

Participant(s) are advised and agree that additional information may be required by NCORR to determine that the Grant Amount was properly calculated. Participant(s) should maintain all records, receipts, invoices and other documentation related to any demolition, repairs, or construction of the Damaged Home for no less than seven (7) years from the date of this Agreement. Participant will provide the documentation to NCORR upon request.

**4. Contractor and Participant(s) Agreement.** For any rehabilitation and/or elevation Project under the Program, Participant(s) agree that NCORR will select a prequalified and authorized Contractor to complete the work on the Participant(s)’ damaged property. Prior to initiating the work, Participant(s) and the Contractor must execute the *Housing Rehabilitation Homeowner and Contractor Agreement*, which will be provided by NCORR and is incorporated herein by reference. The execution of that agreement is a precondition for the disbursement of the Grant Award, and compliance with the terms of that agreement is a condition for receiving the Grant Award. Participant(s) acknowledge and understand that NCORR is not a party to the Agreement between Participant(s) and the Contractor. The Program requires that: (a) Participant(s) enter into a contract with the Contractor for the Project based on the Scope of Work and any approved Change Order(s); (b) NCORR and the Construction Manager oversee the construction process and inspection(s); and (c) once final inspection is approved by NCORR, NCORR will authorize disbursement of final payment to the Contractor. Neither this Grant Agreement nor any other Program documents govern, authorize or contemplate any separate agreements between the Participant(s), Contractor, or Subcontractors outside the Scope of Work or approved Change Order(s), if any.

**5. Participant(s) Continuing Representations and Warranties.** As a condition of receipt of this Award, Participant(s) hereby expressly make the following representations and warranties:

*Please provide an initial signature for 5(a). through 5(l). In this section.*

a. I/we provided true and accurate information in connection with my/our Program application(s) and to Program staff and have not misrepresented or omitted any information relevant to my/our eligibility for Program assistance.

\_\_\_\_\_ **Initials Required**

b. I/we attest that my/our property (1) was damaged or destroyed by Hurricane Matthew; (2) is located in an eligible county; (3) and was owned and occupied as my/our primary residence prior to October 8, 2016 and is still owned by me/us as of the Effective date.

\_\_\_\_\_ **Initials Required**

c. I/we attest that my/our property has not received notices of default or seizure related to taxes, mortgage or title.

\_\_\_\_\_ **Initials Required**

d. I/we are of the age of majority and of sound mind (including an undersigned Representative, if any) have full power, authority, and legal right to execute this Grant Agreement;

\_\_\_\_\_ **Initials Required**

e. If required under the Program, I/we will obtain flood insurance with building coverage amounts equal to or greater than the Award amount as required by the Flood Disaster Protection Act of 1973, 42 U.S.C. 4001 (the "Flood Disaster Act") and all other applicable State and Federal regulations once the rehabilitation of the damaged property is complete. I/we understand that I/we have a continuing obligation to notify the Program of any changes to my/our flood insurance policy, and that proof of flood insurance will be required at closeout. Relevant changes include, but are not limited to, changes in insurance carrier, coverage limits and maximums, claims made to the insurance policy, renewal and cancellation notices.

\_\_\_\_\_ **Initials Required**

f. I/we will not sell, rent or transfer the property for the term of this Agreement and any extensions thereof, or until after closeout documentation is approved by NCORR;

\_\_\_\_\_ **Initials Required**

g. I/we will not convert the property to an ineligible use or structure type;

\_\_\_\_\_ **Initials Required**

h. If applicable, I/we will stop working on the damaged home and commit to allowing the Program to rehabilitate the home to address storm related damages, environmental remediation and local code requirements in order to achieve, at a minimum, Housing Quality Standards (HQS);

\_\_\_\_\_ **Initials Required**

i. I/we have reported all DOB in my/our initial application and any monies received since the initial application;

\_\_\_\_\_ **Initials Required**

- j. I/we certify that I/we have provided complete, accurate, and current information regarding household income to demonstrate eligibility to receive CDBG-DR Program funds;

\_\_\_\_\_ **Initials Required**

- k. I/we confirm that all occupants and every record owner of the damaged property have been notified of the terms of this Agreement. I/we certify by executing this Agreement to have the authority to act on behalf of any occupants of the destroyed property and any others who may seek to claim any interest in the destroyed property. I/we acknowledge that any interference by any person(s) who claims to have an interest in the damaged property may result in my/our repaying the Grant Amount or otherwise being liable for costs related to those claims; and

\_\_\_\_\_ **Initials Required**

- l. I/we have had an opportunity to read, understand and agree to the Program policies and procedures and the scope of work for the rehabilitation of my damaged home.

