



2018 Board Book

Meetings:

The REAP Investment Fund Board meets by conference call

Fourth Wednesday of odd numbered months

9:00 AM Mountain Time/10:00 AM Central Time

Call in Number: 1-888.844.9904 Access Code: 9299245#

Official Address: 635 Oak St., Dickinson, ND 58601

Website: <http://www.REAPMatters.org> or www.REAPMatters.com

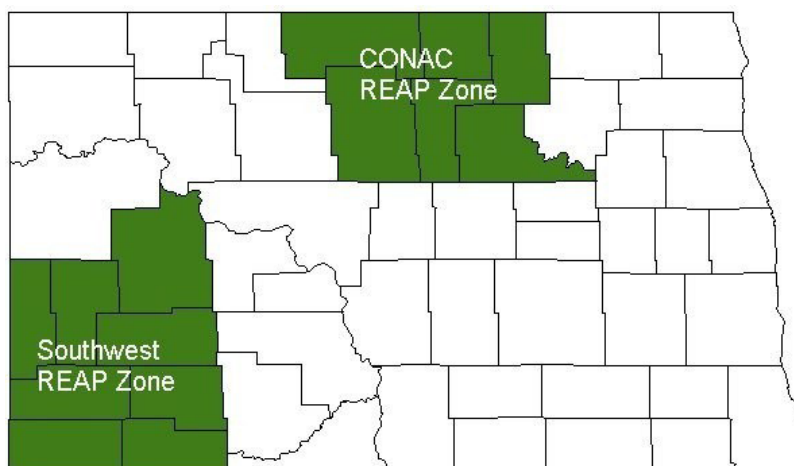
Strategic Planning: <http://reapmatters.org/rib-planning/>

Developer Station Website: <http://developerstationnd.org/>

Revolving Loan Fund Guidelines and Applications: <http://www.reapmatters.org/funding>

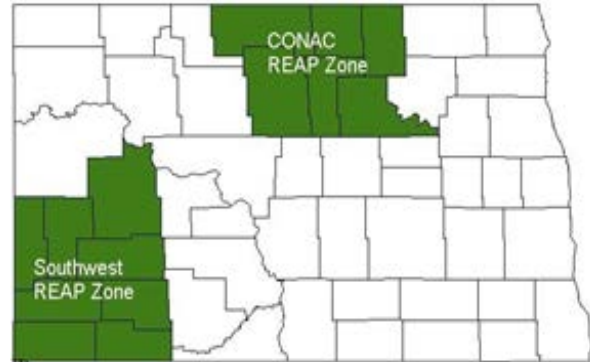
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North Dakota REAP Zone Background & History

In 1995, two United States Department of Agriculture (USDA) 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, REAP set-asides in certain USDA Rural Development programs such as business and community development 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©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.

REAP Zone Background & History Continued:

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.

Over the past 20 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 REAPMatters.org.

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.

As a nonprofit corporation, the REAP Investment Fund, applies for grants to assist the Zones and has a statewide charter to assist other areas of the state as well. Currently, they have a grant to pilot cooperative child care in the cities of Hettinger and Rolette, a feasibility study for a ferry on Lake Sakakawea and a strategic planning grant for the REAP Zones. In 2011, they received a \$1.5 million HUD grant to provide planning for 19 counties in western North Dakota due to rapid growth. This three year project was named Vision West ND and the consortium created by this work continues to meet and work on the implementation of that plan.

Board Contact List

REAP Investment Fund, Inc. January 2018

Name	Zone	Affiliation	Address	City	State	Zip	Phone
Whitney Gonitzke	CONAC	Bottineau EDC	519 Main St.	Bottineau	ND	58318	228-3922
Liz Heisey	CONAC	Rugby JDA	126 2nd Ave. SW STE 101	Rugby	ND	58368	776-7655
Lavonne Cameron	* CONAC	Retired	208 Elmer Ave.	Deering	ND	58731	240-2679
Sandy Shively	*** CONAC	North Central Planning Council	PO Box 651	Devils Lake	ND	58301	662.8131
Ralph Weisenberger	** SWREAP	Retired	403 Third Ave. E.	Richardton	ND	58652	974-3910
Kim Nunberg Gaugler	SWREAP	City of Beach	P.O. Box 278	Beach	ND	58621	872-4103
Troy Mosbrucker	SWREAP	Self-employed	702 5th St. E.	Mott	ND	58646	260-4750
Emily Klym	SWREAP	Accounting Firm		Belfield	ND	58622	567-4127
Carie Boster	At-Large	Dunn Co. JDA	PO Box 383	Killdeer	ND	58640	764-6092

