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Center of North America REAP Zone - Board and Staff Listing Updated March 3, 2014

County	Name	Company	Address	City	State	Zip	Phone	Cell	Email
Benson	<i>Kelly Fischer</i> <i>Open</i>	United Community Bank Leeds	105 Central Ave S	Leeds	ND	58346	466-2903	303-0804	kfischer@ucbnd.com
Bottineau	<i>Deana DeFoe</i> <i>Dr. Ken Grosz - Sect.</i>	Bottineau County EDC Dakota College at Bottineau	519 Main St 105 Simrall Blvd	Bottineau Bottineau	ND ND	58318 58318	228-3922 228-5480	201-0429 228-5468	edc2@utma.com ken.grosz@dakotacollege.edu
McHenry	<i>Lucille Loftesnes</i>	McHenry County JDA Board	1061 56th St N	Granville	ND	58710 58741			
							728-6805	240-2655	alloftes@srt.com
Pierce	<i>Brenda Foster*</i> <i>Dave Cichos</i>	Rugby JDA City of Rugby- Mayor	PO Box 136 308 Panther St	Rugby Rugby	ND ND	58368 58368	776-7655 776-5336	789-1475 208-0838	brenda@rugbyjda.com dcichos@gondtc.com
Rolette	<i>George Youngerman*</i> <i>Alex Alberts</i>	Rolla JDA Alternate for Rolette County	PO Box 1200 PO Box 515	Rolla Rolla	ND ND	58367 58367	477-9130 477-3096	740-5925 550-9442	rollajda@utma.com alexalbert@midco.net
Towner	<i>JoAnn Rodenbiker</i> <i>Nancy Baerwald</i>	Northern Plains Electric Coop American Bank Center	PO Box 608 PO Box 549	Cando Cando	ND ND	58324 58324	968-3314 968-4421	370-1674	joannr@nplains.com nbaerwald@weareamerican.com
Turtle Mountain	<i>David "Doc" Brien</i>	St. Anne's Development Office	PO Box 2504	Belcourt	ND	58316	477-5601x33		docbrien@utma.com
Spirit Lake									
At-Large	<i>Bonnie Helm*</i>	McHenry County JDA Board	PO Box 166	Anamoose	ND	58710	465-3330	626-2551	bhelmconsulting@gondtc.com
Supportive Agency Staffing Listings									
Rural Development Staff	<i>Bill Davis</i> <i>Alisa Dahl</i> <i>Denise Johnson</i> <i>Josh Kramer</i> <i>Bill Schafer</i>	USDA Rural Development USDA Rural Development USDA Rural Development USDA Rural Development USDA Rural Development	PO Box 1737 1920 13th St SE 706 8th Ave SE, Ste 5 PO Box 1737 706 8th Ave SE, Ste 5	Bismarck Minot Devils Lake Bismarck Devils Lake	ND ND ND ND ND	58502 58701 58301 58502 58301	530-2042 852-1754 662-8634 530-2042 662-8634	425-2042 230-0198 425-4768	bill.davis@nd.usda.gov alisa.dahl@nd.usda.gov denise.johnson@nd.usda.gov Josh.Kramer@nd.usda.gov william.schafer@nd.usda.gov
Fiscal Management									
North Central Planning Council	<i>Michelle Fritz</i> <i>Sandy Shively*</i>	North Central Planning Council	PO Box 651	Devils Lake	ND	58301	662-8131	230-3748	michellencpc@gondtc.com
RIB Exec. Director	<i>Shirley Brentrup</i>	REAP Investment Fund, Inc.	635 Oak Street	Dickinson	ND	58601	483-1447		brentrup@ndsupernet.com
* Denotes CONAC REAP Investment Board Appointee with Remaining REAP Investment Board Members Listed Below:									
	<i>Art Wanner</i> <i>Kim Nunberg, Chair</i> <i>Gene Buresh</i> <i>Melana Howe</i> <i>David Twist</i>	Retired City of Beach Roosevelt Custer Reg. Council Howe Enterprises Retired	3701 Lehigh Dr. P.O. Box 278 200 Pulver Hall 208 Lakeview Dr. 10491 12th St. SW	Dickinson Beach Dickinson Hettinger Manning	ND ND ND ND ND	58601 58621 58601 58639 58642	225-9549 872-4103 483-1241 567-4127 573-4334		chart@ndsupernet.com cityofbeach@midstate.net Buresh@rooseveltcuster.com melana@howenterprises.com dtwist@ndsupernet.com

2010-2013 CONAC Strategic Plan

Vision: “Building our Future through Community Partnerships.”

Mission: “The Center of North America Coalition (CONAC) Rural Economic Area Partnership (REAP) exists to create our future through community partnerships, building regional organizational capacity, and fostering cooperative assistance to facilitate community development.

Goal 1 : Identify and encourage leadership in our communities.

- A. Supporting opportunities that foster leadership
 - 1. Endorsement of Rural Leadership ND project efforts
 - 2. Encouraging intergenerational leadership programs for youth
 - 3. Identifying new leadership (youth, elderly, low income, unemployed)
 - 4. Fostering community leadership
 - 5. Continuation of leadership training when opportunities present themselves

Goal 2 : Create networks with partnering organizations.

- A. Coordinating and make more accessible the resources available inside and outside the CONAC Region.

Goal 3: Assist CONAC communities in efforts to enhance their quality of life.

