



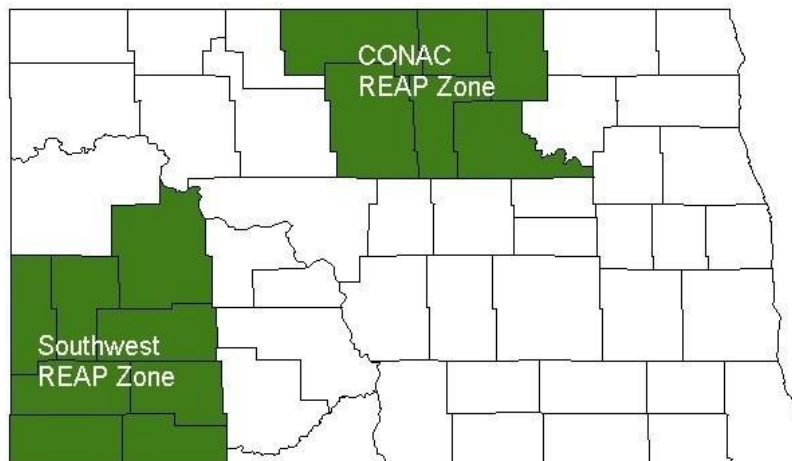
2018

SW REAP Board Book

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SW REAP

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2017 Southwest REAP Board Meeting Dates and Deadlines

Meeting Time	10:00 AM Mountain Time
Meeting Date	First Wednesday of Even Numbered Months
Location	All Locations Subject to Change
<i>Loan application deadline</i>	14 days prior to meeting
<i>Agenda Items Deadline</i>	Noon of the Preceding Thursday
Agenda Delivered by Email	Friday preceding meeting

Meeting Date	February 7, 2018	April 4, 2018	June 6, 2018
Location	Dickinson	Bowman	Killdeer
<i>Agenda Items Deadline</i>	<i>February 1, 2018</i>	<i>March 29, 2018</i>	<i>May 31, 2018</i>
Agenda Delivered by Email	February 2, 2018	March 30, 2018	June 1, 2018

Meeting Date	August 1, 2018	October 3, 2018	December 5, 2018
Location	Medora	Beach	Hettinger
<i>Agenda Items Deadline</i>	<i>July 26, 2018</i>	<i>September 27, 2018</i>	<i>November 29, 2018</i>
Agenda Delivered by Email	July 27, 2018	September 28, 2018	November 30, 2018

Board Members:

Please email or call the Executive Director by the Monday prior to the meeting if you are unable to attend

Fund Program Information and Applications at <http://www.reapmatters.org>

SW REAP CONTACT LIST

TERM	Representing	Name	Company	Address	Phone	Email
SW REAP Board Members						
6.16-6.18	Adams	Melana Howe	Self-employed	208 Lakeview Dr Hettinger, ND 58646	567-4127	Melana@howenterprises.com
6.16-6.18	Billings	Emily Klym	Brady-Martz, PC	3309 134 th Ave. SW Belfield, ND 58622	709-0002	emilyklym@hotmail.com
6.16-6.18	Bowman	Beth Criswell	Banking	8909 144 th Av SW Bowman, ND 58623	206-0042	bthendrickx@gmail.com
6.16-6.18	Dunn	Cliff Ferebee	Retired	8449 2 nd St. SW Halliday, ND 58646	938-4476	cmferebe@mdsupernet.com
6.15-6.17	Golden Valley	Kim Gaugler	City of Beach	PO Box 278 Beach, ND 58621	872-4103	cityofbeach@midstate.net
6.15-6.17	Hettinger	Troy Mosbrucker	Self-employed	702 5th Street East Mott, ND 58646	260-4750	troym@ndsupernet.com
6.15-6.17	Slope	Shelby Hewson	Slope County Agent	PO Box KK Amidon, ND 58620	879-6270	shelby.hewson@ndsu.edu
6.15-6.17	Stark	Ralph Weisenberger	Retired	403 3 rd Ave. E Richardton, ND 58652	974-3910	rweisen@ndsupernet.com
Staffing						
SW REAP		Mark Resner	Executive Director	PO Box 42 Mott, ND 58646	567-3708	swreap@gmail
REAP Investment Fund		Shirley Brentrup	Executive Director	635 Oak St. Dickinson, ND 58601	483-1447	brentrup@ndsupernet.com
Fiscal Management		Julie Levorsen	Levorsen Accounting & Tax, PC	PO Box 161 Elgin, ND 58533	584-2354	jltaax@westriv.com
REAP Investment Fund Board Members						
At Large		Carie Boster	Dunn Co JDA	PO Box 383 Killdeer, ND58640	764-6092	dunnida@ndsupernet.com
SW REAP		Emily Klym	Brady-Martz PC	3309 134 th Ave SW Belfield, ND 58622	567-4127	emilyklym@hotmail.com
SW REAP		Troy Mosbrucker	Self-employed	702 5th Street East Mott, ND 58646	260-4750	troym@ndsupernet.com
SW REAP		Ralph Weisenberger	Retired	403 3 rd Ave. E Richardton, ND 58652	974-3910	rweisen@ndsupernet.com
Regional Support Agencies						
USDA Regional Development Staff		Bill Davis	State Office	PO Box 1737 Bismarck, ND 58502	250-4367	davis@nd.usda.gov
		Melanie Bauer-Dukart	Dickinson Office	2493 4 th Ave W Dickinson, ND 58601	800-688-225	melanie.bauerdukart@nd.usda.gov
Adams County		Vacant	Adams Co Development	PO Box 1323 Hettinger, ND	567-2531	adamscdvcv@ndsupernet.com
Bowman County		Teran Doerr	Bowman Co Development	PO Box 1143 Bowman, ND 58623	523-5880	bowmancodev@ndsupernet.com
Dunn County		Carie Boster	Dunn Co JDA	PO Box 383 Killdeer, ND58640	764-6092	dunnida@ndsupernet.com
Hettinger County		Judy Kirschmann	Het Co. JDA	PO Box 668 Mott, ND 58646	824-4205	hettcojda@gmail
Golden Valley/Billings Counties		Vacant	Prairie West Development	PO Box 784 Beach, ND 58621	872-3121	prairie.west@midstate.com
Slope County		Vacant				
Stark County		Danita Tysver	Stark Development	314 3 rd Ave W Dickinson, ND 58601	225-5997	danita@starkdev.com