* Chair person

** Vice Chair

*** Sec./Treasurer

Meeting by Conference Call the fourth Wednesday of odd
numbered months (Jan/March/May/July/Sept/Nov)

REAP Investment Board Terms 2018 - 2020						
Zone	Representative	Appointment Date	12/31/18	12/31/2019	12/31/2020	Officers
CONAC Zone	Sandy Shively	Apr-13	X			Sec. Treasurer
	Whitney Gonitske	Dec-17		X		
	LaVonne Cameran	Mar-15			X	Chair
	Liz Heisey	Dec-17		X		
SW Zone	Emily Klym	Dec-17			X	
	Ralph Weisenberger	Jan-15	X			Vice Chair
	Kim Nunberg	Jun-07			X	
	Troy Mosbrucker	Apr-15		X		
At-Large	Carie Boster	Feb-16	X			
Members are three year appointments Officers are two year appointments Officers Elections Chair LaVonne Cameran Jan-2020 Vice Ralph Weisenberger Sec/Treas Sandy Shively						

REAP ORGANIZATIONAL CHART

CONAC REAP Zone	REAP Investment Fund, Inc.	SW REAP Zone
Board 1 Member from 6 counties 1 Member from 2 Reservations 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.	Board 4 Members CONAC 4 Members SW REAP 1 At-Large Member One Statewide Charter	Board 1 Member from 8 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
STAFFING		
Contracted Administrator with Fiscal Responsibility	Employees Executive Director and fiscal manager	Contracted Administrator Contracted Fiscal CPA
PROGRAMS		
Micro Loan Fund Project Endorsements for USDA RD Points	Revolving Loan Fund Administrator for Rural Projects	Micro Loan Fund Partnership Fund Project Benchmarks for USDA RD Points
SHARED IDENTITY as REAP INVESTMENT FUND, Inc.		
Recognized by the IRS as a Non Profit 501c3 for All Zone Grants & Projects plus Tax Returns and Tax Filings		
Recognized by the USDA Rural Development as Federal REAP Zone		
One Annual Audit		
Share Directors & Operators Insurance and Bonding		
REAP Website - REAPmatters.org		
Shared Federal Identification DUNS, EIN, SAMS		
Shared State Identity - Sec. of State Registration and Nonprofit Charitable Organization Registration		

BY-LAWS
OF
RURAL ECONOMIC AREA PARTNERSHIP
INVESTMENT FUND, INCORPORATED
(Amended as of July 19, 2007)

**BY-LAWS
OF
RURAL ECONOMIC AREA PARTNERSHIP INVESTMENT FUND, INCORPORATED**

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**BY-LAWS
OF
RURAL ECONOMIC AREA PARTNERSHIP INVESTMENT FUND, INCORPORATED
PREAMBLE**

The purpose of the organization is to set up and manage a development fund to enhance economic development in North Dakota, which has experienced massive outmigration and job loss as the state's economy has changed. This will be done through the two Rural Economic Area Partnership (REAP) pilot programs established in (1) the Center of North American Coalition (CONAC), and (2) Southwest REAP Zone.

**ARTICLE I
NAME**

The name of this organization shall be Rural Economic Area Partnership Fund, Incorporated (hereafter the "Corporation")

**ARTICLE II
PURPOSES AND POWERS**

Section 1. **Purposes.** The Corporation is organized as a North Dakota non-profit corporation pursuant to 501(c)(3) of the Internal Revenue Code. The Corporation's primary concern is the economic and social improvement of the two REAP Zone areas mentioned above, (hereinafter referred to as the "Area"). The Corporation will work with REAP Zones to meet the capitalization goals of the Corporation and to insure the initial USDA contribution is applied toward market analysis, business plan development, project research, feasibility study, appraisals, and other items identified in the budget. The Corporation will coordinate and assist in comprehensive planning and government services for the Area. Nothing herein shall be deemed to prevent the Corporation from engaging in activities and projects outside the Area.

