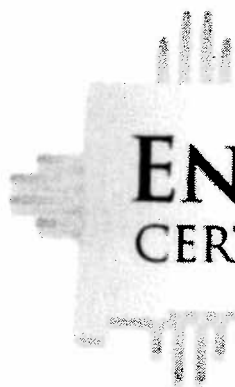


Thousands of Dreams

Accomplished

One Small Business at a Time

Celebrating 18 years of Economic Development in New Mexico



ENCHANTMENT LAND
CERTIFIED DEVELOPMENT COMPANY

2010
Accomplishment
REPORT

ELCDC

*Enchantment
Land Certified
Development
Company*

During 2010

ENCHANTMENT LAND CERTIFIED

DEVELOPMENT COMPANY helped New Mexico small businesses in a BIG way with the SBA 504-loan program. There's a lot to say about financing business projects in today's market. From land and equipment acquisition to the construction, renovation, or expansion of buildings, **money talks in today's business environment.** It's saying, **"Come talk to Enchantment Land Certified Development Company!"**

As a **New Mexico-based organization with 75 years of commercial lending experience**, we have the **expertise to help New Mexico businesses** obtain hard-to-find funding with a SBA 504 loan or assist in leveraging other lending sources.

A Unique Market Niche

The 504 loan targets small, independently-owned companies, which make up the most dynamic sector of the economy and create the most jobs. 504 loans focus on financing owner-occupied commercial real estate for small businesses at **just the time they are ready to expand and create jobs.**

The Advantage of Two Mortgages

A 504 loan is structured so that every project involves a first mortgage from a bank (usually 50%), a second mortgage 504-loan (usually 40%), and a minimum 10% down from the small business. This provides companies with the financing package that conventional lenders alone can not match. **Every project is subject to the focused expertise of ELDCDC and the bank.** The 504 structure leverages the SBA's position with almost \$2 of private investment to every \$1 of SBA guaranteed funds.

What ELDCDC Does

We have several jobs in the 504 process. We provide a **local source of marketing and expertise. ELDCDC staff is the hub of the project** and prepares all paperwork for the 504 application as well as coordinating activities of all project participants and structuring each project to **balance the interests of the business and SBA.** And, as a **private nonprofit, ELDCDC does all of this for a cost that is as little as 10% of what the for-profit private sector would need to charge.**

504: The Small Business Window to Wall Street

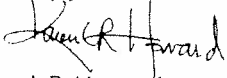
ELDCDC funds all 504 loans through monthly pools, giving a 504 loan borrower economies of scale to access public capital markets. Combined with the SBA guaranty, **504 enables small businesses to access capital at the lowest possible cost, helping them preserve cash, grow faster, and create more jobs.**

A Federal Small Business Program that Pays for Itself

The unique market niche, focused expertise of ELDCDC and the bank, the SBA guaranty, and very low cost of both ELDCDC's services and the capital markets participation, all combine to provide 504 loans to New Mexico businesses at the lowest possible cost. **These low costs have enabled the 504 program to totally pay for itself** (zero federal appropriation) since 1997 — a truly amazing accomplishment.

Money talks, and so does experience! Starting a small business or expanding an existing one is a lot of work — especially in today's market. Everybody needs a little help and ELDCDC is ready to help in a BIG way!

Sincerely yours,



Karen L.R. Howard

Assistant Vice President, Executive Director

2009-2010 Board of Directors

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Century Bank

Patricia Sullivan

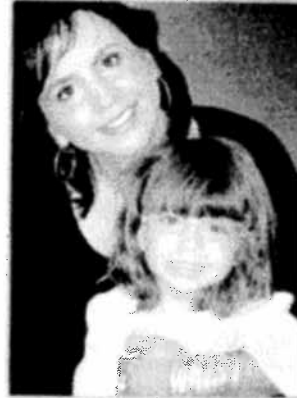
New Mexico State University

William & Joseph Gallery owner Mary Louise Bonney has been involved in the arts since 1994 when she became a manager for The Metropolitan Association for Philanthropy in St. Louis, Missouri. She has been an art representative and wholesale distributor, and a partner with the DeBusk Studios of Fort Worth, Texas, since 1995.