- A. Supporting community efforts to address housing needs
 - 1. Endorsement of projects that construct “spec” homes in small communities
 - 2. Endorsement of projects that create housing for mid-income populations
 - 3. Endorsement of green and energy efficient projects
- B. Identifying and implementing young people retention & attraction strategies.
 - 1. Support for internship programs
 - 2. Matching young entrepreneurs with business
- C. Exploring healthcare collaboration possibilities inside and outside the CONAC region
 - 1. Keeping services in existence (rural ambulance, EMS, fire dept)
 - 2. Recruiting and retaining doctors & nurses
 - 3. Support for adequate medical facilities
 - 4. Providing affordable health care
- D. Assisting communities in the development of water systems, public services and other infrastructure needs to improve the quality of life and attract new residents and businesses
 - 1. Support of efforts to secure an inter-modal shipping site in or near the zone
 - 2. Endorsement of infrastructure projects within the Zone
- E. Encouraging workforce and lifelong learning opportunities within the CONAC region
 - 1. Endorsement of opportunities for work-force training
 - 2. Expansion of on-the-job training and apprentice programs

Goal 4: Increase the diversity and quality of economic opportunities in our region.

- A. Increasing employment opportunities available in CONAC communities
 - 1. Create a strategy to attract government out-sourced jobs
 - 2. Encouragement of expansion and attraction of businesses in the Region that offers high quality jobs
- B. Recognizing tourism as the second leading industry in North Dakota
 - 1. Networking of tourism entities - public and private
 - 2. Encouragement of tourism business start-ups
 - 3. Support for tourism infrastructure
- C. Encouraging the retention, expansion and start-up of entrepreneurial businesses
 - 1. Maximizing the utilization of the Capital Fund for the CONAC region
 - 2. Encourage use of renaissance zone incentives
 - 3. Identifying emerging industries/businesses
 - 4. Promote, development and research of emerging technologies that can be further commercialized within the CONAC Zone
 - 5. Support of Foreign Trade Zones
 - 6. Providing matching grants and technical assistance for business plans, product development incentives, market expansion opportunities
 - 7. Encourage young entrepreneurs
- D. Attracting international investment to local businesses within the Zone
- E. Supporting Value Added Agriculture
 - 1. Support for Farmers Markets in each of the counties and reservations in the CONAC REAP Zone
 - a. Provide materials from the North Dakota Farmers Market Association and the ND Department of Agriculture to each CONAC board member to share with their local organizations.
 - b. Organize one or two region-wide Farmers Markets to highlight the produce produced in the CONAC REAP Zone.
 - c. Funding of matching grants of up to \$500 to each county and reservation to support new and existing Farmers Markets in the Zone.
 - d. Organize Farmers Market forums to discuss topics of interest such as marketing, distribution, varieties, and production methods.
 - e. Add educational field experiences or seminars if the forums grow and stimulate producer interest.
 - 2. Support private development of small producers and community gardens
 - 3. Support Community Supported Agriculture (CSA) gardens
 - 4. Support for Dakota College's Center of Excellence in Horticulture.
 - a. Continue to endorse the project to assist in securing funding
 - b. Support ECH's efforts in distributing marketing and promotion of the vegetable production market
 - 5. Provide opportunities for Ag producers and community members to learn more about value-added opportunities in the region.

CONAC Loan Terms Approved 2011

LOAN TERMS

1. Maximum loan of \$10,000.00
2. Up to 10 years (120 months) term; possible deferral of repayment for up to 3 months after loan closing.
3. Zero percent (0%) interest rate.
4. One-time administrative fee of 3% of loan value due at loan closing.

GENERAL LENDING CRITERIA

1. Applicants must be legal entities, sole proprietors and/or units of government.
2. Applicants must provide assurance of willingness and ability to repay.
3. Applicants must complete the application process and agree to the terms and conditions established for the loan.
4. The loan must be sufficient to reasonably assist the project.
5. Projects must either retain or create jobs/self-employment or be of benefit to the community.
6. Loans will be made for up to 50% of project costs.
7. Loans can be subordinated to another lender.

LENDING PRIORITY GUIDELINES

The following policies will guide the consideration of loan applications:

1. Job creation and retention
 - a. The number of jobs to be created or retained
 - b. Full-time, part-time or seasonal jobs
 - c. The cost per job created or retained
2. The quality of the jobs to be created or retained
 - a. Wage rates, benefit package offered, potential for longevity in employment, ability to advance in the organization, and the working environment.
3. Impact on area economy and environment.
 - a. Projects that add value to locally produced raw materials, expand agricultural marketing/services and/or enable local investment in agriculture projects.
 - b. Projects that improve infrastructure, education, technology or health care in rural areas or contribute to quality of life.
 - c. Projects that impact low-moderate income persons through access to capital, job retention/creation or improved access to community services.
4. Leveraging of other funds, both public and private
 - a. Project principals must generally provide at least 10% of the total project funding.
 - b. Microloan will not lend more than 50% of total project costs, and generally not more than other lenders involved in the project.
5. Likelihood of success.
 - a. Financial strength
 - b. Evidence of market and marketing plans
 - c. Projects with a positive business and/or personal credit history
 - d. Management strength, expertise and past performance
6. Likelihood of repayment
 - a. Ability to service debt from business cash flow
 - b. Secondary source of debt service
 - c. Brief credit analysis
7. Need and appropriateness for funds and terms.