\_\_\_\_\_ **Initials Required**

**6. Default.** The Participant(s) will be in default of this Agreement if the Participant(s) made a false certification in the immediately preceding Paragraph or fails to comply with any of the obligations set forth in this Agreement or applicable Program policies and procedures. Before NCORR may exercise the right to declare the Participant(s) in default, NCORR shall give the Participant(s) an opportunity to be heard upon not less than five (5) calendar days' written notice that sets forth the grounds for declaring a default. NCORR's decision shall be binding. Upon declaring a default, at its discretion, NCORR may take any or all of the following actions up to and including termination of this Agreement:

- a. If Participant(s) are under the CDBG-DR Housing Recovery Program, NCORR may direct any Contractor to stop work on the Property, either temporarily or permanently, or issue a change order to the construction and/or abatement contract;
- b. Demand reimbursement for all or a portion of the Award that was paid and/or is due to a third party under this Agreement;
- c. Require reimbursement for reasonable attorney's fees and/or collection costs;
- d. Waive, forgive, and/or provide an opportunity to cure the default; and/or
- e. Sue Participant(s) for damages or injunctive or equitable relief.

**7. Flood Insurance.** If the damaged or destroyed property is located within a Special Flood Hazard Area, the following provisions apply.

- a. Participant(s) understand and acknowledge that **failure to maintain required flood insurance shall result in ineligibility from future federal disaster relief of any kind**, including but not limited to, CDBG-DR program assistance. In addition, the

Participant(s) may be required to forfeit or repay the entire amount of federal assistance previously provided.

- b. If flood insurance is required for any property that is the subject of this Agreement, the insurable structure shall, at all times, be under a flood insurance policy in an amount of the lesser of (1) the full insurable value of the structure as determined by the applicable property insurer, or (2) the maximum amount available for the structure under the National Flood Insurance Program, or a successor program.
- c. If the Participant cannot afford flood insurance or a flood insurance rider, the NCORR Housing Recovery Program may assist in payment of the premium for flood insurance, up to \$2,000 per household for low-to-moderate (LMI) income households located within the 100-year floodplain. The Participant(s) are responsible for the payment of excess flood insurance premiums that may exist after assistance from NCORR, and for premiums every year thereafter. Participants who receive CDBG-DR assistance and reside in a floodplain must purchase and maintain flood insurance on the property for the life of the property, unless and until FEMA Flood Insurance Rate Maps change and no longer include the damaged property in a flood zone.
- d. If the Participant(s) are required to maintain flood insurance on the property and the property is leased, sold, assigned, or inherited by any person or entity not a party to this Agreement, **Participant(s) shall notify all transferees in writing of the continuing obligation to maintain flood insurance on the property**, and that the transferee may be liable if he/she/they fail to do so. If Participant(s) fail to provide such notice, Participant(s) may be liable to the United States for repayment of previous disaster assistance related to the property and may not be eligible for future federal disaster assistance.

\_\_\_\_\_ **Initials Required**

**8. Owner Occupancy.** Participant(s) agree to maintain the property as their primary residence during the term of this Agreement, any extensions thereof, or until closeout, documentation is approved by NCORR. If during the term of the Grant Agreement, Participant(s) (1) use the property as an investment property (2) convert the structure to an ineligible structure type or use, or (3) uses the property as a recreational house or “second” home, then NCORR may require immediate payment in full of the entire grant amount provided to the Participant(s). Participant(s) agree that if during the term of this Agreement, any extensions thereof or prior to closeout, Participant(s) sell part or all of the property without NCORR’s prior written consent, then NCORR may require payment in full the amount of the Grant outstanding at the time of sale.