Mary opened her own gallery, The William & Joseph Gallery, in 2001 in New Orleans. The gallery was successful until Hurricane Katrina devastated New Orleans in 1995. After the hurricane, Mary moved the gallery to Marcy Street in Santa Fe, New Mexico; then the owners of that property went into foreclosure and Mary had to move to a new space.

The new location on Canyon Road affords high traffic with many art galleries frequented by tourists. The area has many restaurants and tea houses that are frequented by local residents. Even with the current economic conditions, Mary has continued to grow business revenues for her gallery.

June Griffy has managed the Santa Fe and Northern New Mexico office operations for ELCDC since April 2008. June was contacted by Mike Hartman, former ELCDC director and loan committee member, about utilizing the SBA 504 loan program in conjunction with a loan from Max Myers and New Mexico Bank & Trust of Santa Fe to help Mary purchase the building her gallery occupied. June stated that "working with Mary was a delight. I enjoyed helping Mary achieve her dream, which is to create a legacy for her daughter, Lily, as Mary hopes to someday leave her business to Lily."



Mary Bonney and Lily

"Working with Mary was a delight. I enjoyed helping Mary achieve her dream, which is to create a legacy for her daughter, Lily, as Mary hopes to someday leave her business to Lily."

*June Crain Griffy
CDIB C0048014*

Mom and Dad's Assisted Living

Hatch

Mom and Dad's Assisted Living, LLC, is an assisted-living care home in Hatch. The project is the dream of Destre Shelley and Tracy Turner. Destre and Tracy wanted to create an assisted-living home that had less of the institutional-feel and more of the comforts of home, in a quiet, rural setting. They knew of several families in Hatch that moved parents to homes in Albuquerque or Las Cruces, making it difficult for the family. Others expressed their hopes of having a locally owned home in Hatch.



Destre and Tracy were able to build their dream with assistance from JoAnn Miller, of the Western Heritage Bank in Las Cruces, and Don Panagrossi of the ELCDC. Mom and Dad's provides safe and comfortable private and semi-private living quarters (each with its own full bathroom), assistance with the activities of daily living twenty-four hours a day, well-qualified, friendly caregivers, and home-cooked meals that reflect the special dietary needs of residents.

Where Mom and Dad's differs from other assisted-living homes is in how it expands on those features. From the private living quarters to the warm and welcoming common area consisting of the shared living room with its grand stone fireplace, to the kitchen and dining area (where it's common to smell the aroma of fresh bread or cookies baking), the home is decorated and furnished in a fashion that makes all who enter feel right at home.

Mom and Dad's Assisted Living's primary focus has been to create a setting that not only meets its residents' physical needs, but their emotional needs as well, and that also promotes growth and social involvement with both family and the community. Additionally, Mom and Dad's has created seven full-time jobs as a result of the project.

According to Destre: "Our dream could have never been realized without the financial funding provided through the SBA 504 Loan Program provided by ELCDC in conjunction with Western Heritage Bank. Don of ELCDC and JoAnn of Western Heritage Bank worked together as a team to guide and direct our every step so we could obtain the necessary funding. Not only did they help make the paperwork flow seamlessly, but their personal support and dedication to see our Home up and running was unexpected and greatly appreciated."

Don attended the grand opening. He said: "I've been to many grand openings throughout my career. This grand opening surpassed the others. I was taken by the community's expression of support and thankfulness for Mom and Dad's. I reflected on Mom and Dad's mission statement and thought, what a great start."