- a. Credit not otherwise available on terms adequate to achieve the purposes of the project or the project could not BE undertaken without Microloan assistance.

UNDESIRABLE PROJECTS

Projects that are not supported by adequate or accurate financial information or in which parties cannot show adequate ability to repay.

1. Projects those are speculative to the point of incurring an excessive amount of risk.
2. Projects deemed to be beyond REAP Zone's ability to administer.
3. Loan requests from individuals or parties with questionable integrity or poor credit history.
4. Loan requests from borrowers that are unwilling to work with a commercial lending institution.
5. Business Projects without other programs participating.
6. Loan requests for projects that are solely for refinancing an existing debt, unless critical for the sustainability of the project.
7. Projects that are not eligible per the guidelines established by the entities providing capital to CONAC REAP Zone.

INELGIBLE PROJECTS

1. Projects that are for purely commercial real estate speculation.
2. Projects that will cause excess competition as determined by the board of directors; i.e., a hardware store in a town of 250 people that already has a viable hardware store.
3. Projects that are considered by the community to be morally improper; i.e., gambling.
4. Projects that are deemed personal in nature or requests funds for personal expenditures, such as home loans to owner occupants.
5. Projects that are for traditional agriculture purpose (i.e. crops, livestock, feed, seed or generic farm equipment.
6. Relocation other than for sound business purposes.
7. Projects that will result solely in a transfer of employment from one location to another.
8. Projects that do not meet environmental guidelines.
9. Projects that are determined to be in conflict of interest with CONAC REAP Zone.
10. Projects that violate Federal guidelines, if applicable, for use of funds.

APPLICATION

Please provide the following:

- Business Description
- Project Description
- Market and competition
- Management experience
- Sources & Use of Funds
- Demonstration of ability to service debt- i.e., balance sheet, cash flow, profit and loss, including historical, if available and projections for first 18-36 months.
- Letter from other participating lenders with brief credit analysis and participation terms.

Delinquent Loan Policy Recommendations:

1. Reconcile the guidelines and the loan agreement as follows:

If the borrower has not repaid the loan after the term of loan has expired or has not met all the terms of the agreement, interest will begin to accrue at the rate of 6% annually to repay any remaining debt under this loan.

2. Delinquent loans should be contacted as follows:

- 2 payments behind – Local Developer to call the borrower
- 3 or more payments behind – Letter stating the amount in arrears, the interest to accrue, and what is going to happen (i.e.; interest begins and turn over to small claims court).
- 6 months behind – With Board approval, begin collections through Small Claims Courts.

3. Offer deferral requests where applicable or as requested.



Micro-Loan Collection Policy

Adopted: August 10, 2010

Delinquent Loan Policy Recommendations:

1. Reconcile the guidelines and the loan agreement as follows:

If the borrower has not repaid the loan after the three years has expired or has not met all the terms of the agreement, interest will begin to accrue at the rate of 6% annually to repay any remaining debt under this loan.

2. Delinquent loans should be contacted as follows:

- 2 payments behind – Local Developer to call the borrower
- 3 or more payments behind – Letter stating the amount in arrears, the interest to accrue, and what is going to happen (i.e.; interest begins and turn over to small claims court).
- 6 months behind – With Board approval, begin collections through Small Claims Courts.

3. Offer deferral requests where applicable or as requested.



Policy Regarding Grants vs. Loans

Adopted: May 8, 2007; Revised: August 12, 2008;
Revised: December 11, 2012; Revises February 7, 2013

The CONAC REAP Zone encourages retention, expansion and start-up entrepreneurial businesses in the six counties (Benson, Bottineau, McHenry, Pierce, Rolette and Towner) and two Native American Reservations (Spirit Lake and Turtle Mountain) in the Zone by providing equity and/or loan opportunities.

GRANTS

CONAC REAP Zone will set aside \$25,000 of the SBA FY10 funding to allow for grant applications. Applicants should first consider loan opportunities listed below before seeking a grant. Grant requests must help foster the mission of CONAC by supporting the Goals and Objectives as set forth in the **CONAC Strategic Plan**. Grant requests with a maximum request of \$5,000 are considered on an individual basis; however, requests **must be** matched 1:1 with applicant funds and generally used for the following purposes:

- **New Businesses**
- **Existing Businesses**
- **Young Entrepreneurs**
 - Maximum grants of \$1,000 will be considered for the following:
 - Beginning or start-up entrepreneur activities
- **Workforce Development Efforts**

LOANS

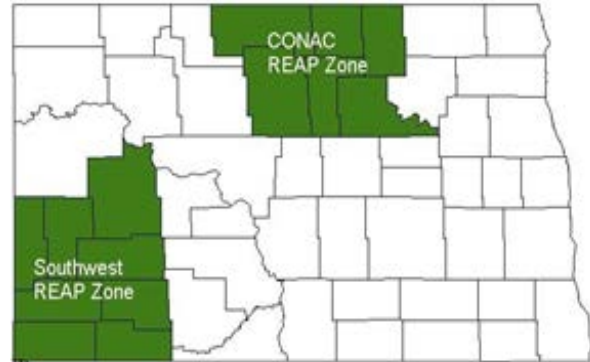
To qualify, applicants must conduct business and have a physical presence within any of the CONAC area Counties or Reservations. The applicant must be an active or new small business venture (i.e. Retail, service, manufacturer, sales, or information business) and may employ up to ten people.