SW REAP & REAP Investment Fund Background Info

In 1995, the United States Department of Agriculture (USDA) under a letter of direction from President Clinton created the Rural Economic Area Partnership (REAP) Zones. Five zones were created in the nation with two of those zones located 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.

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

In 1999, SW REAP and CONAC established a joint 501(C)3 called the REAP Investment Fund, Inc. This board is comprised of four members from each zone. 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.

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. Each zone operates a micro loan program with loans under \$10,000 and the REAP Investment Fund operates a micro loan program of under \$50,000 per loan.

The REAP Investment Fund employs a full time executive director.

SW REAP also operates a Partnership Fund which collaborates with communities on projects such a housing starts and housing rehabilitation plus other supports for the benefit of communities or the region. The SW REAP Board is comprised of one representative from each of its eight counties who is appointed bi-annually through the county commission. SW REAP contracts with a part-time executive director.

In November of 2010, the USDA Rural Development designated SW REAP as a Great Region. This designation currently identifies seven regions in the nation that have accomplished superior regional collaboration in their state and with the USDA on projects and services. A Great Regions interagency committee has been formed within the USDA offices in Washington, DC to monitor and assist the designated Great Regions

2007 BY-LAWS OF THE
SOUTHWEST RURAL ECONOMIC AREA
PARTNERSHIP Zone, Inc.

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ARTICLE I – NAME

Section 1. The name of the organization is Southwest Rural Economic Area Partnership Zone, Inc.

ARTICLE II – PURPOSE

Section 1. The corporation is organized as a North Dakota non-profit corporation and pursuant to 501 (c) (3) of the Internal Revenue Code. The Corporation's primary purpose is the enhancement of the SW REAP Zone through a collaborative effort.

Section 2. SW REAP Zone is a trusted partner in developing sustainable communities in North Dakota Region VIII.

Section 3. SW REAP Zone Board shall encourage partnerships.

Section 4. SW REAP Zone Board shall provide assistance to design and support solutions to stem out-migration.

Section 5. SW REAP Zone Board shall work to increase job and business creation, expansion and retention.

Section 6. SW REAP Zone Board shall encourage integrated sustainable community and multi-community projects.

Section 7. SW REAP Zone Board shall promote infrastructure projects and services for health, housing, recreation and public and community facilities.

ARTICLE III - Powers

Section 1. The Corporation shall have such powers as granted to non-profit corporations incorporated under the laws of North Dakota and under 501 (c) (3) of the Internal Revenue Code. The Corporation shall comply with all rules and regulations governing 501 (c) (3) corporations and other federal and state laws applicable to the Corporation and its activities.

ARTICLE IV – MEMBERSHIP AND ORGANIZATION

Section 1. The Corporation shall have no membership as such. SW REAP Zone is a designated United States Department of Agriculture Rural Development Rural Economic Area Partnership Zone consisting of the North Dakota counties of Adams, Billings, Bowman, Dunn, Golden Valley, Hettinger, Slope and Stark.

Section 2. SW REAP Board is a partner with the Center of North America Coalition (CONAC) in the Rural Economic Area Partnership Investment Fund, Incorporated.

Section 3. The fiscal year is from January 1 through December 31.

Section 4. The SW REAP Zone Board consists of eight voting members, one from each county in the Zone to be appointed biennially by its respective county commission.

Section 5. SW REAP Zone Board members are elected for two-year terms. The terms are staggered: members' terms from the counties of Adams, Billings, Bowman, Dunn expire on even years; members' terms from the counties of Golden Valley, Hettinger, Slope and Stark expire on odd years.

