

**MEMORANDUM OF UNDERSTANDING ("MOU")**  
**Between**  
**Arkansas Economic Development Commission ("AEDC")**  
**And**  
**Arkansas Development Finance Authority ("ADFA")**

**A. Introduction**

Pursuant to Public Law 110-289, the Housing and Economic Recovery Act ("HERA"), signed into law by President Bush on July 30, 2008, the State of Arkansas is hereby authorized to administer the Neighborhood Stabilization Program ("NSP"). Arkansas expects to receive approximately \$19,600,000 during the 2009 Program Year as a special Community Development Block Grant. The NSP is intended to provide emergency assistance for redevelopment of abandoned and foreclosed homes.

**B. Scope and Purpose of the MOU**

This MOU is intended to specify the various roles and responsibilities of AEDC and ADFA regarding the NSP for Arkansas. The MOU specifically does not address cooperative efforts on any program other than NSP.

**C. Terms of MOU**

AEDC and ADFA hereby agree as follows:

AEDC, as administrator of the State Community Development Block Grant Program ("CDGB") as provided to Arkansas by the Department of Housing and Urban Development ("HUD"), acknowledges it does not currently have the expertise necessary to administer a housing program such as NSP;

AEDC hereby expresses its intent to enter into this MOU in order to transfer the responsibility of administering the NSP to ADFA;

ADFA hereby expresses its intent to enter into this MOU in order to administer the NSP for the State of Arkansas;

AEDC and ADFA hereby agree that each agency, to the extent practicable, will keep the other agency informed concerning administration of the NSP;

ADFA hereby agrees to administer the NSP according to all rules, regulations, and provisions of Public Law 110-289 and the CDBG Program, unless specifically waived by HUD.

ADFA hereby agrees to accept as full and total compensation for its services in administering the NSP for the State of Arkansas ten percent (10%) of the total NSP grant as allowed by Public Law 110-289, HERA.

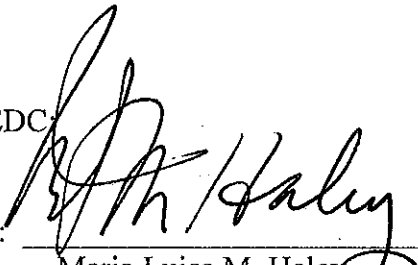
**D. Period of MOU**


AEDC and ADFA hereby agree that this MOU will remain in effect until 1) terminated by written notification of either party; 2) the MOU is superseded by a subsequent written agreement entered into by both entities; or 3) termination or suspension of NSP by federal law(s) or changes to HUD regulations.

**E. Modification of MOU**

This MOU may be modified or amended by written agreement of AEDC and ADFA. A request for amendment to the MOU may be initiated by either of the two (2) entities through written notification to the other entity.

Now therefore, AEDC and ADFA do hereby agree to the aforementioned terms of this MOU as of October 7, 2008, as evidenced by the following signatures:

AEDC:  
By:   
\_\_\_\_\_  
Maria Luisa M. Haley  
Executive Director, AEDC

ADFA:  
By:   
\_\_\_\_\_  
Mac Dodson  
President, ADFA