**9. Elevation.** If the damaged or destroyed property is located within a 100-year floodplain or special flood area and the repairs are considered “*substantial improvement*,” (i.e. damages exceed 50% of the home’s pre-disaster value before repair or construction), Participant(s) must elevate the property to meet Federal floodplain requirements to receive Program funds. Replaced properties must be removed from the floodplain or raised two feet above the Base Flood Elevation (BFE), and meet National Flood Insurance Program (NFIP) minimum requirements and the current building code to qualify. If the Property is deemed in need of

mandatory elevation, Participant(s) can receive an award for the elevation scope in addition to any CDBG-DR Program assistance provided for the replacement of the damaged or destroyed property.

**10. Access to Property and Homeowner Agreement to Cooperate.** Participant(s) grant full access to the property to any authorized representative or designees of the Housing Recovery Program. Authorized persons shall include, but are not limited to, NCORR-designated onsite representative(s) and contractors; and any authorized inspectors, whether for NCORR, authorized contractors, or governmental entities with appropriate legal authority, as may be required to make inspections and to complete the Project. Authorized persons must give Homeowner(s) at least 24-hour notice of intent to gain access to the interior of the property. Homeowner(s) agrees to cooperate with all such parties and their designees; and not to unreasonably interfere with work on the Project or inspections of the property. In the event Homeowner(s) unreasonably interferes with the work or inspections of the property, authorized Program designees shall deliver written notice to NCORR. If Homeowner(s) do not cease the activities specified in the notice within three (3) calendar days, Homeowner(s) may be prohibited from participating in the CDBG-DR Program and may be required to reimburse NCORR for the work completed on the property by any Contractor, subcontractor or other designees. NCORR shall determine if Homeowner(s) have violated this provision of the Agreement, and impose a resolution for the violation. Homeowner(s) shall be given written notice of the remedy imposed for violation, and given the opportunity to appeal the decision within five (5) business days. Homeowner(s) will cooperate with Contractor to ensure that all utilities, including water, sewer and electrical service, are available and supplied to the property for the duration of the Project.

**11. Prohibition against Duplication of Benefits (“DOB”).** Any funds already received by Participant(s) for damage to the residence which is the subject of this Agreement from FEMA, SBA, insurance companies, nonprofits or any other source must be deducted from Participant’s grant amount as a DOB. Participant(s) agree that if Participant(s) receive insurance proceeds, or federal benefits from FEMA, SBA, or any other program for the rehabilitation, elevation or reconstruction to the residence which is the subject of this Agreement, Participant(s) will report receiving benefits by emailing or calling within one (1) month of receipt of additional proceeds and/or benefits. If Participant(s) fail to report additional insurance proceeds and/or federal benefits, NCORR may require immediate repayment in full of the entire grant amount provided by NCORR.

**12. Disbursement of Funds.** The funds in the Participant’s escrow account will be disbursed first by NCORR. When the funds in the escrow account have been fully disbursed, the Grant Amount will be disbursed. All funds will be paid by NCORR to the designated Contractor during the rehabilitation and/or elevation of the damaged home in accordance with the Program Policies and Procedures. Participant(s) will not receive any disbursement of program funds. NCORR has the right to issue payment to the Contractor where it has been determined that work has been completed in accordance with the Scope of Work and any approved Change Order(s), regardless of an assertion by Participant(s) that the Project has not been completed.

The Reimbursement Award shall be disbursed in one lump sum, payable directly to the Participant(s) in accordance with Program Policies and Procedures.



**13. Closeout Certification.** Upon completion of the Participant’s project under the Program, Participant(s) must submit a Compliance Form to NCORR. The Compliance Form will require Participant to certify that the CDBG-DR-assisted property is their primary residence, the property has up to date flood insurance, (if applicable), that no additional funds have been received for disaster related activities, and if the property is a manufactured home on a rented lot, that all lot rent has been paid to date. In addition, the Participant(s) must submit documentation of ownership, insurance, and DOB from other sources. NCORR will then perform a final DOB check and reconciliation of funding to determine if the Participant(s) are required to repay Program funding prior to closeout. Failure to return the Compliance Form with all required documentation will result in default of the Grant Agreement. NCORR will monitor Participant(s) compliance with the Program. NCORR will be responsible for the collection of all overpayments of Program funding and remittance of overpayments to DOC upon receipt by the Participant(s).