Section 6. Any representative may resign at any time by giving written notice of such resignation within thirty (30) days to the SW REAP Zone Board and its respective county commission or tribal council.

Section 7. Any vacancy on SW REAP Zone Board occurring by death, resignation, retirement, disqualification, or any other cause will be filled by the respective county commission within ninety (90) days or by election if biennial election is within ninety (90) days.

Section 8. Board Composition and Voting

- (a) Each voting member has one vote. In the absence of the voting member, the member may designate a proxy who shall have full voting privileges.
- (b) A voting member may designate a proxy by written notification to the president.
- (c) If there is no representation by a voting or a proxy member at two consecutive meetings, notification will be sent to the county commission.

Section 10. Associate Memberships

- (a) SW REAP Zone Board may provide for non-voting associate memberships. Associate memberships may be bestowed to individuals, other partnership organizations, or local governments interested in the work of the SW REAP Zone Board.
- (b) SW REAP Zone Board may set an annual fee for associate memberships.
- (c) Associate memberships shall receive electronically the minutes of the SW REAP Zone board and may attend all meetings of the SW REAP board.
- (d) Associate members may be appointed by the SW REAP Zone board to actively participate on committees, work groups, etc.
- (e) Each recognized Region 8 county development corporation, development foundation, jobs development authority and USDA Rural Development state and Area One office is granted an associate membership.
- (f) To become an associate member, the applicant must request this status in writing to the president of the SW REAP Zone Board. Approval of an associate membership is at the sole discretion of the SW REAP Zone Board.

ARTICLE V – OFFICERS, DUTIES AND MEETINGS

Section 1. SW REAP Zone Board will meet monthly. Special meetings may be called by the SW REAP Zone Board president or by any member of the SW REAP Zone Board with the concurrence of one-third of the membership.

Section 2. The officers of SW REAP Zone Board will be the President, Vice President, and Secretary-Treasurer. Officers will be elected at the August monthly meeting.

Section 2A. Powers and Duties of the President. The powers and duties of the President shall include:

- a. The President shall be the chief executive officer of the Corporation, shall preside at all meetings of the Board, shall have general and active management of the business of the Corporation and shall see that all orders and resolutions of the Board are carried out.
- b. The President shall execute contracts except where required or permitted by law to be otherwise signed and executed and except where signing and execution thereof shall be expressly delegated by the Board to some other officer or agent of the corporation.

Section 2B. Powers and duties of the Vice-President. The Vice-President shall in the absence of the President, perform the duties and exercise the powers of the President and shall perform such other duties and have such other powers as the Board may from time to time prescribe.

Section 2C. Powers and Duties of the Secretary. The Secretary shall record as the proceedings of the meetings of the Board and shall perform like duties for the standing committees when required. The Secretary shall give, or cause to be given, notice of all meetings of the Board, and shall perform such other duties as may be prescribed by the Board or President, under whose supervision the Secretary shall be.

Section 2D. Powers and Duties of the Treasurer.

- a. The Treasurer shall have the custody of the corporation's monies, securities and properties and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Corporation and shall deposit all monies and other valuable effects in the name and to the credit of the Corporation in such depositories as may be designated by the Board.
- b. The Treasurer shall disburse such monies of the Corporation as may be ordered by the Board, taking proper vouchers for such disbursements, and shall render to the President and the Board as required, an account of all transactions and the financial condition of the Corporation.
- c. If required by the Board and at the expense of the of the Corporation, the Treasurer shall give the Corporation a bond in such sum and with such surety or sureties as shall be satisfactory to the Board for the faithful performance of the Treasurer's duties and for the restoration to the Corporation, in case of the Treasurer's death, resignation, retirement, or removal from office, of all books, papers, vouchers, money, and other property of whatever kind in his possession or under control of the Treasurer belonging to the Corporation.

Section 2E. Delegation. Any of the above mentioned ministerial duties of the officers may be delegated to employees, accountants, attorneys, or other agents as determined by the Board of Directors.

Section 3. Elected officers assume responsibilities upon election.

Section 4. Term of office will be for a period of one year and officers may be re-elected.

Section 5. The goal is to rotate the offices among the eight counties.

Section 6. In case any office of SW REAP Zone Board becomes vacant by death, resignation, retirement, disqualification, or any other cause, the majority of SW REAP Zone Board, although less than a quorum, may elect an officer to fill such vacancy.

Section 7. The President shall preside at all meetings of the SW REAP Zone Board. She/he shall have and exercise general charge and supervision of the affairs of SW REAP Zone Board and shall do and perform such other duties as may be assigned to her/him by the SW REAP Zone Board.

Section 8. At the request of the President, or in the event of her/his absence or disability, the Vice-President shall perform the duties and possess and exercise the powers of the President; and to the extent authorized by law, the Vice-President shall have such other powers as the SW REAP Zone Board may determine and shall perform such other duties as may be assigned to her/him by the SW REAP Zone Board.

Section 9. A quorum for the purpose of conducting business of SW REAP Zone Board shall be at least five (5) members.