Section 2. **Powers.** The Corporation shall have such powers as granted to 501(c)(3) non-profit corporations incorporated under the laws of the State of North Dakota. In all activities of the Corporation, it shall comply with rules and regulations governing 501(c)(3) corporations and other federal and state laws applicable to the Corporation and its activities.

**ARTICLE III
MEMBERSHIP**

The Corporation shall have not have membership as such, but there are designated entities that will have the right to appoint directors to the Corporation's Board of Directors as set forth herein. The entities that shall have the right to appoint individuals to the Board of Directors, and the number of appointees for each entity, are set forth as follows:

- a. CONAC REAP Zone (by resolution of the governing body) - four members are selected to represent the said body;
- b. Southwest REAP Zone (by resolution of the governing body) - four members are selected to represent the said body;
- c. Unit(s) of government serving the Area that have contributed to the Corporation - one member for each said governmental unit;
- d. One "at-large" member selected by the remaining directors identified in paragraphs a, b and c above.

In the event that any of the above named entities is no longer in existence or otherwise does not desire to appoint a director, the remaining directors shall have the right to determine a new board size and shall amend these bylaws accordingly.

ARTICLE IV

BOARD OF DIRECTORS

Section 1. **General Powers.** The business of the Corporation shall be managed by its Board which may exercise all such powers of the Corporation and do all such lawful acts and things as are not prohibited by statute or governing law or the Articles of Incorporation including, but not limited to, the following matters:

- a. To amend the articles of incorporation and bylaws;
- b. To take, have, hold, sell, exchange, rent, lease, transfer, convert, invest, reinvest, and in all other respects to handle, manage and control, the Corporation's assets, or any part thereof, as the Board in its judgment and discretion deem wise and prudent;
- c. To retain any property in the form in which received;
- d. To convert and reconvert the assets, or any part thereof, into other kinds and forms of property, real or personal or mixed;
- e. To invest or reinvest the monies or assets of the Corporation, as the Board deems wise and prudent, including such equity securities, bonds, debentures, mortgages, notes or other securities, investments or property, whether real or personal, which the Directors in their absolute discretion may select or determine, including, without limitation, savings deposits in any bank, mutual savings bank or federal home loan bank or in any common trust fund, mutual fund, or like fund, subject to the usual standards of prudence required by directors of similar funds;
- f. To receive and collect the income, profits, rents and proceeds of the Corporation and to pay all administrative and necessary expenses in connection with it;
- g. To make, execute and deliver all instruments necessary or proper to the accomplishment of the purposes of the Corporation or any of the foregoing powers including deeds, bills of sale, transfers, leases, mortgages, assignments, conveyances contracts, purchase agreements, waivers, releases and settlements;
- h. To contribute, donate, support or distribute, from time to time, for the purposes herein stated, such payments or amounts as the Board in its sole discretion shall determine;

- i. To sign checks and all other necessary documents on behalf of the Corporation in furtherance of the Corporation's purposes;
- j. To employ and reasonably compensate from the Corporation's assets, employees, accountants, agents and attorneys to assist and advise in the execution of the Corporation's affairs, without liability for their omissions or neglect, but using reasonable care in their selection, and to rely on the advice of the persons so employed;
- k. To review project proposals and prudently manage the Corporation's resources to accomplish goals of eligible projects;
- l. To promote consistent and uniform planning through a review of existing plans, initiation of new plans, or contracting, as necessary, for additional planning;
- m. To formulate and approve periodic plans of work;
- n. To approve the Board's annual budget;
- o. To accept and manage gifts, grants, and donations received by the Corporation;
- p. To request financial assistance and contributions from various sources; and
- q. To dissolve the Corporation, liquidate its assets, and wind up its affairs.

Section 2. **Number of Directors.** The Board shall consist of 9-11 persons, chosen by the entities as stated above in Article III.