**14. Subrogation and Assignment.**

**a. Assignment relating to funds received under the Program.**

i. In consideration of Participant’s receipt of CDBG-DR Program benefits and/or the commitment by NCORR to provide benefits to the Participant under the Program, Participant hereby assigns to NCORR all of the Participant’s rights to future payment and all payment previously received under any policy of casualty or property damage insurance (the “Policies”), and/or any and all compensation by virtue of any settlement, offer, or judgment against a third-party for the same property loss that was provided for through the Program and/or under any reimbursement or relief program related to or administered by FEMA, SBA, and/or under any reimbursement or relief program administered by any other organization (singularly, a “Disaster Program” and collectively, the “Disaster Programs”) that are the basis of the calculation of Participant’s award to be paid to or on behalf of the Participant under the Program using CDBG-DR funds and that are determined to be a Duplication of Benefits (“DOB”) in accordance with the Stafford Act as provided in the Agreement. These Subrogation and Assignment provisions apply only to payments the Participant may receive for damage that this Agreement is intended to address. In other words, these provisions do not apply to payments received for damages from other unrelated disasters or other unrelated insurable events.

ii. The proceeds or payments referred to in the preceding subparagraph whether they are from insurance, FEMA or the SBA, or any other source, shall be referred to herein as “Proceeds”, and any Proceeds that are a DOB shall be referred to herein as “DOB Proceeds”. Upon receiving any Proceeds not previously disclosed to NCORR, Participant agrees to immediately notify NCORR of such additional amounts. If some or all of the proceeds are determined to be a DOB, the portion that is a DOB shall be retained by DOC and deposited into an escrow account as described herein and in the Escrow Agreement incorporated herein by reference.

**b. Cooperation and Further Documentation.**

i. Participant agrees to assist and cooperate with NCORR should the State elect

to pursue, or participate in the Participant's pursuit of, any of the claims Participant has against the insurers for reimbursement of DOB Proceeds under any such policies. Participant's assistance and cooperation shall include but shall not be limited to allowing suit to be brought in Participant's name(s) and providing any additional documentation with respect to such consent, giving depositions, providing documents, producing records and other evidence, testifying at trial and any other form of assistance and cooperation reasonably requested by NCORR. Participant further agrees to assist and cooperate in the attainment and collection of any DOB Proceeds that the Participant would be entitled to under any applicable Disaster Program.

ii. If requested by NCORR, Participant agrees to execute such further and additional documents and instruments as may be requested to further and better assign to NCORR, to the extent of the Award and the Policies and Procedures, any amounts received for disaster recovery assistance that are DOB Proceeds and/or any rights thereunder, and to take, or cause to be taken, all actions and to do, or cause to be done, all things requested by NCORR to consummate and make effective the purposes of this Agreement.

**c. Authorization of NCORR to Contact Third Parties.**

Participant expressly allows NCORR to request of any company or entity with which the Participant held insurance policies, or FEMA, or the SBA, or any other entity from which Participant has applied for or is receiving Proceeds, any non-public or confidential information determined to be reasonably necessary by NCORR to monitor and/or enforce its interest in the rights assigned to it under this Agreement and gives Participant's consent to such company or entity to release said information to NCORR. Participant agrees to execute any third-party verification forms or other documentation required for NCORR or its designees to access Participant information to enforce this provision of the Agreement.

**d. Agreement to turn over Proceeds; Future Reassignment.**

i. If Participant (or any lender to which DOB Proceeds are payable, to the extent permitted by superior loan documents) has received or hereafter receives any DOB Proceeds, Participant agrees to promptly pay such amounts to NCORR, if Participant received an award under the Programs in an amount greater than the amount Participant would have received if such DOB Proceeds had been considered in the calculation of Participant's award.

ii. In the event that the Participant received, receives or is scheduled to receive any Proceeds not previously disclosed to NCORR ("Subsequent Proceeds"), Participant shall notify NCORR of such Subsequent Proceeds, and NCORR will determine the amount, if any, of such Subsequent Proceeds that are DOB Proceeds ("Subsequent DOB Proceeds") in accordance with the Stafford Act. Subsequent DOB Proceeds shall be disbursed as follows:

(a) If the Award has been fully expended by NCORR any subsequent DOB Proceeds shall be paid by Participant to NCORR up to the amount of the

Award.