Section 10. Notice of all meetings, except as herein otherwise provided, shall be given electronically or by mail at least three days before the meeting to the usual business or residence address of SW REAP Zone Board member. Regular meetings may be held without notice at such time and place as shall be determined by SW REAP Zone Board.

Section 11. The annual meeting shall be called sixty (60) days prior to the actual date of the meeting.

Section 12. The annual meeting provides an annual review of the SW REAP Zone. Participation for the annual meeting shall include all SW REAP Zone Board members and associate memberships.

ARTICLE VI – AMENDMENTS

Section 1. The constitution and bylaws may be amended or added to at regular meetings of the SW REAP Zone Board, provided a written notice shall have been sent to each member of the SW REAP Zone Board. Notice shall state the amendments and changes, which are proposed to be made and should be delivered not later than thirty (30) days prior to meeting. Proposed amendments and changes shall be considered for approval if two-thirds of the members vote affirmative.

ARTICLE VII – TASKFORCES AND COMMITTEES

Section 1. SW REAP Zone Board may at its discretion appoint taskforces or committees to carry out the mission of the board. These appointed committees will have a chairperson who will report the activities of the committee or task force to SW REAP Zone Board monthly or as requested.

Section 2. All committees or task forces shall not spend funds or commit the organization to any action or purpose without prior approval of the board.

ARTICLE VIII – DISSOLUTION

Section 1. Upon the dissolution of the Corporation, assets shall be distributed to the Rural Economic Area Partnership Investment Board, Inc. or for one or more exempt purposes within the meaning of section 501©3 of the Internal Revenue Code, or corresponding section of any future code, or shall be distributed to the federal government, or to a state or local government for a public purpose. Any such assets not so disposed of shall be disposed of by the District Court of the county in which the principal office of the corporation is then located, exclusively for such purposes or to such organization or organizations, as said Court shall determine, which are organized and operated exclusively for such purposes.

ARTICLE IX – EQUAL EMPLOYMENT OPPORTUNITY

Section 1. The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, sex, religion, age, disability, political beliefs, sexual orientation or marital or family status. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA’s TARGET Center at 202-720-2600 (voice and TDD).

To file a complaint of discrimination, write: USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 14th and Independence Avenue SW, Washington, DC 20250-9410 or call 202-720-5964 (voice and TDD). USDA is an equal opportunity provider and employer.

Section 2. For more information, or if to participate, you require accommodation or auxiliary aids due to a disability, contact the SW REAP Board chairperson.

Adopted by Resolution of the Board of Directors at a meeting held on the 5th_{day} of August, 2015.

By _____
President

By _____
Administrator

Southwest Rural Economic Area Partnership (SW REAP)
Ethics Policy for Board Members & Proxy Voters

It is the policy of SW REAP that its board members uphold the highest standards of ethical, professional behavior. To that end, these board members, and their proxies shall dedicate themselves to carrying out the mission of this organization and **shall:**

- 1) Hold paramount the welfare of the public in the performance of duties.
- 2) Act in a manner as to uphold and enhance personal and professional honor, integrity and dignity.
- 3) Strive for personal and professional excellence and encourage the professionalism of others.
- 4) Treat with respect and consideration all persons, regardless of race, religion, gender, sexual orientation, disability, age or national origin.
- 5) Recognize that the chief function of SW REAP at all times is to serve the best interests of its constituency.
- 6) Accept as a personal duty the responsibility to keep up-to-date on emerging issues and to conduct themselves with professional competence, fairness, impartiality, efficiency and effectiveness.
- 7) Respect the structure and responsibilities of the Board and provide them with facts and advice as a basis for their making decisions, and uphold and implement decisions made by the Board.
- 8) Keeps the SW REAP community informed about issues affecting it.
- 9) Conduct organizational and operational duties with positive leadership exemplified by open communication, creativity, dedication and compassion.
- 10) Exercise whatever discretionary authority they have under the law to carry out the mission of the organization.
- 11) Not accept compensation or enter into a contract based on a percentage of a SW REAP loan or grant, nor accept any finder's or contingent fees.
- 12) Not accept any gift, gratuity, or anything of monetary value from any individual, company, or business entity requesting loans, grants, or benchmarks from SW REAP.
- 13) Respect and protect privileged information to which they have access in the course of their duties.
- 14) Adhere to the spirit as well as the letter of all applicable laws and regulations.
- 15) Avoid any interest or activity that is in conflict with the conduct of their duties.
No Board member or their voting proxy shall have a financial interest in any activity that may directly or indirectly raise a reasonable question of conflict of interest. No board member or their proxy shall engage in any attempt to personally profit from any activity of the organization, nor accept any loan, grant or monetary award from SW REAP, as such activity shall constitute a clear conflict of interest.

Continued Discussion of Conflict of Interest:

Due to the rural nature of the SW REAP Board, it is difficult to make decisions and cast votes without perceived conflicts of interest. We are often friends or business acquaintances of those persons asking for assistance. In some instances, the agencies we work for are already working with the persons or particulars of any given project prior to their request to SW REAP. We may be board members or associates within the organization or the business requesting assistance. Because we are a board of eight, it can become difficult to have a quorum on a vote if several persons declare a conflict of interest and abstain from voting. This denies the requesting party full board participation on actions. It also denies board members from seeing good projects funded due to potential and real conflicts.