Section 3. **Term of Office.** Each Director shall serve at the discretion of the appointing body, provided that the normal term of office shall be three (3) years. To the extent possible, terms shall be staggered so that one-third of the directors (rounded down to the nearest whole number) shall be appointed to serve for a term of one (1) year, one-third of the directors (rounded down to the nearest whole number) shall be appointed to serve for a term of two (2) years, and the remaining directors shall be appointed to serve for a term of three (3) years. Annually thereafter as many directors as there are vacancies shall be appointed to serve for a three (3) year term.

Section 4. **Resignations and Removal.** Any Director may resign at any time by giving written notice to the Secretary. Such resignation shall take effect at the date of the receipt of such notice, or at any later time specified therein. Unless otherwise specified in the notice of resignation, the acceptance of such resignation shall not be necessary to make it effective. Any Director may be removed, with or without cause, by the appointing body.

Section 5. **Vacancies.** If the office of any Director becomes vacant by reason of death, resignation, retirement, disqualification, removal from office or otherwise, the appointing body may choose a successor who shall hold office for the unexpired term in respect of which such vacancy occurred.

Section 6. **Place of Meetings.** The Board shall hold all meetings at a location designated by a majority of the Board.

Section 7. **Annual Meeting of Directors.** An annual meeting of the Directors shall be held at such time as shall be specified in a notice.

Section 8. **Regular Meetings.** Regular meetings of the Board may be held without notice at such time and at such place as shall from time to time be determined by the Board. However, the Board shall, in any event, meet at least four (4) times annually.

Section 9. **Special Meetings.** Special meetings of the Board may be called by the President on notice to each Director. Special meetings may also be called in like manner and on like notice on the written request of three (3) Directors.

Section 10. **Notices.** Notices of meetings shall be in writing and shall state the time and place of the meeting. No business other than that stated in the notice shall be transacted at said meeting without the unanimous consent of all of the members of the Board. All notices shall be given either in person or by mail at least seven (7) days prior to the meeting.

Section 11. **Quorum.** At all meetings of the Board, a majority of Directors shall constitute a quorum for the transaction of business. The act of a majority of the Directors present at any meeting at which there is a quorum shall be the act of the Board, except as may be otherwise specifically provided by statute or by the Articles of Incorporation. If a quorum shall not be present at any meeting of the Board, the Directors present there may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present. If a quorum is present at the call of a meeting, the Directors may continue to transact business until adjournment, notwithstanding the withdrawal of enough Directors to leave less than a quorum.

Section 12. **Organization of Meetings.** At all meetings of the Board, the President or in the absence of the President, the Vice-President, shall chair all meetings and the Secretary, or in the absence of the Secretary, any person appointed by the President, shall act as secretary of the meeting.

Section 13. **Action Without Meeting.** Any action required or permitted to be taken at any meeting of the Board or of any committee thereof may be taken by written action signed by the number of Directors that would be required to take such action at a meeting of the Board or any committee thereof at which all Directors were present. When written action is taken by less than all Directors, all Directors must be notified immediately of its text and effective date. Such action shall be effective on the date on which the last signature is placed on such writing or writings, or such earlier or later effective date as is set forth therein.

Section 14. **Participation by Conference Telephone.** The Directors may participate in a meeting of the Board or any committee thereof by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can simultaneously hear each other. Participation in such a manner shall constitute presence in person at such meeting.

Section 15. **Waiver of Notice.** Notice of the time, place and purpose of any meeting of Directors or any committee may be waived in writing, orally or by attendance by any Director or by any committee member. Such waiver may be given before or after the meeting. Attendance by a Director at a meeting is a waiver of notice of that meeting, unless the Director objects at the beginning of the meeting to the transaction of business because the meeting is not lawfully called or convened and does not participate in the meeting.

Section 16. **Self-dealing.** No Director shall engage in any self-dealing with the Corporation or any transactions with the Corporation in which the Director has a direct or indirect financial interest and shall at all times refrain from any conduct in which the Director's personal interests will conflict or would give the appearance of a conflict with the interests of the Corporation.

Section 17. **Compensation.** Directors shall serve without compensation except as to reimbursement of out of pocket expenses as approved by a two-thirds (2/3) vote of the Board.