*From left to right:
James & Tracy Turner,
Resident Jim Wood,
Kitchen Manager Kathy
Barris, Destre Shelley, and
Caregiver Ana Perez.*

*"Our dream could have
never been realized without
the financial funding
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with Western Heritage Bank."*

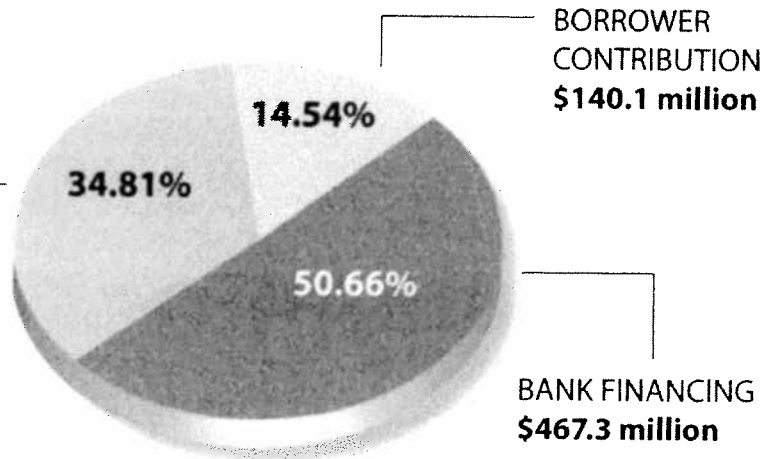
*Destre Shelley
Co-owner*

2010 Accomplishments

Celebrating 18 years of
Economic Development in New Mexico

MAXIMIZING PRIVATE CAPITAL WITH 504 LOANS

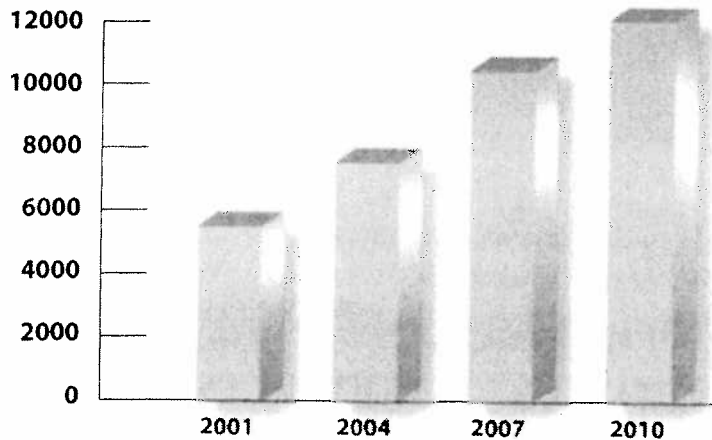
504 FINANCING
\$292.7 million



Each 504 project includes a conventional first mortgage of 50%. Because of this, our 504 activity has leveraged \$900,100,000. That's ALMOST a BILLION DOLLARS in small-business capital investment in New Mexico.

Through 2010, ELCDC has approved over 735 loans. This translates into more than \$300,000,000 of SBA 504 Loan financing!

JOBS CREATED AND RETAINED



Providing well-structured expansion capital to our small-business clients has resulted in the creation and/or retention of almost 12,000 jobs in our state.

PROJECT LOCATIONS BY COUNTY

County	# 504 Loan Approvals
Bernalillo	311
Catron	1
Chaves	13
Cibola	6
Colfax	3
Curry	13
DeBaca	0
Doña Ana	92
Eddy	10
Grant	12
Guadalupe	8
Harding	0
Hidalgo	4
Lea	20
Lincoln	2
Los Alamos	3
Luna	8
McKinley	12
Mora	1
Otero	14
Quay	1
Rio Arriba	4
Roosevelt	5
Sandoval	58
San Juan	21
San Miguel	5
Santa Fe	58
Sierra	6
Socorro	5
Taos	10
Torrance	5
Union	0
Valencia	17
El Paso, TX	7
TOTAL	735

As the only New Mexico based provider of 504-loan, ELCDC has provided an economic impact to almost every county in the State of New Mexico.

