



Mountain West
Small Business Finance

ANNUAL REPORT 2006

small business



BIG PLANS

Clients, Partners and Friends:

Helping small businesses achieve big dreams is the mission of Mountain West Small Business Finance. Since 1980, we've helped thousands of merchants, professionals, and entrepreneurs buy land, build, remodel, or purchase equipment with SBA 504 loans.

With record-breaking loan approvals and the new partnerships we've forged with businesses, lenders and brokers, 2006 was indeed a banner year. But as excited as we are about our own achievements, it's the success of the small businesses of which we are most proud. After all, the accomplishments illustrated in this report come from the big plans of small business owners.

We would like to thank our many lending partners and the community organizations that provide resources and expert advice to small business owners throughout the Mountain West. We would especially like to thank the Small Business Administration for its stewardship during the past year and look forward to our mutual success for many years to come.

Our theme for this report—"Small Business. Big Plans."—reflects our continued optimism for the growth and success of our business and of yours. Enjoy our report; here's to a similarly robust and exciting 2007.

Sincerely,

A handwritten signature in black ink, appearing to read "Scott Davis", enclosed in a light gray rectangular box.

Scott Davis
President

BOARD OF DIRECTORS

Preston M. Eichers, CPA
*Chair, Board of Directors
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Peter Morgan
Zions Bank

Micquelle Corry
POW! creative services

Mountain West Small Business Finance
has been Utah's #1
small business lender
for over 10 years.



small business BIG IDEA

504: THE MAGIC OF 504

504 is not just another government-guaranteed program, it goes above and beyond to provide small business an invaluable source of financing.

504 Serves a Unique Market Niche

- > Targets the most dynamic and job-rich sector of our economy: small, independently-owned companies
- > Focuses exclusively on financing owner-occupied commercial real estate for small businesses
- > Provides optimally-structured financing at the time small businesses are ready to grow

The Advantages of Two Mortgages

- > Loans are structured to have a first mortgage from a bank (usually 50 percent), a second mortgage 504 loan (usually 40 percent), and a minimum 10 percent down payment from the small business
- > Provides a financing package that conventional lenders alone cannot match
- > Combines and provides expertise of both the Certified Development Company and the bank
- > Leverages the SBA's position with \$2 of private investment for every \$1 of SBA-guaranteed funds

What the CDC Does

- > Provide a local source of marketing and expertise on 504
- > Act as the hub of the project: prepare all paperwork, coordinate activities of the financing participants
- > Assure that each project balances the interests of both the business and the SBA
- > Provide services for a cost that is as little as 10 percent of what a for-profit private sector lender would need to charge

504: The Small Business Window to Wall Street

- > 504 loans are funded through monthly pools of debentures, guaranteed by the SBA, giving small business borrowers access to the public capital markets represented by Wall Street
- > Enables small businesses to access capital at the lowest possible cost allowing them to preserve working capital, grow faster and create more jobs

A Federal Small Business Program that Pays for Itself

The unique market niche, private expertise, the focused expertise of the CDC, the SBA guaranty and the very low cost of both the CDC services and the capital markets participation all combine to provide 504 loans to borrowers 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.

Mountain West Small Business Finance

now helps entrepreneurs
in seven western states:
Utah, Wyoming, Nevada,
Idaho, Colorado, New Mexico
and Arizona.



small business

BIG PERFORMANCE

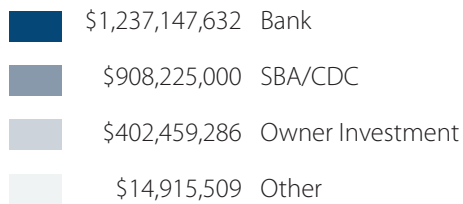
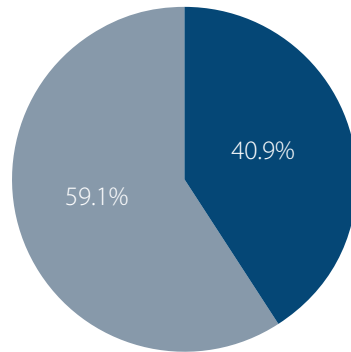
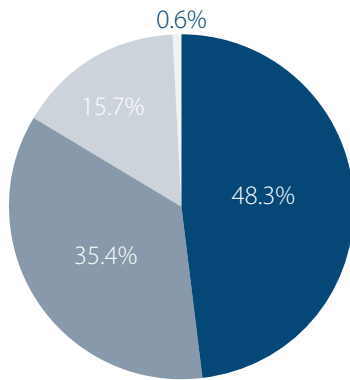
BUILDING BUSINESSES: Total loans approved by MWSBF



Mountain West Small Business Finance
has helped
over 3,000 small business owners
build their dreams.

BUILDING COMMUNITY: Loans approved by MWSBF, Inception (1980) through FY2006

2,792 Total Loans
\$2,562,747,430 Total of All Loans



BUILDING THE ECONOMY: Jobs created and retained

2002	13,254
2003	14,209
2004	15,313
2005	15,518
2006	TBD

small business BIG SUCCESS

Radius Engineering



Radius Engineering is a local business that packs a global punch. On display in the lobby of their recently-constructed facility are large twisted objects that look like sculpture but turn out to be jet engine propeller blades—just a sampling of the kinds of composite parts manufactured at Radius.