For this purpose, the conflict of interest policy will attempt to outline certain situations and the actions necessary by a board member or their proxy should those instances occur.

Situations representing a conflict of interest for Board Members and Proxy Voters

All Board members or voting proxies have a responsibility to expose a conflict of interest even if the type of conflict is not provided for in this policy. Failure to disclose a conflict will be grounds for requesting a board member be replaced by their county commission. The board will suspend a board member's voting rights until a replacement is appointed.

The following instances clearly represent a conflict of interest for voting members and voting members with these conflicts will abstain from voting:

You are currently employed or contracted to provide services to those requesting funds.

You or persons within your household or immediate family are related to or live with persons within the requesting entity or its organization.

You have a membership, are a board member or a committee member of the requesting entity.

You or the company or agency you work for stand to gain business, money, employment, influence, items or services from the requesting entity if the project is funded.

You or the company or agency you work for is owed money, items or services from the requesting entity.

Other situations

All other conflicts of interest should be presented to the SW REAP Board prior to voting. If it is the consensus of the board the conflict isn't serious, the board member may vote. If the consensus of the SW REAP Board is that the conflict is serious, the board member with the conflict will abstain from voting.

Lack of a Quorum

In cases where a quorum cannot be reached, the vote on the request shall be referred to the Reap Investment Board for resolution.

Policy Adopted: August, 5, 2015



Southwest Rural Economic Area Partnership Fund Guidelines

The Southwest Rural Economic Area Partnership is a non-profit corporation operating under the REAP Investment Fund, a 501(c) 3 incorporated within the state of North Dakota.

SW REAP has developed a Partnership Fund, and a Micro Loan Fund to be used for the purpose of furthering partnerships, businesses and projects that will positively impact its geographic region - the counties of Adams, Billings, Bowman, Dunn, Golden Valley, Hettinger, Slope and Stark. All fund requests must originate in and benefit these SW REAP counties.

All proposed projects should meet one of the SW REAP goals as follows:

- Utilize the REAP designation to alleviate out-migration
- Increase job and business opportunities
- Encourage and participate in partnerships for economic development

The SW REAP Board may allocate funds to other work plan areas and may change or redefine these guidelines without notice. Prospective applicants should check with SW REAP to see if funding is available and if the funding guidelines have changed.

Specific guidelines for each fund are enclosed. Applicants should read the guidelines and complete the form SW REAP Application & Request for Funding and submit it with their project narrative and budget plus any appropriate attachments. Applicants appear in person before the SW REAP Board to request the funding. Local county economic developers are encouraged to assist and accompany applicants to these meetings.

The SW REAP Board meets the first Wednesday of February, April, June, August, October and December. **All loan applications must be submitted at least 14 days prior to the meeting date.**

Send the application and attachments by email to swreap@gmail.com or mail to SWREAP, PO Box 93, Mott, ND 58646. Questions should be directed to the Executive Director at 701-567-3708. Applicants will be notified of their presentation time and date. Presentations should be approximately 5 to 10 minutes.

The Board will make final decisions on requirements for each application. The application can be approved, disapproved, tabled or returned to the applicant for revisions. If approved by the SW REAP Board, the requested funds will be set aside. The approved applicant must sign a Promissory Agreement, provide documentation of match and request the full monetary amount in one lump payment within six months of the approved meeting date, as their approved status expires at that time. The board will reconsider expired applications.

Applicants and/or their local development group should publish the press release as provided or a similar document upon approval or receipt of funding. A copy should be sent to the SW REAP Executive Director by email.

For more information or assistance, contact your local development group or corporation listed in the following table.

Local Development Groups

Adams County Development	567-2531	PO Box 1323	Hettinger	58639	adamscdcv@ndsupernet.com
Bowman County Development	523-5880	PO Box 1143	Bowman	58623	development@bowmannnd.com
Dunn County JDA	764-6092	PO Box 283	Killdeer	58640	dunnjda@ndsupernet.com
Hettinger County JDA	824-4205	PO Box 157	Mott	58646	hettcojda@gmail.com
Golden Valley Co./Prairie West Development	872-3121	PO Box 784	Beach	58621	prairiewest@midstate.net
Stark Development	225-5997	314 3 Av W	Dickinson	58601	@starkdev.com

SAMPLE PRESS RELEASE

[Name of Project or Business] Receives SW REAP Funds

[Date]

[Town]

[Contact Person]

[Name of Economic Development Corporation] announces [Name(s) of project or business or owner], has received a [Partnership or Micro Loan] from Southwest Rural Economic Area Partnership (SW REAP).

[Brief summary of what the new business will do or sell (Example): Fischer's new business will offer needlework, quilting & sewing supplies, as well as fabric and patterns with an espresso bar.]