ARTICLE V OFFICERS

Section 1. **Number.** The officers shall consist of a President, Vice-President, Secretary and Treasurer. No person shall hold more than one (1) office, provided that the offices of Secretary and Treasurer may be combined and held by one (1) person. The President will be one of the directors representing one of the REAP Zones and the Vice-President will be a director from the other REAP Zone.

Section 2. **Election.** The officers shall be elected by the Board.

Section 3. **Other Officers and Agents.** The Board may appoint such other officers and agents as it shall deem necessary, who shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Board.

Section 4. **Term of Office.** The officers of the Corporation shall hold office for two (2) year terms (or such shorter term as may be agreed upon by the Board and the officer) or until their successors are chosen and qualified. Any officer elected or appointed by the Board may be removed with or without cause at any time by the affirmative vote of a majority of the Board. Any officer may resign at any time by giving written notice to the President or the Secretary. Any vacancy occurring in any office of the Corporation shall be filled by the Board.

Section 5. **Powers and Duties of the President.** The powers and duties of the President shall include:

- a. **Powers.** 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 into effect.
- b. **Duties.** The President shall execute contracts except where required or permitted by law to be otherwise signed and executed and except where the signing and execution thereof shall be expressly delegated by the Board to some other officer or agent of the Corporation.

Section 6. **Powers and Duties of the Vice-President.** The Vice-President shall, in the absence or disability 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 7. **Powers and Duties of the Secretary.** The Secretary shall attend all meetings of the Board and shall record all the proceedings of the meetings of the Board in a book to be kept

for that purpose 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 8. **Powers and Duties of the Treasurer.** The powers and duties of the Treasurer shall include:

- a. **Duties.** The Treasurer shall have the custody of the Corporation 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 moneys 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. **Accounting.** 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 of the financial condition of the Corporation.
- c. **Bond.** If required by the Board, and at the expense 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 9. **Executive Director.** The Board of Directors may engage an individual to serve as the Executive Director, who shall be responsible for running the day-to-day affairs of the Corporation as determined by the Board of Directors.

Section 10. **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.

ARTICLE VI GENERAL PROVISIONS

Section 1. **Committees.** The Board will establish a Personnel Committee comprised of the President, Vice-President, and past President for purposes of addressing personnel matters. The Board may establish committees which will serve in an advisory capacity and make recommendations to the full board, as deemed appropriate.

Section 2. **Checks.** All checks of the Corporation shall be signed by an officer of the Corporation or by a Board authorized fiscal agent.

Section 3. **Fiscal Year.** The fiscal year of the Corporation shall end annually on the 31st day of December. An annual report of the Corporation shall be prepared by the Board or designee within one hundred eighty (180) days after the closes of each fiscal year.

Section 4. **Members and Stock.** The Corporation shall have not have members nor shall the Corporation issue stock. Provided, however, that the entities designated in Article III have the right to appoint directors.

Section 5. ***Procedure.*** Robert's Revised Rules of Order shall govern parliamentary procedure at all meetings. The rules may be suspended by a two-thirds (2/3) majority vote on any specific motion.

ARTICLE VII

AGENCY ASSISTANCE

The Board may request and accept technical, advisory, or other assistance from federal, state, local and agencies, private foundations and private industries. The designated agency representatives should be the official spokesman for their agency and can participate as advisors to the Board.

ARTICLE VIII

DISSOLUTION

The Corporation shall be dissolved upon the majority vote of the Directors. Upon dissolution of the Corporation, all assets (after payment of liabilities) shall be distributed for one or more exempt purposes within the meaning of section 501 (c) (3) of the Internal Revenue Code, or corresponding section of any future federal tax code, or shall be distributed to the federal government, or to a state or local government, for a public purpose. Any assets not so disposed of shall be disposed of the district court of the county in which the principal office of the Corporation is 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

No applicant shall be favored or discriminated against with respect to request of funds because of religion, race, sex, color, national origin, age, or any other discrimination prohibited by federal or state law. The application of this principal shall encompass all activities related to personnel functions, and proposals for consideration as REAP projects, as well as requests for the Fund.

ARTICLE X

AMENDMENTS

The Corporation's Articles of Incorporation and Bylaws may be amended at any regular meeting of the Board of Directors, provided that written notice shall have been sent to each member of the Board, and such notice shall state the amendments and changes which are proposed to be made. The proposed amendments and changes shall be considered to be approved if two thirds (2/3) of the Directors in attendance vote for such amendments.