- **Micro Enterprise and Small Business Incentives (Micro-Loans)**
 - The fund will cover no more than 50% or \$10,000 (whichever is less) in any one application or combination of applications under this fund. Matching funding must be in cash and must relate directly to the proposed activity. In-kind funds will not be considered a match under this program, although Applicants may disclose any such funds in a project budget to track the true cost of the investment. All funds must be repaid in monthly installments with a maximum repayment term up to 10 years (120 months) from the date of signing the Loan Agreement.

- A business venture can receive a loan up to a maximum of \$10,000 for activities that can be associated with a venture start-up or expansion, such as, but not limited to:
 - Business Plans
 - Business Start-Up Costs
 - Product Development
 - Licenses/Patents/Certifications
 - Marketing Plans
 - Research and Development
 - Marketing Activities
 - Equipment Essential to Product Development
- Activities that will not be funded include:
 - Lobbying or Political Activities
 - General Business Operating Expenses
 - Personal Expenses
 - Arts, Cultural Activities and Festivals
 - Sports Programs
 - Religious Activities
- **REAP Revolving Loan Fund (RLF)**
 - The REAP Revolving Loan Fund (RLF) is intended to provide financing alternatives and leverage other funding sources for new or expanding businesses or community facilities within the boundaries of the two North Dakota REAP zones. The total investment by the RLF in any one business cannot exceed 45% of the total capital requirements of the business. Loan size varies from a minimum of \$5,000 and a maximum of \$50,000. Project owner(s) must provide a minimum of 10% equity. The RLF cannot be used to refinance existing debt. Apply through your local Regional Council.
- **CONAC Capital Fund**
 - The CONAC Capital Fund, LLC is a community development venture capital fund that provides seed, early-stage and expansion-stage equity investment to promising businesses located in rural North Dakota. The CONAC Fund is a for-profit fund that is owned by its investors. Typical applicants require significant capital, which is usually leveraged with other equity and debt. The CONAC Capital Fund, LLC either provides a loan to the applicant, directly invests in the business to seek a return, or a combination of both.
 - For more information or to apply contact: Jordan Schuetzle; Dakota Venture Group, 4200 James Ray Drive, Grand Forks, ND 58203; phone 701-738-4822, cell 218-779-9930; email Jordan@innovators.net

North Dakota REAP Zone Background & History

In 1995, two United States Department of Agriculture (USDA) pilot revitalization Rural Economic Area Partnership (REAP) Zones were created in southwestern and north-central North Dakota. They were created to address critical issues related to out-migration, constraints in economic activity and growth, low density settlement patterns, stagnant or declining employment and isolation that led to disconnection from markets, suppliers and centers of information and finance.



North Dakota Map



The two North Dakota REAP Zones were called the **Southwest REAP Zone** and **CONAC** (Center of North America Coalition for Rural Development) and implemented through a Memoranda of Agreement signed between the Zones, U.S. Senator Byron Dorgan and USDA Rural Development. The pilot project established a collaborative and citizen-led effort to enhance economic development in the two REAP Zones.

The final MOA expired in September of 2012. However, set-asides in certain USDA Rural Development programs (i.e., RBEG, housing, etc.) may still be offered.

Collaboratively, this structure has provided assistance, support and funding in the following areas: housing, information technology, educational technology equipment, created the CONAC Capital Fund, supported rural leadership programs, value-added agriculture, community strategic planning, federal procurement assistance & information, small business development, trades education, youth entrepreneurship, and collaborative tourism efforts.



In 1999, SW REAP and CONAC established a joint 501(c)(3) non-profit called the **REAP Investment Fund, Inc.** The board is comprised of four members from each zone and a member at-large. Its purpose is to be the non-profit arm of the designated zones and to handle the funds of the zones on a regional level.

In addition, the charter of the REAP Investment Fund, Inc. was established to have statewide coverage to address partnerships outside the two REAP Zones. Its primary concern is the economic and community development of two REAP Zones.

REAP Zone Background & History Continued:

Over the past 19 years, the Zones received federal earmarked funds through the efforts of the Congressional delegation which assisted in the creation of a number of programs and projects. In addition, the structure of the Zones has complemented successful project collaborations with supports and funding through nonfederal sources including local and state funding and foundation partnerships. More information on past efforts can be found at www.ndalliancelink.com under “Publications”.

Each zone operates a micro lending program with loans under \$10,000. These unsecured loans have assisted over 100 rural businesses transition to new ownership, start-up and/or expansion within the zones. These funds have been “revolved” to continue the program. In addition, the REAP Investment Fund operates a revolving loan fund providing up to \$50,000 to Zone businesses at favorable terms.

**CENTER OF NORTH AMERICA
COALITION FOR RURAL DEVELOPMENT
CONSTITUTION AND BYLAWS**

ARTICLE I – NAME

The name of this corporation shall be the "CENTER OF NORTH AMERICA
COALITION FOR RURAL DEVELOPMENT, INC."

ARTICLE II – AUTHORITY

The Corporation has received a nonprofit corporate charter and may do anything a nonprofit corporation may lawfully do in conducting a similar business. As a nonprofit corporation established under North Dakota law, no part of the income of the Corporation shall be distributed to its members, directors, or officers.