[Quote from new business owner or partnership group] (Example): "I am so excited to get this loan to help me get a good start in the community", said....].

For Partnership funds, use the following: SW REAP has developed a Partnership Fund to be used for the purpose of furthering partnership projects that will positively impact development in its geographic region, the counties of Adams, Billings, Bowman, Dunn, Golden Valley, Hettinger, Slope and Stark.

For Micro Loans, use the following two paragraphs: The SW REAP Micro Loan program addresses funding requests for businesses which employ one to 10 people or new ventures located within its geographic region - the North Dakota counties of Adams, Billings, Bowman, Dunn, Golden Valley, Hettinger, Slope and Stark.

Businesses can receive up to a maximum of a \$10,000 loan but no more than 50% (whichever is less) for business startup, business plans, product development, research & development, marketing plans, marketing activities or other business activities approved by the SW REAP board. The micro loans are to be repaid within three years.

Applicants are encouraged to submit an application and provide a project narrative with a budget to the local economic development agency that can assist them with their request.

For more information regarding the SW REAP Micro Loan Fund or the Partnership Fund, contact [Name and address of local Economic Developer].

Partnership Fund Guidelines

The Board will only consider proposals that contain partnerships. These partners can be group(s) of people who are organized for a specific purpose to accomplish a specific task(s). A partnership can be defined as more than one group of people *or* a group of people and/or organization(s) or agency(s) working to accomplish the same task(s). Under no circumstances will proposals be considered from a sole individual.

The board encourages partnerships to submit proposals if they meet the following criteria:

- (1) Projects should meet at least one of the goals and objectives of SW REAP.
- (2) Fifty percent or less of the funding or intended funding for the project is requested from SW REAP.
- (3) The project shows proof it will benefit persons beyond those in the partnership.
- (4) The project does not immediately benefit an individual or give ownership of the rights or benefits of the product/knowledge produced in the proposed partnership to an individual(s). If the product produced does eventually benefit an individual, such as spur a business start-up, SW REAP may expect repayment of the funds. The terms of the approved request will identify the time and means of repayment.
- (5) The partnership agrees to make known in their publicity and as a general courtesy with other audiences that SW REAP is a project partner.
- (6) The SW REAP Board has very limited funds and projects should offer solutions to issues or challenges that on a regional scale (or impact) can seek solutions that can be duplicated.**

Eligible Applicants & Forms

Applicants can be formal or informal groups, local economic development corporations or locally recognized development groups, chambers of commerce, county, city, or tribal entities, a government agency or political subdivision. The application must identify the lead entity that will be responsible for fiscal management and reporting requirements.

Funding Amounts

The fund has no maximum or minimum amounts. In-kind contributions should be included in the project application, but will NOT apply towards the dollar match requirement. Letters or other documentation of support should outline the contribution of the letter writer and/or the contribution of the group he/she represents. Don't include letters that only support the concept of the project.

Allowable Costs

Allowable costs will be determined at the discretion of the SW REAP Board. All funds are distributed as loans.

Distribution of Awarded Funds

Approved project expenditures will be reimbursed by SW REAP or paid under the terms of the loan. In some circumstances, funds can be released prior to expenditures. The SW REAP board requires all expenses identified in the budget be accounted for, and that a written report(s) are submitted according to the terms of the application.

Repayment of Funds

Repayments, conditions, and requirements will be outlined in the Promissory Agreement. The terms of the loan will identify when and how funding is to be repaid.

Development (\$20,000 maximum) Micro Loan Fund Guidelines

Under this loan fund, the applicant(s) must be in the SW REAP Zone, and employ one to ten people, or be a new venture that would be located in, and employ people in, the zone.

Activities Under the Fund

The fund will cover no more than 50% of project costs or \$20,000.00, whichever is less, in any application or combination of applications. For a period of one year from the closing of the loan, the borrower of less than the maximum may apply for additional amounts up to the maximum without submitting a complete application and documents. The loan includes a \$150.00 processing fee.

Match Funding

Match funding must be in cash, and must be sufficient to realistically complete the project, or a full phase of the project.

The applicant must furnish proof the match funding is available before requesting approved loan funds. Such proof may include bank statements, loan approvals from a primary lender, or proof of payments made toward project. In-kind contributions will not be considered as match funding.

Security

Security must be provided. Such security must be equal to the loan amount and may include, but is not limited to, mortgages, titles, stocks, bonds, or other instruments. All costs related to filing of mortgages, UCCs, or other costs will be the responsibility of the borrower.

Additional Application Requirements

- Application must be submitted to SW REAP no less than 14 days prior to board meeting.
- An APPROVED financial statement, credit report, and credit score must accompany the application.
- Two years income tax returns (including schedule C or F) must accompany the application.
- Personal guarantees will be required {mandatory for partnership or limited liability entity}. •
Loan application requires a written statement of sponsorship by the local development entity.

Terms for Repayment

Each applicant will need to enter into an agreement with SW REAP for the repayment of the funds (including fees). All funds loaned must be repaid in regular installments beginning no later than six months from the date of approval. The loaned funds must be repaid in full over a period of not more than five years from the date of approval. Interest will accrue at a rate of 1% per annum, or at such rate as determined by the SW REAP Board.