Lending and Grant Authority Agreement

This agreement was revised on Aug 19, 2010, and is between the

Rural Economic Area Partnership Investment Fund, Inc.
hereinafter referred to in this Agreement as RIF, and

Southwest Rural Economic Area Partnership,
hereinafter referred to in this Agreement as SWREAP, and

Center of North America Coalition for Rural Development
Hereinafter referred to in this Agreement as CONAC

Purpose of this Agreement

Determine the financial responsibility for the dispersion of funds and the legally binding agreements associated with the dispersion of funds that come into the possession or under the control of the RIF.

Legal Status

SWREAP, is an entity formed and designated by the United States Department of Agriculture (USDA) Rural Development as Rural Economic Area Partnership (REAP) Zone. As a REAP Zone, SWREAP is governed by a Board that is charged with the responsibility to make determinations regarding the use of resources that promote the economic, community and social welfare of the SWREAP REAP Zone.

CONAC, is an entity formed and designated by the United State Department of Agriculture (USDA) Rural Development as Rural Economic Area Partnership (REAP) Zone, and further incorporated as a nonprofit entity in the State of North Dakota. As a REAP Zone, CONAC is governed by a Board that is charged with the responsibility to make determinations regarding the use of resources that promote the economic, community and social welfare of the CONAC REAP Zone.

RIF, is an entity incorporated as a nonprofit corporation in the State of North Dakota and further designated by the Internal Revenue Service (IRS) as a 501(c)(3) tax exempt organization with an Employer Identification Number of 91-1778885, This action was initiated by the SWREAP and CONAC to form an entity to act as the financial agent on behalf of the SWREAP and CONAC. RIF has the legal status to enter into financial and other agreements with agencies and entities.

Source of Funds

RIF acts as a sub-grantee of Housing and Urban Development (HUD) funds through the City of Rugby, North Dakota and has designated portions of those funds to SWREAP and CONAC for the purpose of initiating and developing actions that invest in opportunities that promote the economic, community and social welfare of the two REAP Zones.

The RIF also designates portions of funds received from the Small Business Administration (SBA) to SWREAP and CONAC.

Use of Funds

The RIF Board has designated a portion of those funds awarded by HUD and SBA to the SWREAP and CONAC Boards to be utilized according to a strategic implementation plan of each Zone.

Disposition of Funds

The RIF authorizes the Chairman of each REAP Zone to enter into lending agreements on behalf of RIF. The RIF also authorizes each REAP Zone to provide grants consistent with the respective REAP Zone guidelines.

All loan and grant documents shall be in a form satisfactory to RIF. RIF reserves the discretion to impose additional credit policies or loan policies, and to terminate this agreement at any time. Each Zone agrees to furnish reports and other information as reasonably requested by RIF regarding the loans entered into in accordance with this agreement.

RIF further authorizes each Zone to implement actions and be responsible for any measures necessary to enforce those lending agreements and protect the interests of RIF in all matters and proceedings. Provided, that RIF reserves the discretion to initiate enforcement action on any loan. Any enforcement and collection actions shall be reported to RIF's board of directors or its Executive Director, and the Zone agrees to comply with the requests of RIF in connection with said enforcement/collection actions.

RIF further endorses and ratifies lending agreements entered into through the above designated programs prior to the execution of this Agreement under the same understanding that each Zone implement actions and be responsible for any measures necessary to enforce those lending agreements and protect the interests of RIF in all matters and proceedings.

RIF authorizes the respective BOARDS of each REAP Zone to enter into technical assistance contracts, to provide appropriate assistance in carrying out the necessary duties and business of the REAP Zone.

Indemnification

SWREAP agrees to hold harmless and indemnify the RIF from and against any losses, claims, expenses, judgments, and costs of any nature incurred by, or asserted against, RIF that arise due to RIF's involvement and participation in the above described loan programs for SWREAP.

CONAC agrees to hold harmless and indemnify the RIF from and against any losses, claims, expenses, judgments, and costs of any nature incurred by, or asserted against, RIF that arise due to RIF's involvement and participation in the above described loan programs for CONAC.