



**State of North Carolina**  
**Community Development Block Grant-Disaster Recovery**  
**ReBuild North Carolina Homeowner Escrow Agreement**

This ESCROW AGREEMENT (the “Agreement”), made and entered into this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between \_\_\_\_\_ hereinafter referred to as “Homeowner(s)” or “Participant(s),” having a mailing address of \_\_\_\_\_; North Carolina Department of Public Safety, North Carolina Office of Recovery and Resiliency (“NCORR”); and the Department of Commerce hereinafter referred to as “DOC”.

**RECITALS**

**WHEREAS**, the State of North Carolina (the “State”) has established the ReBuild North Carolina Disaster Recovery Program (“Program”) through a United States Department of Housing and Urban Development Community Development Block Grant for Disaster Recovery (“CDBG-DR”). Program funds were allocated to the State through its DOC, Rural Economic Development Division 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 implementation of the CDBG-DR Program in North Carolina is a shared responsibility between DOC and NCORR;

**WHEREAS**, in accordance with the Stafford Act for CDBG-DR grantees, NCORR calculates any Duplication of Benefits (“DOB”) received by Program Participant(s) from the Federal Emergency Management Agency (“FEMA”), the Small Business Administration (“SBA”), insurance companies, nonprofits, or other sources. Any funds already received by the Participant(s) for disaster-related property damage from these other sources must be deducted from the Grant Award as DOB;

**WHEREAS**, the Participant(s) applied for and have been approved for assistance from the Program. In the Program application 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**, to remain eligible for the Program, Participant(s) are required to place any DOB in a non-interest-bearing escrow account controlled by the State (“Escrow Account”), and escrow funds are released to the Contractor performing work on the Participant(s)’ property pursuant to Program Policies and Procedures;



**WHEREAS**, pursuant to the Homeowner Grant Agreement, Program Policies and Procedures, and all other Program documents incorporated herein by reference, DOC shall hold Participant(s)' DOB in the amount of \$\_\_\_\_\_, (the "Escrowed Funds") which sum will be held in accordance with the terms of this Agreement and the Grant Agreement.

**NOW, THEREFORE**, in consideration of the premises and other good and valuable consideration, the parties hereto covenant and agree as follows:

- 1. Escrow Account.** Participant(s) shall provide the sum of \$\_\_\_\_\_ (the "Escrow Amount") (see Exhibit A "*Award Calculation Table*") in the form of a cashier's check or money order at the Grant closing, payable to The North Carolina Department of Commerce. This amount will be held by DOC in a non-interest-bearing Escrow Account, DOC being the signatory on the Escrow Account.
- 2. Duration of Escrow Account.** The Escrow Account will remain open until all of the work attributed to the Participant(s) DOB contribution to the Project is completed and inspected by the Program. Upon DOC's review of a written authorization by NCORR, DOC will release Escrow Funds to the Contractor. Escrow Funds must be disbursed to the Contractor before any funds from the Grant Award are disbursed, pursuant to the Grant Agreement and Program Policies and Procedures. Any balance remaining after completion of the Project shall be delivered to the Participant(s).
- 3. Deposit of Funds.** All cashier's checks, certified checks, or money orders sent DOC by Participant(s) under this Agreement will be processed for deposit in the normal course of business. DOC will ensure that such funds are deposited into a non-interest-bearing account with a federally insured bank. Escrow Funds shall only be disbursed upon DOC's review of a written request for release of Escrow Funds from NCORR to DOC.
- 4. Disbursement of Funds.** Upon DOC's review of a written authorization for the release of funds by NCORR, DOC will release the Escrow Funds to the Contractor directly. When the funds in the Escrow Account have been fully disbursed, the Grant Amount may then be disbursed as required by the payment schedule for the work being performed. All funds will be paid by DOC to the designated prequalified and authorized Contractor during the rehabilitation, elevation, or reconstruction of the damaged property in accordance with the Grant Agreement, Program Policies and Procedures, and any other Program agreements. NCORR has the right to issue written payment authorizations for a 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 work has not been completed. Payment instructions from NCORR must be delivered to DOC at least 24 hours before requested disbursement or sent by electronic mail. DOC shall disburse the Escrow Funds based upon the payment instructions received from NCORR, and once the Escrow Account is fully disbursed, DOC shall be released and discharged from any further duty or obligation hereunder.



5. **Indemnification.** The parties agree to indemnify and hold harmless DOC from any and all claims, actions, causes, expenses, or damages incurred or in any way related to this Agreement or the release of all or a portion of the Escrow Funds by DOC or termination of the Escrow Account pursuant to the terms and conditions of this Agreement.
6. **Entire Agreement.** This Agreement shall constitute the entire agreement between the parties with respect to the subject matter contained therein. Any prior understandings or contemporaneous agreements of any kind preceding the date of this Agreement shall not be binding upon the parties except to the extent incorporated herein by reference.
7. **Modification of Agreement.** Any modification of this Agreement or additional obligations assumed by the parties in connection with this Agreement shall be binding only if evidenced in a writing signed by each party or an authorized representative of each party.
8. **Time is of the essence of this Agreement.** It is specifically declared and agreed that time is of the essence in this Agreement.
9. **Governing Law.** This Agreement is intended to be a contract under the laws of the State of North Carolina and shall be governed thereby and construed in accordance therewith.
10. **Headings.** The titles to the paragraphs of this Agreement are solely for the convenience of the parties and shall not be used to explain, modify, simplify, or aid in the interpretation of the provisions of this Agreement.
11. **Binding.** The terms and provisions of this Agreement are for the benefit of the parties contained herein and their respective successors and assigns only. Nothing contained herein shall be deemed or construed to inure to the benefit of any other person or party, it being the express intent of the parties that no such persons shall be entitled to any of the benefits hereof, except as herein expressly provided.



IN WITNESS WHEREOF, the parties hereto have executed this Escrow Agreement as of the day, month and year first above written.

PARTICIPANT(S):

BY: \_\_\_\_\_(signature) \_\_\_\_\_(date)

Name: \_\_\_\_\_(printed name)

BY: \_\_\_\_\_(signature) \_\_\_\_\_(date)

Name: \_\_\_\_\_(printed name)

NORTH CAROLINA OFFICE OF RESILIENCY AND RECOVERY

BY: \_\_\_\_\_(signature) \_\_\_\_\_(date)

Name: \_\_\_\_\_(printed name)

Title: \_\_\_\_\_

THE NORTH CAROLINA DEPARTMENT OF COMMERCE

BY: \_\_\_\_\_(signature) \_\_\_\_\_(date)

Name: \_\_\_\_\_(printed name)

Title: \_\_\_\_\_