ARTICLE III – PURPOSE AND OBJECTIVE

The purpose of this Corporation is to promote and facilitate rural development in the North Dakota counties of Benson, Bottineau, McHenry, Pierce, Rolette and Towner and the Indian reservations of the Spirit Lake Nation and the Turtle Mountain Band of Chippewa through a collaborative effort. To further such primary purpose, the Corporation may engage in any activity for which corporations may be organized without express limitation.

ARTICLE IV – MEMBERSHIP

SECTION 1. Membership shall consist of persons residing within the counties of Benson, Bottineau, McHenry, Pierce, Rolette and Towner and the Indian reservations of the Spirit Lake Nation and the Turtle Mountain Band of Chippewa who are committed to the promotion of rural development in the area, and such persons outside the designated area who contribute technical support to the Corporation.

ARTICLE V – DUES

SECTION 1. Dues shall be set as prescribed by the Board of Directors annually.

ARTICLE VI –BOARD OF DIRECTORS

SECTION 1. The Board of Directors shall be the governing body of the Corporation subject only to the limitations set out in the Articles of Incorporation and these Bylaws.

SECTION 2. The Board of Directors shall consist of one (1) representative and one (1) alternate from each county and each reservation represented in the Corporation and one member-at-large elected by the remainder of the Board of Directors. Each County and each Indian Reservation will be requested to submit a potential representative as necessary to fill a vacancy.

SECTION 3. Board of Director members may appoint an alternate(s) to represent their county or Indian reservation at Board of Directors meeting, by providing notice to the Chairman prior to the meeting, designating the name of the alternate. No county or reservation shall have more than one (1) vote at any Board of Directors meeting.

SECTION 4. The Board of Directors shall meet not less than once per year at a time and place fixed by the Chairman. Meetings of the general membership at which a majority of the members of the Board of Directors are present will be sufficient to qualify as a meeting of the Board of Directors . Special meetings of the Board of Directors may be called by the Chairman or a majority of the Board of Directors .

SECTION 5. The Board of Directors shall manage and transact the business affairs of the Corporation; provide a meeting place for Corporation functions; establish, after ratification by a majority of the voting members, the dues of the Corporation. The Board of Directors shall have other such duties as may be indicated elsewhere in these Bylaws.

SECTION 6. A quorum for conducting business of the Board of Directors shall consist of four (4) members.

ARTICLE VII – OFFICERS AND DUTIES

SECTION 1. The officers of the Corporation shall be Chairman, Vice Chairman, Secretary, and Treasurer each of whom shall be elected by the Board of Directors . Any two or more offices may be held by the same person except for the position of Chairman. The term of office is one year commencing immediately after the annual meeting.

SECTION 2. The Chairman shall be the chief elected officer of the Corporation and its official spokesperson. The Chairman's duties shall include: presiding at all meetings of the Corporation and of the Board of Directors ; executing contracts, and other documents approved by the Board of Directors; working with other members of the Board of Directors and members of the Corporation to implement the programs and resolutions of

the Corporation; appointing all committee chairs. The Chairman shall vote on all matters coming before the Board of Directors.

SECTION 3. The Vice Chairman shall preside at any meetings when the Chairman is absent and shall assist in the conduct of general Corporation affairs as requested by the Chairman.

SECTION 4. The Secretary shall cause to be kept minutes of the meetings of the Board of Directors and the Corporation; see that notices are duly given in accordance with the provisions of these Bylaws or as required by law; be custodian of, or insure safekeeping of, the corporate records; cause to be kept a register of the post office address of each member which shall be furnished to the Secretary by each member; and in general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to the Secretary by the Chairman or by the Board of Directors.

SECTION 5. The Treasurer shall cause to be kept accurate accounts of the properties and financial transactions of the Corporation; cause to be deposited all funds in the name of the Corporation and cause the disbursement of the same upon the authority of the Board of Directors; and in general perform all the duties as may be prescribed by the Chairman or by the Board of Directors.

ARTICLE VIII – FINANCES

SECTION 1. All checks, drafts or other orders for the payment of money, notes or other evidence of indebtedness issued in the name of the Corporation shall be signed by such officers or agents or Board of Directors members and in such manner as shall be determined by resolution of the Board of Directors.

SECTION 2. All funds of the Corporation not otherwise employed shall be deposited from time to time to the credit of the Corporation in a designated depository or other depositories as the Board of Directors may select.

SECTION 3. The Corporation shall not engage in the purchase, lease, sale, or mortgage of any real estate and shall not borrow any money or incur debts over and above the purchase of routine office supplies and services without the approval of the Board of Directors.

SECTION 4. The Board of Directors may accept on behalf of the Corporation any contribution, gift, bequest, or devise for the general purpose or any special purpose of the Corporation.

SECTION 5. The fiscal year of the Corporation shall begin October 1 and end September 30 of each given year.

ARTICLE IX – MEETINGS

SECTION 1. The Annual Meeting of the Corporation shall be held between January 1 and March 30 of each year as determined by the Board of Directors. Failure to hold the annual meeting shall not work as dissolution of the Corporation.

SECTION 2. Special meetings of the members for any purpose permitted by law may be called by the Chairman or by the Board of Directors, and shall be called by the Chairman at the request of at least 30% of the members entitled to vote at the meeting. Written or Electronic notices of any such special meeting shall be delivered not less than ten (10) days nor more than thirty (30) days prior to the meeting date which is set by the Board.

