

SUB-RECIPIENT AGREEMENT FOR ADMINISTRATION OF REVOLVING LOAN
FUNDS

This agreement is entered into between the following parties:

Dawson Area Development
209 West 8th Street
Cozad, NE 69130

a Nebraska corporation with status as a 501(c)(6) organization under the United States Internal Revenue Code, hereafter referred to as DAD; and

The City of Lexington, Nebraska
406 E 7th Street
Lexington, NE 68850

a city of the first class, hereafter referred to as City.

RECITALS:

1. City has been the recipient of grants awarded by the Nebraska Department of Economic Development designated as Lexington CDBG Reuse Funds hereby referred to as Grant.
2. DAD is a recognized non-profit development organization pursuant to 24 CFR 570.204.
3. City is responsible under the Grant for the provision of financial assistance to a community economic development project for economic development purposes.
4. The parties intend that, Grant proceeds and administration be transferred to DAD as a sub-recipient subject to the terms and conditions of the economic development plan developed by the City.
5. DAD is organized to carry the requirements of Section 105 (a)(15) of the Housing and Community Development Act (HCDA).

NOW THEREFORE, IN CONSIDERATION OF THE MUTUAL BENEFIT TO THE PARTIES, THE PARTIES AGREE AS FOLLOWS:

1. City hereby transfers and assigns Grant proceeds including all contracts for repayment of Grant funds to DAD, subject to all Grant award guidelines.
2. DAD will administer the Grant in accordance with the Reuse Plan approved by the Dawson Area Development Board of Directors.
3. DAD will maintain the fund and loan repayments from the Grant as a reuse loan fund under the Nebraska NDO guidelines.

4. The parties intend that loan repayments to the reuse loan fund will no longer constitute program income under state of Nebraska CDBG guidelines.
5. The parties agree that they shall submit a NDO reuse plan to the state of Nebraska Department of Economic Development (DED) for the Grant. On approval of the reuse plan by DED, DAD shall institute a loan program for for-profit entities in Lexington, and re-loan Grant funds to such entities for purposes of encouraging economic development activities and elimination of slum and blight conditions.
6. DAD shall establish a reuse loan committee to set up the terms and conditions of reuse loans and to determine eligibility for such loans.
7. The terms of this agreement shall survive completion and close out of the Grant.
8. This agreement shall be binding upon the parties, their heirs and assigns.

Dated: _____

City of Lexington

John Fagot, Mayor

Dawson Area Development

Mike Bacon, President