Default

In the event the Borrower is in default of any of the terms or conditions of the loan agreement, any unpaid sums shall become immediately due and payable, together with interest at the rate of 6% per annum. The SW REAP Board reserves the right to resort to any legal means available to it to collect the same.

In the event proposed projects are not substantially implemented within 180 days following the approval of the agreement, any funds not transferred to the borrower shall be held by SW REAP, and any funds received by the Borrower shall become immediately due and payable upon demand.

Reporting

Upon request, the Borrower will provide information, reports, or a final report, accounting for expenditures, plus proof of match funds. Proof of expenditures may include canceled checks or certified receipts. The Borrower shall provide copies of their financials covering the term of the agreement, if requested by SW REAP.

Micro Loan (\$10,000 Maximum) Fund Guidelines

Under this fund, the applicant(s) must be in the SW REAP Zone and employ one to 10 people or be a new venture that would be located in, and employ people in, the zone.

Activities Under the Fund

The fund will cover no more than 50% of project costs, or \$10,000 whichever is less, in any one application or combination of applications under this fund. The loan includes a \$150 processing fee. Requests can be for business plans, product development, research & development, marketing plans, marketing activities or other business activities as approved by the SW REAP Board.

Match Funding

Match funding must be in cash. Match funding does not have to be equal to the full project cost. It should reflect the first year's operations, if possible, but must be enough of the proposed project to realistically complete the project or a full phase of the proposed project.

The applicant must show proof the match funding is available before they can request the loan funds. This includes bank statements, loan approvals from banks or local funding programs, or by actions completed such as proof of payment made on a contract for deed, etc.

In-kind contributions will not be considered match funding. Applicants may want to include in-kind contributions in their budgets to show the full financial picture of the proposed activity.

Additional Application Requirements

- Application must be submitted to SW REAP no less than 14 days prior to meeting
- **Approved** financial statement, credit report and credit score must accompany application {the financial information will be reviewed by two SW REAP board members whom will submit financial recommendation to the full board}
- Personal guarantees may be required {mandatory for any partnership and limited liability entity}
- Loan applications require a written statement of sponsorship by the local development entity.

Terms for Repayment

Each applicant will need to enter into an agreement with SW REAP for the repayment of the funds (including the processing fee). All funds loaned need to be repaid in monthly installments beginning no later than six months from the date of the agreement, or as set by the Board. The loaned funds must be repaid in full over a period of three years from the date of the approval. The payment amount shall be the quotient of the loan amount divided by the repayment period or \$50/month, whichever sum is greater. No interest will accrue during the first three years of the loan provided the terms are met. The applicant may meet with the Board at any time to discuss repayment options.

Default

In the event the applicant is in default of any of the terms and conditions of the loan agreement any unpaid sums shall become immediately due and payable together with interest at the rate of 6% per annum. The SW REAP Board reserves the right to resort to any legal means available to it to collect the same.

In the event that proposed activities are not substantially implemented within 180 days of the receipt of funds, the funds received shall become due and payable upon demand subject to the conditions listed above.

Reporting

Upon request, the Borrower will provide information or reports, or a final report, accounting for the expenditures, plus provide proof of the match funds being received. Proof of the expenditures may include canceled checks, minutes of meetings authorizing expenditures, or certifications of the auditor or treasurer of the borrower and/or other donators to the project. Please include photos. The Borrower shall provide copies of their financials covering the term of the agreement if requested by SW REAP.



Micro Loan Application Checklist

PO Box 93 - Mott, ND 58646 swreap@gmail.com 701-567-3708

Application (Must be submitted to SW REAP no less than 14 days prior to meeting)

- Complete and sign original application
- Description (Business Plan)
 - Who are you, where do you live and what do you do now?
 - Tell us about your business, length of operations and about your product or services.
 - What is your business type (Sole Proprietor, LLC, Corporation, etc.)?
 - What is your business background, and how will that will make you successful?
 - What do you plan to do with the funds and how will that benefit your business?
 - How do you know this will work and what is your outlook for the next year?
 - How will you market your business and who are your competitors?
 - Indicate jobs created, jobs retained or expansion?

Loan Information

- Sources and Uses of funds
- Request payment start date and why (must begin within 6 months of approval of the loan)
- Letter from your local development corporation, Jobs Development Authority (JDA) or SBDC representative that supports the loan and states the beginning date of payments.

Financial Information

- Current credit report, and credit score, for each applicant.
- Projected Budget: Anticipated revenues and expenses for one year.
- Approved financial Statements (Must be either RIF form to be found at reapmatters.org/funding or a bank approved alternative).
- Most recent Personal and/or Business Tax Returns (**First two pages of return plus schedule C**).

Other

- Personal Guarantees will be required for partnerships and all limited liability entity applicants.
- Partnerships must provide a formal partnership agreement for operations and dissolution of the business.
- Bring to the loan review any pictures, brochures or samples that demonstrate your product or service.