SECTION 3. A majority of the Board of Directors shall constitute a quorum for the transaction of business at a general membership meeting.

ARTICLE X. CONFLICT OF INTEREST

Any director, officer, key employee or committee member having an existing or potential interest in a contract, loan or other transaction presented to the Board of Directors or a committee thereof for deliberation, authorization, approval, ratification, or any such person who reasonably believes such an interest exists in another such person, shall make a prompt, full, and frank disclosure of the interest to the Board or committee prior to its acting on such contract or transaction. The interested party is required to disclose the nature and extent of the interest and any relevant and material facts known about the contract or transaction which might reasonably be construed to be adverse to the Corporation's interest. The Board of Directors shall determine whether or not an individual who has disclosed a conflict of interest will participate in the Board's consideration of the contract or transaction in question.

ARTICLE XI – COMMITTEES

SECTION 1. The Chairman of the Board of Directors shall appoint, with the advice and consent of the Board of Directors, as many Committees as are necessary to implement the programs of the Corporation. The Board of Directors shall authorize and define the responsibilities and objectives of the Committees.

SECTION 2. Meetings may be called at any time by the Chairman or the Committee's chair.

SECTION 3. Each Committee shall study, investigate, and make recommendations to the Board of Directors and carry out the objectives within the general scope of

responsibilities delegated by the Board of Directors. After Board of Directors has approved the Committee recommendations, such Committee shall be free to act upon the approved recommendations subject to the limitations imposed by the Board of Directors.

ARTICLE XII– ELECTION OF OFFICERS

SECTION 1. The officers of the Corporation shall be elected from members of the Board of Directors by the Board of Directors members.

SECTION 2. The election of officers shall be held at the Board of Directors reorganizational meeting to be held immediately following the annual meeting of the Corporation.

SECTION 3. Duly elected officers shall assume office immediately following their election. The term of office shall be one year or until respective successors are elected and qualified.

SECTION 4. A vacancy in any office may be filled by the Board of Directors for the unexpired portion of the term.

SECTION 5. Any officer may be removed by the Board of Directors whenever, in its best judgment, the best interests of the Corporation will be served thereby.

ARTICLE XIII – AMENDMENTS

SECTION 1. These Bylaws may be altered, amended or repealed and new Bylaws may be adopted by a majority vote of the Board of Directors at any regular or special meeting of the Board of Directors. Written or electronic notice of the Board of Directors proposed action to alter, amend or repeal these Bylaws must promptly be given to each member at least thirty (30) days prior to the board meeting at which such proposed action will be considered.

ARTICLE XIV – PARLIMENTARY PROCEDURE

SECTION 1. The rules contained in "Robert's Rules of Order," as amended, shall govern this Corporation in all cases to which they are applicable, and in which they are not inconsistent with the Bylaws or the special rules of the Corporation.

ARTICLE XV-- DISSOLUTION

SECTION 1. The Corporation shall use its funds only to accomplish the objectives and purposes specified in these Bylaws and no part of said funds shall be distributed to the

members of the Corporation. On dissolution of the Corporation, any funds remaining shall be distributed to one or more regularly organized and qualified charitable educational, scientific, or philanthropic organizations selected by the Board of Directors.

ARTICLE XVI– INDEMNIFICATION

SECTION 1. This Corporation shall indemnify any present or former director, officer, employee, member or volunteer of this Corporation and each such person who is serving or has served, at the request of the Corporation, as a director, officer, partner, trustee, employee or agent of another corporation, partnership, joint venture, trust, other enterprise, or employee benefit plan to the fullest extent possible against expenses, including attorney's fees, judgment, fines, settlement and reasonable expenses, actually incurred by such person relating to his/her conduct as a volunteer of the Corporation or as a director, officer, partner, trustee, employee or agent of another corporation, partnership, joint venture, trust, or other enterprise or employee benefit plan, except that the mandatory indemnification required for this sentence shall not apply (i) to breach of duty of loyalty to the corporation, (ii) for acts of omissions not in good faith or which involve intentional misconduct or knowing violation of the law, or (iii) for a transaction from which such person derived an improper benefit.

FIRST ADOPTED THIS 5th DAY OF JUNE, 1997.

By: Terry Zeltinger (ss) By: Robert Eckerdt (ss)

Its: Chairman Its: Secretary

AMENDED THIS ___ DAY OF _____, 20__.

By: _____ By: _____

Its: Chairman Its: Secretary

CODE OF ETHICS

Rural Economic Area Partnership Fund, Inc.

The Rural Economic Area Partnership Investment Fund, Inc. (REAP) will conduct its business honestly and ethically wherever we operate. We will constantly improve the quality of our services, products and operations and will create a reputation for honesty, fairness, respect, responsibility, integrity, trust and sound business judgment. No illegal or unethical conduct on the part of officers, directors, employees or affiliates is in the company's best interest. REAP will not compromise its principles for short-term advantage. The ethical performance of this company is the sum of the ethics of the men and women who work here. Thus, we are all expected to adhere to high standards of personal integrity.

Officers, directors, and employees of the company must never permit their personal interests to conflict, or appear to conflict, with the interests of the company, its clients or affiliates. Officers, directors and employees must be particularly careful to avoid representing REAP in any transaction with others with whom there is any outside business affiliation or relationship. Officers, directors, and employees shall avoid using their company contacts to advance their private business or personal interests at the expense of the company, its clients or affiliates.