Client Success Stories

Namaste House

Farmington

Namaste House opened its doors on December 27, 2009, as the newest assisted-living facility in Farmington. The eleven-bed, 24-hour assisted-living facility, located at 800 30th Street, provides personalized assistance and health-care management services designed to respond to the individual needs of residents.

Owner Reverend Rebecca Morgan has 10 years experience as a hospital and hospice chaplain, and returned to Farmington in late 2008 after managing an assisted-living facility in Helena, Montana. Based on personal experience, she saw the need for an additional assisted-living facility space in the Four Corners area.

Co-owner Jan Montanye, formerly from Helena, Montana and now Farmington, operates her own CPA firm — Jan Montanye, CPA. Morgan and Montanye combined their hospice ministry, management, and business experiences to develop a business plan to convert their dream into reality. With a written business plan in hand, they began talking with Donna Ramsey, Vice President at Four Corners Community Bank, regarding financing options.

"I had worked with ELCDC in the past in successfully obtaining 504-loan financing for some other business owners in the Farmington area and knew that the program could provide some key financing in helping these owners achieve their business dream," says Ramsey.

Morgan and Montaney worked with ELCDC Loan Officer Sonny Lujan to obtain the 504-loan that was used to purchase an existing building and remodel it to create a warm, home-style atmosphere for residents. The project expects to create five new jobs in Farmington.

Currently there are seven assisted-living facilities in the Farmington area and all are fully occupied with waiting lists for new residents. As the baby boom population segment ages, the need for services that Namaste House provides will become more acute.

"We're delighted that Namaste House will help fill a huge void for services that are greatly needed for the mature population of Farmington and surrounding area," says Morgan.



"I had worked with ELCDC in the past in successfully obtaining 504-loan financing for some other business owners in the Farmington area and knew that the program could provide some key financing in helping these owners achieve their business dream."

Donna Ramsey
Vice President
Four Corners Community Bank

Commitment to Economic Development

Enchantment Land Certified Development Company (ELCDC) is a private, non-profit, membership organization whose mission is:

“To achieve community economic development through job creation and retention by providing long-term, fixed-asset financing to small business concerns, which, in turn, will:

- Promote the general wealth, welfare, and prosperity of the people residing or operating businesses within New Mexico and El Paso County, Texas;
- Promote economic development and growth of the small business community; and
- Promote and increase private sector employment opportunities for the people of New Mexico and El Paso County, Texas.

IN SUMMARY, it is the intent of ELCDC to participate with banks and non-bank lenders to finance existing, expanding businesses that will create or retain jobs, provide a positive economic impact within its community, or meet a public policy goal of the Small Business Administration (SBA).”

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Enchantment Land Certified Development Company
Briefing for Revenue Stabilization and Tax Policy Committee

Ronald D. Brown, Executive Director

Enchantment Land CDC history and mission

Legislative assistance in 1992 to commence operations

Coverage is entire State of New Mexico plus El Paso County, Texas; Offices in Albuquerque, Santa Fe, Las Cruces and El Paso

How the SBA 504 program works

Loan history – over 700 businesses financed, with over \$280 million of SBA debentures and \$900 million total value of properties financed

Recent loans approved;

1. Firearms manufacturer in Raton
2. Purchase and renovation of hotel in Portales
3. Hotel in Roswell
4. Vehicle repair shop in Hobbs
5. Restaurant building acquisition and renovation in Las Cruces
6. Medical offices in Deming
7. New hotel in Alamogordo
8. Convenience store/restaurant in Rodeo
9. Restaurant acquisition in Gallup
10. Print shop in Farmington
11. Wood chip manufacturer in Grants
12. Gas station / convenience store in Quemado
13. Auto body shop in Santa Fe
14. Tire store in Santa Fe
15. Medical offices in Santa Fe
16. Theater in Rio Rancho
17. RV dealer in Albuquerque
18. Assisted living in Albuquerque
19. Private for-profit trilingual school in El Paso

Discussion and questions