(b) If no portion of the Award has been expended by NCORR, any Subsequent DOB Proceeds shall be paid by Participant to NCORR and used to reduce the Award. If the application of the Subsequent DOB Proceeds would reduce the Award to zero, all Subsequent DOB Proceeds and any funds previously paid by the Participant to NCORR shall be returned to the Participant, and this Agreement shall terminate.

(c) If some portion of the Award has been expended by NCORR, any Subsequent DOB Proceeds shall be used, retained and/or disbursed in the following order: (1) Subsequent DOB Proceeds shall first be paid by Participant to NCORR to reduce the unexpended portion of the Award; (2) if the application of the Subsequent DOB Proceeds would reduce the unexpended Award to zero, any remaining Subsequent DOB Proceeds shall be applied to expended portion of the Award and retained by NCORR; (3) if the application of the Subsequent DOB Proceeds reduces both the unexpended and the expended portions of the Award to zero, any remaining Subsequent DOB Proceeds shall be returned to the Participant, and this Agreement shall terminate.

(d) If NCORR makes the determination that the Participant(s) does not qualify to participate in any of the Housing Recovery Programs or the Participant decides not to participate in the Housing Recovery Programs, the Subsequent DOB Proceeds and any funds previously paid by the Participant to NCORR that have not been used or obligated by the Program shall be returned to the Participant and this Agreement shall terminate.

iii. Once NCORR has recovered an amount equal to the Award, NCORR will reassign to Participant any rights assigned to NCORR pursuant to this Agreement.

- 15. Changes.** This Agreement completely integrates all understandings between the parties. No prior or contemporaneous addition, deletion, or other amendment shall have any force or effect unless part of this Agreement. No later renewal, addition, deletion, or other amendment shall have any force or effect except in a written supplemental document the parties sign. Except as specifically stated in this Agreement, no representations, agreements, covenants, warranties, or certifications, express or implied, exist between the parties.
- 16. Non-Waiver by NCORR.** No waiver of any breach or default shall constitute or be construed as a waiver by NCORR of any subsequent breach or default or of any breach or default of any other provision.
- 17. Grant Proceeds Contingent.** NCORR's grant Award under this Agreement is contingent upon appropriation, budgeting, and availability of specific funds to discharge those proceeds. Nothing in this Agreement constitutes a debt, direct or indirect multiple fiscal year financial obligation, a pledge of NCORR's credit, or a payment guarantee by NCORR to the Participant or any Contractor.
- 18. Environmental Conditions.** Recipients, to include Program Participants, of CDBG-DR

funds are required to comply with the requirements of the National Environmental Policy Act of 1969 (NEPA) found at 24 C.F.R., Part 58 and complete an Environmental Review Record (ERR). NCORR may require additional environmental reviews for projects that receive these funds. No funds may be obligated or expended by NCORR until the environment review procedures outlined in Part 58 have been complied executed. A violation of this requirement may result in a prohibition on the use of Federal funds for the activity.