No bribes, kickbacks or other similar remuneration or consideration shall be given to any person or organization in order to attract or influence business activity. Officers, directors and employees shall avoid gifts, gratuities, fees, bonuses or excessive entertainment, in order to attract or influence business activity.

Officers, directors and employees of REAP will often come into contact with, or have possession of, proprietary, confidential or business-sensitive information and must take appropriate steps to assure that such information is strictly safeguarded. This information—whether it is on behalf of our company or any of our clients or affiliates—could include strategic business plans, operating results, marketing strategies, customer lists, personnel records, upcoming acquisitions and divestitures, new investments, and manufacturing costs, processes and methods. Proprietary, confidential and sensitive business information about this company, other companies, individuals and entities should be treated with sensitivity and discretion and only be disseminated on a need-to-know basis.

Officers, directors and employees will seek to report all information accurately and honestly, and as otherwise required by applicable reporting requirements.

Officers, directors and employees will refrain from gathering competitor intelligence by illegitimate means and refrain from acting on knowledge which has been gathered in such a manner. The officers, directors and employees of REAP will seek to avoid exaggerating or disparaging comparisons of the services and competence of their competitors.

Officers, directors and employees will obey all Equal Employment Opportunity laws and act with respect and responsibility towards others in all of their dealings.

Officers, directors and employees will remain personally balanced so that their personal life will not interfere with their ability to deliver quality products or services to the company and its clients.

Officers, directors and employees agree to disclose unethical, dishonest, fraudulent and illegal behavior, or the violation of company policies and procedures, directly to management.

EQUAL EMPLOYMENT OPPORTUNITY

The Rural Economic Area Partnership Investment Fund, Inc. (“REAP”) is an equal employment opportunity employer and we will not discriminate against any employee or applicant for employment in a manner that violates federal, state, or local law. Accordingly, REAP prohibits discrimination on the basis of race, color, creed, religion, sex, including pregnancy, national origin, age, mental or physical disability, marital status, status with regard to public assistance, genetic information, participation in lawful activities off the employer’s premises during non-working hours which do not directly conflict with the essential business interests of REAP, veteran status, or any other category protected by local, state or federal law. REAP will provide reasonable accommodations to qualified individuals with disabilities as defined under the Americans with Disabilities Act of 1990, as amended.

This policy of Equal Employment Opportunity applies to all policies and procedures relating to recruitment, hiring, compensation, benefits, termination, and all other terms and conditions of employment. All supervisors and managers are responsible for implementation of this policy. Employee’s questions or concerns should be referred to the REAP Investment Board President. Appropriate disciplinary action will be taken against any employee willfully violating this policy.

HARASSMENT AND/OR DISCRIMINATION

It is the policy of the Rural Economic Area Partnership Investment Fund, Inc. (“REAP”) to maintain a productive work environment, free from harassment or discrimination of any kind, including harassment or discrimination based on race, color, creed, religion, sex, including pregnancy, national origin, age, mental or physical disability, marital status, status with regard to public assistance, genetic information, participation in lawful activities off the employer’s premises during non-working hours which do not directly conflict with the essential business interests of the employer, veteran status, or any other category protected by local, state or federal law.

REAP WILL NOT TOLERATE ANY VERBAL OR PHYSICAL CONDUCT BY AN EMPLOYEE THAT HARASSES, DISRUPTS, OR INTERFERES WITH ANOTHER’S WORK PERFORMANCE OR THAT CREATES AN INTIMIDATING, OFFENSIVE, OR HOSTILE ENVIRONMENT.

While all forms of harassment and discrimination are prohibited, it is REAP’s policy to emphasize that sexual harassment is specifically prohibited. Sexual harassment is the unwarranted and unwelcome action of an individual against another individual through the use of sexual overtones.

Sexual harassment includes unwelcome sexual advances, requests for sexual favors, sexually motivated physical conduct, or other verbal or physical conduct or communication – including electronic communication – of a sexual nature when:

Submission to the conduct or communication is made a term or condition of employment, either explicitly or implicitly, or;

Submission to or rejection of the conduct or communication by an individual is used as a factor in decisions affecting that individual's employment, or;

The conduct or communication has the purpose or effect of substantially interfering with an individual's employment or work performance, or creates an intimidating, hostile, or offensive work environment.

Each employee has the responsibility to maintain a workplace free from any form of sexual harassment. No supervisor shall threaten or insinuate, explicitly or implicitly, that an employee's refusal to submit to sexual advances will adversely affect the employee's employment, evaluation, compensation, advancement, assigned duties, or any other condition of employment.

Other sexually harassing or unprofessional conduct in the workplace, whether by supervisors or non-supervisory personnel, is also prohibited. Unprofessional conduct may result in discipline or discharge, regardless of whether it rises to the level of unlawful sexual harassment. Such conduct includes, but is not limited to, unwelcome:

Sexual flirtations, touching, advances, or propositions;

Verbal abuse of a sexual nature;

Graphic or suggestive comments about an individual's dress or body;

Sexually degrading words to describe an individual;

Sexual innuendoes;

Comments about a person's sexual activities;

Offensive jokes;

"Kidding" of a sexual nature;

Displaying any sexually suggestive objects or pictures, including nude photographs; and

Any other conduct creating an intimidating, offensive, or hostile work environment of a sexual nature.

