

MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF THE
NEW MEXICO SMALL BUSINESS INVESTMENT CORP.

October 17, 2025

A meeting of the New Mexico Small Business Investment Corporation was called to order on this date at 9:03 a.m. at WESST Enterprise Center, 609 Broadway Blvd NE, Albuquerque, NM 87102. A quorum was established.

Members Present

Mr. Joshua Smith, Chair
Ms. Anne Beckett, Vice Chair (via Zoom)
Mr. Robert Valdiviez, Secretary/Treasurer
Mr. Arsenio Garduño, designee of Hon. Laura M. Montoya, NM State Treasurer
Mr. Joshua Grassham (via Zoom)

Members Excused

Ms. Sayuri Yamada
Ms. Kristina Alley

Executive Director/Financial Adviser to Board

Mr. Russell Cummins

Board Legal Counsel

Mr. Randall McDonald (via Zoom)

Guests Present:

Mr. Todd Clarke, Board Chair, Ventana Fund
Ms. Jen Mulliniks, Compliance and Investor Relations Manager, Ventana Fund

REVIEW AND ACCEPTANCE OF AGENDA

Mr. Garduño moved to accept the agenda, as presented. Mr. Valdiviez seconded the motion. Mr. Cummins asked that Ventana Fund's presentation and proposed board vote be moved to after approval of the agenda. Messrs. Garduño and Valdiviez agreed to the change. The motion, as amended, passed unanimously by roll call vote.

VENTANA FUND, PROPOSED MODIFICATION TO NMSBIC LINE OF CREDIT

Mr. Cummins introduced Todd Clarke and Jen Mulliniks of Ventana Fund.

Mr. Clarke said Ventana Fund had a number of interesting things happen in the last year, as follows:

- Ventana Fund recently acquired a downtown property as its headquarters at 715 Tijeras Avenue, in Albuquerque. The property is owned free and clear and is expected to support growth for the next 5–7 years.
- Ventana Fund has added all the full-time staff to be added at this point which includes Alexandria Porras, Compliance Manager, Michelle Corley, Finance Manager, and Jen Mulliniks, Compliance and Investor Relations Manager. Part of Ms. Mulliniks' role is to reach out to bank Community Reinvestment Act (CRA) departments and ask for Program Related Investments (PRI) and Equity Equivalent (EQ2) investments.
- Ventana Fund now has \$50 million in assets. It started with a \$2 million line of credit from NMSBIC, and has experienced exponential growth, with a lot of that due to the relationship with NMSBIC.
- Ventana Fund recently increased its EQ2 investment from Enterprise bank from \$1 million to \$2 million. The EQ2 investment is unsecured debt with good terms, and it feels a lot like equity.
- First Citizens Bank made a donation of \$15,000 to support Ventana Fund's education program which will support about 150 students.
- Ventana Fund recently passed a number of milestones, including over 100 loans originated and over 1,300 housing units provided.
- A grant from the U.S. Treasury paid for (1) a classroom in the new headquarters building, and (2) development of subject matter on how to build wealth from investment in real estate. The goal is to reach out to younger people and tell them about the amazing opportunity to get on the property ladder, let it become their escalator, and eventually become a Ventana Fund borrower. Ventana Fund hopes the program will help the demographics of the real estate investor community start to match the demographics of New Mexico.

Mr. Clarke said Ventana Fund has grown from its original \$2 million NMSBIC line of credit to \$34.5 and has now fully deployed its \$34.5 million in funding. It is requesting an increase of \$7 million in NMSBIC funding, to \$41.5 million. That would provide funding for growth through spring/summer 2026.

Mr. Cummins referred to NMSBIC's loan concentrations report and noted the request from Ventana Fund would increase NMSBIC's concentration in workforce housing from 19% to 23% of NMSBIC's net assets, which would be below NMSBIC's guideline of no more than 35% of net assets allocated to workforce housing. He also highlighted Ventana Fund's outreach and origination of loans in communities outside of Albuquerque, including Socorro, Las Vegas, Alamogordo, Las Cruces, Truth or Consequences, Hobbs, Santa Fe, Terra del Sol, Española, Cleveland, and Portales.

Mr. Clarke said the loan in Cleveland was an interesting project that supported a home for autistic adults. Workers at the facility had to travel long distances to get to and from work. The owner constructed yurts to provide temporary housing for workers,

funded by a loan from Ventana Fund. The owner provided marketable stocks and bonds as additional collateral for Ventana Fund's loan, and the NMSBIC board approved an exception for this loan.