- 19. Lead-Based Paint Prohibitions.** Any rehabilitation and/or elevation of residential housing with assistance provided under this Agreement shall be subject to HUD's Lead-Based Paint Regulations at 24 C.F.R. § 570.608, 24 C.F.R. § 35, Subpart B, and Chapter 130A of the North Carolina General Statutes, Article 19A (Lead-Based Paint Hazard Management Program). Such regulations pertain to all CDBG-assisted housing and require that all owners, prospective owners, and tenants of properties constructed prior to 1978 be properly notified that such properties may include lead-based paint. Such notification shall point out the hazards of lead-based paint and explain the symptoms, treatment and precautions that should be taken when dealing with lead-based paint poisoning and the advisability and availability of blood lead level screening for children under seven. The notice should also point out that if lead-based paint is found on the property, abatement measures may be undertaken. The regulations further require that, depending on the amount of Federal funds applied to a property, paint testing, risk assessment, treatment and/or abatement may be conducted. Failure to complete lead hazard reduction or abatement activities in accordance with HUD's Lead Safe Housing Rule (LSHR) will result in repayment of all program funding, to include reimbursement for any previous work completed on the Property to NCORR.
- 20. Relocation and Real Property Acquisition.** Pursuant to the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA) (42 U.S.C. §§ 4601 – 4655, 49 C.F.R., part 24, 24 C.F.R., part 42, and 24 C.F.R. § 570.606), Program Participants must disclose the presence of all tenants residing at their damaged property at the time of the disaster until project closeout, and may not be eligible for assistance if the tenants become or have become displaced.
- 21. Appeals and Complaint Procedure.** If Participant(s) have a grievance or desire to appeal a decision rendered regarding any provision of this Agreement, Participant(s) can file an appeal with NCORR in the manner outlined in the Housing Recovery Program Manual. If NCORR denies the appeal, Participant(s) may appeal the denial to HUD. The appeal must be in writing and should specifically allege the basis for the appeal, the relevant facts and circumstances, and provide any supporting documentation that justifies the appeal.
- 22. Enforcement.** The Participant(s) acknowledge that NCORR has the right and responsibility to enforce this Agreement.
- 23. Choice of Law and Venue.** This Agreement shall be governed by and construed in accordance with the laws of the State of North Carolina. Venue for any action or proceeding arising under this Agreement shall be in the courts of the State of North Carolina.

- 24. Severability/Construction.** Any provision of this Agreement found to be prohibited by law or unenforceable will be ineffective only to the extent of such prohibition or unenforceability without invalidating any other part hereof, or any of the other documents referenced herein. This Agreement, to the extent possible, will be construed or reformed to give validity to its provisions. This Agreement is not intended to create, nor shall it be in any way interpreted or construed to create, any third-party beneficiary rights in any person not a party hereto except for the United States of America as set forth herein.
- 25. Indemnification Agreement.** Participant agrees to indemnify and hold harmless the State, NCORR, DOC, and/or contractors, and each of their respective officers, directors, agents, designated representatives, employees and affiliates (“Indemnified Parties”) from any all claims, losses, damages or liability (including attorney’s fees) arising out of, or in any way related to, the CDBG-DR Award, or any other act or failure to act under this Agreement, any receipt of or eligibility for any DOB, and/or all other documents executed in furtherance of the CDBG-DR Award and/or this Agreement. If Participant(s) attempt to take legal action against the Indemnified Parties, the Indemnified Parties will have the right to recover from Participant attorney fees and other expenses incurred in connection with such action in the event of an adverse determination or judgment against Participant(s). The obligations under this provision are independent of all other rights or obligations set forth herein. This indemnification provision shall survive the disbursement of the Award funds, as well as any termination of this Agreement.
- 26. Consent to Electronic Transaction.** Participant(s) acknowledge that electronic records are being collected, maintained, stored and utilized for the Program and that automated agents have been used to determine identification and eligibility for the Program. Participant(s) consent to the use of electronic records in accordance with the State’s security policy and procedure for such records. In order to verify the Participant(s)’ identity and eligibility for the Program, NCORR requires that certain personal information be provided. By accepting the Grant Award, Participant(s) authorize NCORR to store and use the information provided by Participant(s) for such purposes, including information from third-party reports needed to process the application and Grant Amount.
- 27. Notification of Changes.** Participant(s) have a continuing obligation to notify NCORR if any of the information contained in Participant(s)’ application or this Agreement becomes incomplete or incorrect at any time prior to the commencement of rehabilitation of Participant(s)’ residence that is the subject of this Agreement. To update any information, Participant(s) shall contact their case manager or enter such new information in the web portal.
- 28. Change Orders.** Participant(s) understand and acknowledge that any and all change orders made subsequent to this Grant Agreement shall be incorporated herein by reference into this original Grant Agreement. Subsequent Change Orders, if signed, shall represent the entire Grant Agreement between the parties for the reconstruction of their damaged home under the CDBG-DR Housing Program.
- 29. Asbestos Change Orders.** All changes that include subsequent asbestos testing/surveying fee, asbestos abatement fee and asbestos clearance fee that will adjust Homeowners award are hereby incorporated into this Agreement.

