

GUNTER ECONOMIC DEVELOPMENT CORPORATION

REVOLVING LOAN FUND

SCOPE OF WORK

The Gunter Economic Development Corporation (GEDC) is applying for a Rural Business Enterprise Grant (RBEG) from Rural Development (hereafter referred to as “grantor”), an Agency of the USDA. The following Scope of work will be used to measure the performance of the GEDC (hereafter referred to as the “grantee”).

8. The specific purposes for which grant funds will be utilized:

Funds will be used to create a revolving loan fund (RLF) to assist small and emerging businesses within the city of Gunter and the Gunter ETJ within the county of Grayson.

9. Timeframes or dates by which action surrounding the use of funds will be accomplished

The grantee anticipates having all documentation completed for the purposes of closing the grant within three months after notification of grant funding. The grantee also anticipates having all initial RLF funds loaned within 24 months after notification of grant funding.

10. Who will be carrying out the purpose for which the grant is made (key personnel should be identified).

The RLF will be administered by Mr. Mark Taylor serving as the signatory agent of the GEDC along with the RLF Loan Committee. These people consist of:

L.D. Byrd – GEDC President

L.D. Byrd is self employed as a Minister, software salesman, and Landscaper. He has been a resident of Gunter for 30 years. He has been a member of the Gunter Independent School District Board of Trustees for 23 years. He was a charter member of the GEDC and is currently serving his 8th year as President. L.D. is also a member of the Grayson Central Appraisal District serving as secretary. He has a B.A. degree from Oklahoma Christian College.

Mark Taylor – GEDC Vice President

Mark Taylor is the Assistant Dean of Academic Studies at Grayson County College. In this role, he oversees the grant allocations for Adult Basic Education and English Language/Civics programs in a four county area. He serves on the Texoma Workforce Solutions Board and is currently the Vice President of the Gunter Economic Development Corporation.

Dan Moody – GEDC Treasurer

Dan Moody oversees shipping, receiving and inventory of all materials used in production of products for Starr Aircraft, Sherman, Texas. He was an independent business owner for 23 years prior to that. Dan presently serves on the Gunter City Council (8 years) and is also Treasurer of the Gunter Economic Development Corporation.

Jamie Penner – GEDC Secretary

Jamie Penner has 25+ years of experience in the computer industry. She is a software project manager managing budgets up to \$20 million. She graduated from Texas A&M University with a B.S. and M.S. in Industrial Engineering. She has lived in Gunter for 6 years, has been with GEDC for 4 years and is currently Secretary of the Gunter Economic Development Corporation.

Don Anderson – GEDC member

Don Anderson is a Retired Naval Senior Chief with over 23 years Service and a Retired Licensed Mortgage Broker. Who for over Five years owned and operated an Independent Retail Business. He was also employed as a Communications Awareness Officer for an International Computer Consulting Firm prior to moving to Texas. At present Don is an Assistant Manager with Office Depot Inc. Additionally he serves and participates on the Gunter Economic Development Committee and the Gunter Chamber of Commerce.

Stephanie Kelly – GEDC member

Stephanie Kelly is a self-employed entrepreneur and former banker. She is also a columnist for the Gunter Times-Review newspaper and has lived in Gunter for four years. A graduate of The University of Texas at Austin, Stephanie serves on the boards for Gunter ISD Foundation Trust (GIFT) and Gunter's Economic Development Corporation..

Billy Viars – GEDC member

Billy Viars is a Training Manager for Simpson Strong-Tie Co., Inc. He oversees educational programs and operating budgets for the Southeastern United States including three full time training facilities in Texas, Florida, and North Carolina. He is a member of ASTD and other industry related professional groups, and routinely provides presentations for audiences throughout the country.

Laura Glass – local lending institution member

Laura Glass has been helping people with the financing of their homes and businesses for 29 years. After working as Senior Vice President of Production for several of the country's largest mortgage companies like Sebring Capital, Transamerica and Countrywide Home Loans, in October of 2000 Laura jumped out and opened her own company, Foundation Mortgage which was voted "Business of the Year" for 2008. As the climate of mortgage lending has been going through so much change, Laura had the opportunity to consolidate her company with First United Bank Mortgage Company in 2009.

11. How the grant purposes will be accomplished.

RLF will be administered by a Loan Committee. The Loan Committee shall be comprised of no fewer than seven voting members plus the Economic Development Coordinator. The Economic Development Coordinator shall not have voting privileges.

One member shall be a lender from a local lending institution. The remaining six members shall be persons who live within the city of Gunter or who live outside of the city of Gunter but have an interest in the economic climate of the community. Four person of the committee shall constitute a quorum necessary for approving or rejecting an application for funding from the RLF. A simple majority (51%) of members voting shall be necessary for approval. The Chairperson of the GEDC and/or the Economic Development Coordinator shall be responsible for administrative requirements of the RLF. The chairperson may delegate these responsibilities to other persons.

See the "Revolving Loan Fund Plan" for additional information pertinent to administering the RLF.

12. Documentation regarding the availability and amount of other funds to be used in conjunction with the grant funds.

No additional funds are being contributed to the RLF

13. Additional information to justify the need for a RLF:

- a. Information which will establish/identify the need for the revolving loan fund.

McKinney/Gunter Grayson State of U.S.
County Texas

| | | | | |
|--------------------------------|--------|---------|------------|-------------|
| Unemployment Rate 12/2009 | N/A | 8.3 | 8.0 | 10.2 |
| Median Household Income (2000) | 40,000 | 37,178 | 39,927 | 41,994 |
| 2000 Census Population | 1,230 | 110,595 | 20,857,820 | 281,421,906 |

- Unemployment rates are based on Texas Workforce Commission
- Median Household Income is based on 2000 Census
- Population is based on 2000 Census

The average unemployment rate for Grayson county is 8.3% percent compared to the State of Texas unemployment rate of 8.0%, indicating that the local unemployment rate is 8.3% **higher** than state average. Median Household Income (MHI) of Gunter is \$40,000 compared to Texas MHI of \$39,927 (100.18%), so they are about equal.

In addition to the above statistical data, Gunter has been adversely affected by the 2008 closings of Gunter Medical Clinic and the Gunter franchise of Mr. Jim’s Pizza. There is now no medical facility in Gunter, so residents who are ill must drive to Celina, Sherman, or other cities farther away. As for restaurants, there are now only two establishments in Gunter, Milano’s and a Sonic. Mr. Jim’s Pizza closing decision was unfortunate for Gunter.

Creating a revolving loan fund will provide a means and opportunity to assist local small businesses to retain employment or create employment.

- b. Financial statements which will demonstrate the financial ability of the grantee to administer the revolving loan fund.

Refer to the City of Gunter financial statements for the last three years. Also see enclosed City of Gunter statement of revenues, expenditures, and changes in fund balance sheet. Finally, see Gunter EDC’s bank statement as of 1/2010.

- c. Applicant’s experience in operating a revolving loan fund.

GEDC has no experience in operating a revolving loan fund.

This Scope of Work is submitted by the grantee. Upon approval by the grantor, the grantee agrees that no changes will be made to the Scope of Work without prior written approval by the grantor.

GUNTER ECONOMIC DEVELOPMENT CORPORATION (GRANTEE)

By: _____
(Signature) (Title) (Date)

This Scope of work is hereby approved by Rural Development Business and Cooperative Programs

RURAL DEVELOPMENT BUSINESS & COOPERATIVE PROGRAMS

By: _____
(Signature) (Title) (Date)