Mr. Cummins said NMSBIC has engaged the Bureau of Business and Economic Research (BBER) to prepare an updated impact study. During its work, BBER noted that Ventana Fund's work is impressive in providing housing for low- and moderate-income families.

Mr. Clarke said that at a recent conference a bank community reinvestment act (CRA) officer expressed strong interest in replicating Ventana Fund's model across the southern U.S. region. Mr. Clarke told the CRA officer that funding from New Mexico's sovereign wealth fund has been key to its success, but that is not available in many other states.

Mr. Valdiviez moved for NMSBIC's board directors to approve a change to NMSBIC's line of credit to Ventana Fund, as follows:

- **Increase maximum funding amount by \$7 million, from \$34.5 million to \$41.5 million; and**
- **NMSBIC's current president and board chair, or vice president and vice chair, be authorized to execute any and all modification documents, subject to review and approval by the NMSBIC's legal counsel and the NMSBIC's executive director/investment advisor; and**
- **NMSBIC's executive director/investment advisor will report back to the board when the documents have been executed.**

Mr. Garduño seconded the motion which passed unanimously by roll call vote.

BOARD MINUTES FOR SEPTEMBER 18, 2025

Mr. Valdiviez moved to approve Board Minutes for the September 18, 2025, NMSBIC board meeting, as presented. Ms. Beckett seconded the motion, which passed unanimously by roll call vote.

NMSBIC PURPOSE FROM THE SMALL BUSINESS INVESTMENT ACT

Mr. Cummins said this information is provided for reference in the board package.

FINANCIAL REPORTS JULY 31, 2025, AUGUST 31, 2025, AND SEPTEMBER 30, 2025

Mr. Cummins provided the following highlights:

- RBC GAM delivered a new SBA pool for \$1.6 million. We are working on getting a new custodian in place to allow RBC GAM to start delivering SBA/USDA

certificates, which are guaranteed whole loans. RBC GAM believe that with the addition of SBA/USDA certificates, it might be able to deploy the full \$25 million in funds committed by NMSBIC in the next 12-18 months.

- Homewise funded a new \$1.9 million loan to a small business in Santa Fe.
- MFA is working on deploying NMSBIC funds in two projects in southern New Mexico. Both projects were delayed for about 18 months. One of the projects is now moving forward, and MFA has drawn \$207,000 from NMSBIC. It plans to deploy \$1 million of NMSBIC funds in this project.
- B:Side Fund closed its first loan in August for \$75,000.
- NMSBIC has available funds of \$21 million. If we adjust for a new \$5 million loan in process for Raza Development Fund, and the \$7 million approved for Ventana Fund, adjusted available funds are \$9 million. Homewise is planning to request additional funding at the December NMSBIC board meeting.

Mr. Cummins said he has been having discussion with Homewise about NMSBIC funding for its real estate development business. This would be in addition to the current NMSBIC line of credit for small business loans and charter schools. Mr. Cummins said he will provide more details at the December NMSBIC board meeting.

Chair Smith noted a recent article in the Albuquerque Journal about medical facilities in rural towns. He said it made him think of NMSBIC's new relationship with Raza Development Fund (RDF), and he would love to see NMSBIC partner with RDF on medical facilities in rural areas.

Ms. Beckett moved to accept the financial reports as of July 31, 2025, August 31, 2025, and September 30, 2025, as presented. Mr. Grassham seconded the motion, which passed unanimously by roll call vote.

ELECTION OF NMSBIC OFFICERS

Chair Smith said that historically the NMSBIC board chair has served for about two years. He said he is willing to serve one more year as board chair. Ms. Yamada has agreed to serve as vice chair during the next year and possibly take over as board chair a year from now. This is all subject to approval from the NMSBIC board. Chair Smith said he believes Ms. Yamada would be an excellent board chair. Mr. Cummins asked Mr. Valdiviez if he would be interested in continuing as secretary/treasurer, and Mr. Valdiviez agreed. Chair Smith asked Mr. Cummins about the secretary/treasurer's duties. Mr. Cummins responded that the secretary/treasurer is an authorized signer on bank accounts and executes the annual engagement letter with the external auditors. Dee Brescia provides the secretary/treasurer with draft financial statements for review before they are delivered to the board. Mr. Cummins provides the secretary/treasurer with a detailed cash roll-forward analysis, and a report showing line-item financial statement trends. Chair Smith noted the secretary/treasurer has a busy role behind the scenes.