**30. Entire Agreement.** Participant(s) understand and acknowledge that this Grant Agreement and any other agreements or Program policies and procedures that have been incorporated herein by reference, represent the entire agreement between the parties for the rehabilitation of their damaged home under the CDBG-DR Housing Program. Neither NCORR, DOC, nor any of their sub recipients or designees are legally responsible for the actions or omissions of any Contractor, subcontractor or their designees in the rehabilitation of Participant(s)' damaged property outside the Scope of Work incorporated herein, unless approved by a Change Order or by an amendment to the Grant Agreement.

**31. Fraud Acknowledgment of Receipt of Documents.** As part of the application process under the CDBG-DR Program, Participant(s) executed required documents. Participant(s) hereby reaffirm all information provided by those documents, and agree to all provisions as set forth thereunder. Participant(s) assert, certify, and reaffirm that all information in the above documents provided and documents executed on the Grant Agreement execution date are true to the best of Participant(s)' knowledge, and Participant(s)' acknowledge that these documents have been relied on by NCORR to provide disaster assistance. Participant(s) certify that all damages claimed in connection with Participant(s)' application for Grant proceeds were a direct result of Hurricane Matthew, unless subsequent damages to the residence were also incurred as a result of another disaster. In addition, the Participant has disclosed to NCORR in the application process all financial assistance received under any other program or from insurance or any other sources due to damages resulting from Hurricane Matthew and subsequent damages from another disaster (if applicable) during the application and award acceptance. Participant(s) agree to repay the entire Grant amount in the event Participant(s) make or file false, misleading and/or incomplete statements and/or documents. Participant(s) acknowledge notice of the danger of fraud and scams perpetuated by unscrupulous individuals, contractors, and businesses, and that the North Carolina Attorney General's Office may address such issues.

\*Note\* This Grant Agreement will not be considered fully executed unless Participant/Homeowner Agreement **UNLESS Page 4. Section 5(a) – 5(l) and Page 6. Section 7(d.)** are initialed by Participant/Homeowner.

**PARTICIPANT(S):**

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

# Exhibit A

## AWARD CALCULATION DETAIL

Award Calculation Table	
Reimbursement and/or Rehabilitation	
Completed Repairs (Reimbursement)	
Damage Repair Verification (DRV)	
Duplication of Benefit (DOB) Detail	
FEMA (Matthew)	
FEMA (Florence)	
SBA (Matthew)	
SBA (Florence)	
Flood Insurance (Matthew)	
Flood Insurance (Florence)	
Homeowner's Insurance (Matthew)	
Homeowner's Insurance (Florence)	
Other Insurance & Assistance (Matthew & Florence)	
<b>Duplication of Benefit TOTAL</b>	
Net Reimbursement Award (DRV minus DOB Total)	
<b>Above or Below 120% of AMI</b>	<i>(Above or Below)</i>
<i>If Above 120% AMI, Not Eligible for Reimbursement</i>	
<b>Reimbursement Award Cap (up to \$70,000)</b>	
Cap Reduction (if applicable)	
Previously Disbursed Reimbursement Award	
<b>Final Reimbursement Award</b>	
Excess DOB Post-Reimbursement	
Future Repairs	
Estimated Cost of Repair (ECR) Amount	
Asbestos Remediation Amount	
Lead Based Paint Remediation Amount	
Excess DOB Post-Reimbursement Reduction	
Net Rehabilitation Award (Gross ECR minus Excess DOB)	
<b>Rehabilitation Award Cap (up to \$70,000)</b>	
Cap Reduction (if applicable)	
<b>Final Rehabilitation Award</b>	
Other HRR Assistance	
Temporary Relocation Assistance, if applicable, Up to \$12,000	
Flood Insurance Assistance (FIA), if applicable, Up to \$2,000	
Elevation, if applicable, Up to \$50,000	
<b>Final Other HRR Assistance Award</b>	
<b>Total CDBG Award</b>	
<b>Homeowner Escrow Required (Excess DOB)</b>	

AWARD VERIFICATION CRITERIA	
In 100-Year Floodplain	
Calculated National Objective	
Substantial Damage Percentage	
Substantial Improvement Percentage	