Beyond the lobby, the busy production area is surprising serene. This, according to CFO Dave Anderson (r.), is because of major efforts

in soundproofing. It is so quiet, in fact, that all non-manufacturing work is done in a circular enclave of offices nested right in the center of the manufacturing action. CEO, Dimitrije Milovich (l.) is especially proud that the Radius facility is one of only a handful of privately-owned buildings in the U. S. that expect to receive LEEDs (Leadership in Energy Efficiency and Design) certification.



"Financing from Mountain West allowed us to build a facility that met our very specific philosophical and business criteria. Not only were they knowledgeable and efficient, but I felt they really shared our vision and dream."

Dimitrije Milovich
President, Radius Engineering



"This building is so much more than just a structure to us. We have designed each detail—our names on the front, the colors, the artwork—to say something about our philosophies as entrepreneurs and as individuals. Mountain West understood our desire for a completely unique home for our business from the beginning and they are as proud of the finished product as we are."

David Ibarra
President/CEO, Ibarra Brito Group

Ibarra Brito Group



To hear David Ibarra (l.) describe the Ibarra Brito Centre, one might think it an art museum or an Hispanic cultural center or perhaps a sanctuary for deep discussions of philosophy and world affairs. Indeed, the 16,500-square-foot Centre is a little bit of all of these, but its primary purpose is to house the many enterprises led and inspired by David

Ibarra and Henry Brito (r.). The colorful walls, subdued lighting and rich original artworks combine to create an atmosphere that is both welcoming and bold. Partners since 2002, Brito and Ibarra stand at the helm of several automobile-industry companies including the Ibarra Brito Group (IBG), eLeaderTech and David Ibarra Enterprises.

Charlotte's



With one step in the door, a visitor to Charlotte's is whisked away to a magical place of whimsy and wonder. At every turn there is the twinkle of crystal, the feel of plush fabric, the scent of flowers and the serenade of soft music. Each corner is resplendent with an eclectic collection of treasures. And because the store is named after owner Marielos Pantelaki's beloved canine companion,

there are hints of her affection for animals throughout the store, including a picture of Charlotte herself near the cash register. Best of all, the store feels lived-in, cozy and, like Marielos herself, very inviting.



"Since Mountain West helped me with the financing for this perfect Charlotte's location, I have had the best time filling the store with beautiful treasures. And as much as I enjoy searching for just the right inventory, I enjoy sharing my finds with customers even more."

Marielos Pantelakis
Owner, Charlotte's

"Not only has our new facility provided a more efficient and accommodating space for our operations, but it has given us plenty of room to grow. Mountain West looked at our past, present and future and envisioned the possibilities."

Raymond J. Ganowsky
President, RAM Company



RAM Company



When Raymond Ganowsky (r.), his wife, Melzie (c.), and their son Kevin (l.) invite you to take a tour of the RAM Company production facility it feels more like an invitation to family dinner. The Ganowskys are obviously proud of and excited to talk with visitors about their St. George engineering company. RAM Company is indeed worthy of discussion (around the dinner table or elsewhere) as the company is a thriving enterprise that provides solenoids, valves and other electromechanical devices to clients such as NASA, the U. S. Army, Apache Helicopter, commercial aircraft and the U.S. Postal Service.

small business

BIG COMMITMENT

Mountain West Small Business Finance is dedicated to improving the economic climate for small businesses in the communities we serve. We also believe that in the long run, businesses are only as strong as the communities they serve. Therefore, MWSBF makes it a priority to support business and to give to organizations that make our community better for all of us.

ECONOMIC DEVELOPMENT



Utah Microenterprise Loan Fund

UMLF provides loans to small businesses that cannot obtain financing elsewhere. Most of the loans are “new market” loans, in which ownership is usually women- or minority-based. UMLF has funded almost 450 small businesses in Utah, lighting the way to a brighter future for underrepresented entrepreneurs.

Mountain West Small Business Finance provides the Utah Microenterprise Loan Fund (UMLF) with both financial and operational support, and its employees serve on UMLF loan committees and board of directors.



Utah Entrepreneur Challenge

Initiated and organized in 1999 by students in the University of Utah David Eccles School of Business, the Utah Entrepreneur Challenge is a seven-month competition for ambitious future business-owners. The U's school of business provides Challenge teams access to resources, mentors, educational forums and a series of speakers to aid them in their business creation and implementation. Offering the largest cash prize in the United States for a competition of this type, the Utah Entrepreneur Challenge also provides winning teams with advice and counsel from business experts and financial consultants.

MWSBF's contributions to the Utah Entrepreneur Challenge assure that the program is available to students attending Utah's rural colleges and universities.



Utah's Rural Business Conference

This conference, which is held each year in a different Utah city, is hosted by Senator Robert Bennett and the Utah Rural Development Council. Rural entrepreneurs from all over the state attend the conference to gain access to special resources and learn about solutions to the unique challenges faced by rural small business.