Southwest Rural Economic Area Partnership
Executive Director (701)-567-3708
P.O. Box 93, Mott, ND 58646

Application & Request for Funding

Check One: Partnership Fund Micro Loan Fund (\$10,000) Development Loan Fund (\$20,000)

Project Title:

Contact Person:

City, State, & Zip Code:

Phone Number and Cell Number: Email

Address:

Total Project Cost:

Funding Request (Micro Loans include the \$150 Fee):

Match Amount:

Project Start and End Date:

Required Attachments:

Project Description {As described on the Micro Loan Application Checklist}

Loan Information {Source and use of funds, repayment start date, and support letter}

Financial Information {Credit report(s), credit score(s), anticipated revenues and expenses, approved financial statement(s) (can be found at reapmatters.org/funding or a bank approved alternative), security (if required), and tax return(s)}

Personal guarantees (if required), partnership agreement (if required)

Support Documentation {Photos, brochures, etc.}

The undersigned certifies that he/she is duly authorized to verify the foregoing application that he/she has read the same and is familiar with the statements contained herein and that the same are true and correct.

Signature

Date



Southwest Rural Economic Area Partnership
Executive Director 701-567-3708
P.O. Box 93, Mott, ND 58646

Promissory Agreement

Date of this Agreement: _____

Parties to this Agreement:

Southwest Rural Economic Area Partnership (hereinafter called **SW REAP** or Lender)

And _____ hereinafter referred to as Borrower(s)
Address: _____ City _____ State: ND Zip: _____
Business Representative: _____ d/b/a _____ Phone: _____

1. Loan Amount

Loan Amount: \$ _____ (includes a processing fee of \$150.00)

Match Amount: _____

Monthly Payment: _____ payments of \$ _____ with a final payment of _____

2. Term of the Agreement, Interest, and Repayment

The Borrower agrees to make payments by **automatic deposit** into specified account, beginning _____, and those payments will be equal to the amount borrowed divided by the _____ months remaining of the _____-year loan period. Interest will accrue at a rate of _____ APR. However, all funds need to be repaid in full within _____ years from the date of the agreement (_____) *If the Borrower has not repaid the loan in the agreed upon period, the Borrower agrees to pay a monthly payment of \$ _____ due on the first day of each month and interest in the amount of 6% annually to repay any debt remaining under this agreement. If a hardship exists, the Borrower may meet with the board at that time to discuss repayment options. Principal will become due and payable upon demand if the Borrower defaults, the proposed activity is not substantially implemented within 180 days of the receipt of funds, or if the business is terminated or sold.*

3. Default

The Borrower will be in default if any of the following occurs:

- Payment Default: Borrower fails to make any payment when due under this Agreement.
- Breaks other Promises: Borrower breaks any promises made to Lender or fails to perform promptly at the time, and strictly in the manner, provided in this Agreement.
- False Statement: Any representation or statement made or furnished to Lender by Borrower, or on behalf of Borrower, under this Agreement or the Related Documents is false or misleading in any material respect, either now or at the time made or furnished.

4. Reporting

Upon request, the Borrower shall provide an accounting of the expenditures for all funds identified above, plus proof of the match funds. Proof may include canceled checks or receipts of payments made. The Borrower shall provide copies of business and personal tax statements or other financial documents covering the term of the agreement if requested by SW REAP.

5. Assignment

The Borrower may not assign or transfer this agreement, or any interest therein or claim thereunder, without the prior written approval of SW REAP. If SW REAP consents to such assignment or transfer, the terms and conditions of this Agreement shall be binding upon any assignee or transferee.



Southwest Rural Economic Partnership
Executive Director, 701-567-3708
PO Box 93, Mott, ND 58646

Promissory Agreement (continued)

6. Borrower Liability

The Borrower shall defend, indemnify, and hold SW REAP, its officers, employees, and agents harmless from and against any and all liability, loss, expense, (including reasonable attorney fees), or claims for injury or damages that are caused by, or result from the negligent or intentional acts or omissions of the Borrower, its officers, agents, or employees. The Borrower, at its sole expense, shall maintain general liability insurance and Workers Compensation Insurance (if applicable).

7. Affirmative Action

When applicable, the Borrower agrees the following are incorporated in this Agreement as though set forth in full: The non-discrimination and affirmative action clauses contained in Executive Orders 11246 and as amended 11375, relative to equal opportunity for all persons without regard to race, color, religion, sex or national origin, and the implementing rules and regulations as amended, as well as the Americans with Disabilities Act relative to employment and advancement in employment of qualified individuals with disabilities.

8. Modifications

Any modification to this agreement must be made in writing and is to be signed by the Borrower and SW REAP.

Signature: _____ Owner _____
Title Date

Signature: _____
Title Date

SW REAP Representative Date

Attachments to this loan document shall include:

- * Application – Request for Funding
- * Amortization Schedule
- * Security agreement (if required)
- * Personal Guarantee in the event the Borrower is an LLC
- * Partnership Agreement, if applicable