Any employee who believes that the actions or words of a supervisor, other employee, or third party in the workplace constitute unwelcome harassment or discrimination has a responsibility to report or complain, preferably in writing, as soon as possible, to the REAP Investment Board President. This policy extends to all unlawful forms of harassment and discrimination and is not limited to sexual harassment. REAP strictly prohibits retaliation against an employee bringing a good faith discrimination or harassment complaint. Employees violating this rule will be subject to discipline, up to and including termination of employment.

All complaints of harassment and discrimination will be investigated promptly and in an impartial manner. Confidentiality will be maintained to the extent consistent with REAP's legal obligation to fully investigate all harassment and discrimination claims. Any employee,

supervisor, or manager who is found, after appropriate investigation, to have engaged in the unlawful discrimination or harassment of another employee will be subject to appropriate disciplinary action, depending on the circumstances, up to and including termination of employment.

DRUG FREE WORKPLACE

The Rural Economic Area Partnership Investment Fund, Inc. (“REAP”) shall be free from the non-medical use of controlled substances and free from alcohol. All employees are prohibited from the following: the unlawful manufacture, distribution, dispensing, possession, use or being under the influence of a controlled substance while on the company’s premises or while engaged in work-related activities.

For purposes of this policy, a controlled substance is one which is any of the following:

Not legally obtainable;

Being used in a manner different than prescribed; or

Legally obtainable, but has not been legally obtained.

As a condition of employment, each employee shall agree to abide by REAP’s policy on a drug and alcohol-free workplace.

Violations of the standard of conduct in this policy shall result in disciplinary action up to and including termination of employment and possible referral for prosecution under local, state and federal law. In addition, REAP reserves the right to require an employee who violates this policy to satisfactorily participate in an approved drug or alcohol abuse program.

It is a federal requirement that any employee involved in work-related activities for REAP, which receives funds from the federal government, must notify the REAP Investment Board President within five (5) days of any conviction for a criminal drug violation on company premises or while performing work for the company. The REAP Investment Board President shall notify the appropriate governmental agency (from which REAP received grant monies) of that employee’s conviction within ten (10) days after being notified of the conviction. Any such employee shall be disciplined by REAP in accordance with this policy and may be required to satisfactorily participate in a drug or alcohol abuse program.

REAP shall provide each employee with a copy of this policy, notify employees that compliance is mandatory and shall post it in a place where other information for employees is typically posted. REAP will make available to employees information from anti-drug and anti-alcohol abuse organizations and enlist the aid of community and state agencies to provide information to REAP employees.

Violation of this Code of Ethics can result in discipline, including possible termination. The degree of discipline relates in part to whether there was a voluntary disclosure of any ethical violation and whether or not the violator cooperated in any subsequent investigation.

Approved by the REAP Investment Board on January 12, 2012.

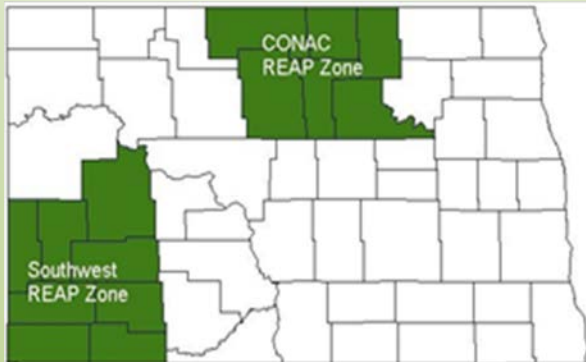
RURAL ECONOMIC AREA PARTNERSHIP

Revolving Loan Fund

North Dakota REAP Zone Map & Counties

Southwest REAP Zone: Dunn, Stark, Hettinger, Adams, Bowman, Slope, Golden Valley, and Billings, including that area in Dunn County on the Fort Berthold Reservation

Center of North America Coalition: McHenry, Bottineau, Rolette, Towner, Pierce, and Benson including the area of the Turtle Mountain Band of Chippewa and the Spirit Lake Reservation located in this area.



Fund Information

- Loans are made to businesses in the REAP Zone Counties
- Loans are from \$10,000 to \$50,000 but cannot exceed 45% of the total funding required
- Interest rates will be no more than the US Prime Rate plus 1%
- The term of the loan will be no more than:

Real Estate	15 Years
Equipment	5 to 7 Years
Working Capital	1 to three years
- Applications will have a conditional letter of commitment from other sources of funds
- Loan funds are secured by collateral and personal guarantees from the applicant, partners and majority stockholders
- Applications have a loan origination fee of 1.5% of the loan amount with a minimum fee of \$200. Of this amount, \$200 will accompany the application submission of which half will be refunded if the application is denied

The REAP RLF is a “gap” lending program and is not designed to displace a commercial lender’s rate and term. The fund is designed to fill the gap when equity and commercial lending are unable to complete the loan package.

The RLF will play a part in your project only when it can be shown that commercial lending cannot do the entire loan or the RLF’s rate and terms are necessary to achieve positive cash flow. The RLF is targeted to job creation or retention.

Find contact information at [http://www.ndalliancelink.com/Investment Board.htm](http://www.ndalliancelink.com/Investment_Board.htm) and the application and guidelines at: [http://www.ndalliancelink.com/main Funds.asp](http://www.ndalliancelink.com/main_Funds.asp)