MWSBF is a charter sponsor of the Utah Rural Business Conference and has, over the years, provided both financial and technical assistance.



U. S. Department of Agriculture Rural Development

USDA Rural Development is committed to helping improve the economy and quality of life in all of rural America. Rural Development achieves its mission by helping rural individuals, communities and businesses obtain the financial and technical assistance needed to address their diverse and unique needs. Rural Development works to make sure that rural citizens can participate fully in the global economy.

Since 1988, MWSBF has been a participant in the USDA Rural Development Intermediary Lender Program. Below market rate loans from MWSBF's rural revolving loan fund, have assisted rural businesses from Garden City to Santa Clara and many points in between. Over \$5 million has been loaned to date.



Washington County Economic Development Council

Washington County is one of the fastest growing Metropolitan Statistical Areas in the nation. Job growth, especially, outpaces both the rest of Utah and the nation, while unemployment remains low. With a productive, dependable labor force of more than 60,000 workers, the business climate is very entrepreneur-friendly. The Washington County Economic Development Council (WCEDC) is an active participant in support of value-added businesses in these and other burgeoning fields: manufacturing, customer service centers, operations, distribution and high-tech.

MWSBF is a major sponsor of the WCEDC's annual summit and provides support on various committees. Through both financial and strategic support, MWSBF helps to keep Washington County growing and thriving.

Each year for the past several years,
well over 10,000 jobs have been created
by businesses financed through
Mountain West Small Business Finance.



small business

BIG COMMITMENT

COMMUNITY DEVELOPMENT



Utah Shakespearean Festival – Shakespeare-in-the-Schools Tour

Each year, from January through April, the Utah Shakespearean Festival hits the road with an educational outreach program for schools in rural Nevada, Utah, Colorado, New Mexico, Idaho and Arizona. The highlight of the program is a seventy-five minute version of a Shakespearean play, including complete costumes, sets, and theatrical lighting. Also included is a post-show discussion with the actors and workshops.

With its sponsorship and substantial contribution to this important Utah program, MWSBF helps ensure that children who might not otherwise get the opportunity, have a chance to experience a classic Shakespearean play.



Utah Chamber Artists

For over 15 years, Utah Chamber Artists has been creating sounds of eloquence and perfection that enrich the lives of its listeners. Comprised of forty vocalists and forty musicians, the ensemble has a polished tone that is not limited to any particular genre, but rather combines the sounds from all eras.

MWSBF is a long-time supporter of the Utah Chamber Artists and its culturally-enriching musical contribution to the community.



Clark Planetarium and Discovery Gateway

Clark Planetarium of Salt Lake City captivates audiences young and old while educating them on the workings of the universe. At Discovery Gateway, interactive activities engage the imagination and raise interesting questions for curious individuals. Both Clark Planetarium and Discovery Gateway provide crucial hands-on academic and learning experiences for thousands of Utahns—particularly children.

MWSBF contributes both financial and board of director support to Utah's two premier youth attractions.

Salt Lake ACT

Salt Lake ACT is the preeminent advocate for Utah's disabled community. Hundreds of individuals who have mental disabilities, such as Down Syndrome rely on this United Way agency for advocacy, resources and special programs.

MWSBF provides rent-free office space, board of director participation, leadership and administrative support for Salt Lake ACT and helps organize an annual Labor of Love (Sub for Santa) program for ACT's participants.

small business BIG HELP

Mountain West Small Business Finance is just part of the equation that equals small business success in our community. Through combined efforts and a team of excellent lending partners, we are able to consistently provide SBA 504 loans to small businesses in our community. We sincerely thank the following lenders for supporting us and for ensuring the success of their clients.

America First Credit Union

America West Bank

American Bank of Commerce

Bank of America

Bank of American Fork

Bank of Nevada

Bank of Star Valley

Bank of the West

Bank of Utah

Barnes Bank

Brighton Bank

Business Loan Express

Cache Valley Bank

Capital Community Bank

Celtic Bank

Central Bank

Chase Bank

CIT Small Business Lending

Colonial Bank

Cyprus Credit Union

Desert Community Bank

Far West Bank

First Colony Commercial

First Community Bank

First National Bank of Layton

First National Bank West

First National Bank-Buffalo

First Utah Bank

Frontier Bank

GE Commercial Credit

GE Capital

Grand Valley National Bank

Heber Valley National Bank

Jackson State Bank

Key Bank

Lehman Bros.

Lewiston State Bank

Mountain America Credit Union

Mountain West Bank

National Bank of Arizona

Nevada State Bank

Rocky Mountain Bank

Silver State Bank

Spectrum Commercial Bank

State Bank of Southern Utah

Sterling Bank

The Bank of Las Vegas

The Village Bank

UPS Capital Business Credit

Utah Community Bank

Utah Community Credit Union

Web Bank

Wells Fargo

Western Community Bank

Zions Bank



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Contact: spencer@mwsbf.com

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When small businesses
have BIG PLANS
they turn to
Mountain West Small Business Finance.