Ms. Beckett asked if there were any potential new directors being considered. Mr. Cummins said that in the past, directors have expressed an interest in stepping down and then have stayed on until a replacement is identified. Mr. Cummins said no board members have expressed interest in stepping down, therefore we are not working to identify new board members at this time. This is with the understanding that board members are appointed by Governor, and the board makes recommendations to the Governor.

Ms. Beckett moved to nominate NMSBIC officers as follows:

- **Joshua Smith, President and Board Chair**
- **Sayuri Yamada, Vice President and Vice Chair**
- **Robert Valdiviez, Secretary/Treasurer**
- **Russell Cummins, Executive Director/Investment Advisor**

Mr. Garduño seconded the motion, which passed unanimously by roll call vote.

BANK AUTHORIZED SIGNERS

Mr. Cummins recommended no changes to board members approved to sign on the NMSBIC's bank and investment accounts, and no changes to online access for himself and Dee Brescia. He noted that access for Michelle Corley of Loftis & Lovato CPAs has been removed.

Mr. Valdiviez moved approval of authorized signers on the NMSBIC's bank, investment, and custodial accounts, with two approvals required, as follows:

**Joshua Smith
Anne Beckett
Robert Valdiviez
Sayuri Yamada
Kristina Alley**

And that the following individuals be authorized for online access to banking, investment, and custodial account systems as follows:

Russell Cummins:

- **Serve as account administrator.**
- **View online transactions and access online statements.**
- **Input or approve Automated Clearing House (ACH) transactions (1) (2)**

Dee Brescia:

- **View online transactions and access online statements.**
- **Input Automated Clearing House (ACH) transactions and payees (1) (2).**

- (1) First National 1870 ACH payments require two persons (one person to input and a second person to approve) and are only authorized after two board members have provided email approval of payments included in the ACH transfer.**
- (2) For the State Treasurer's Office Local Government Investment Pool, Russell Cummins or Dee Brescia are authorized to initiate online deposits or withdrawals, which must then be approved online by two authorized board members.**

Mr. Grassham seconded the motion, which passed unanimously by roll call vote.

OPEN MEETINGS ACT RESOLUTION

Mr. Cummins said NMSBIC board adopts an Open Meetings Act Resolution every year. He said the NMSBIC's governing statute states that NMSBIC is not a government agency for any purpose. However, when the organization was created, the New Mexico Attorney General's office provided an opinion recommending NMSBIC voluntarily comply with the act.

Ms. Beckett moved to accept the Open Meetings Act Resolution. Mr. Garduño seconded the motion, which passed unanimously by roll call vote.

RENEWAL OF WEBSITE MAINTENANCE AGREEMENT WITH HOLLY COMPANY

Mr. Cummins referred to information in the board package regarding renewal of the website maintenance agreement with Holly Company. He said Holly Bradshaw Eakes maintains the website, where NMSBIC published public meeting notices and agendas. Ms. Eakes also updates NMSBIC news articles. In the past, Ms. Eakes has charged a separate hourly fee for NMSBIC news articles. This year, she has proposed including news articles in the agreement for a flat fee of \$440 per year.

Mr. Cummins said he recommends approving this agreement for less than one year, to expire on June 30, 2026. That will align the agreement with NMSBIC's fiscal year. The proposed fees will be pro-rated based on the actual number of months from December to June.

Mr. Garduño moved to approve renewal of the website maintenance contract with Holly Company as follows:

- From December 1, 2025, through June 30, 2026.**
- Annual costs of \$2,820 for maintenance and \$440 for news articles, plus New Mexico gross receipts tax, will be pro-rated for the actual number of months.**
- Reimbursement of \$320 for domain name and hosting expenses.**
- The NMSBIC president and board chair, or vice president and vice chair, be authorized to sign any and all documents related to the contract renewal,**

- subject to review and approval by the NMSBIC's legal counsel and the NMSBIC's executive director/investment advisor; and
- The NMSBIC's executive director/investment advisor will report back to the board when the documents have been completed.

Mr. Valdiviez seconded the motion, which passed unanimously by roll call vote.

Mr. Grassham left the meeting at 9:50 a.m.

EXECUTIVE DIRECTOR/INVESTMENT ADVISOR REPORT

Mr. Cummins provided the following updates:

- The new interest rate spread report is included in the board package. A new column has been added to compare previous quarter to current quarter.
- DreamSpring will be hosting a community open house on December 12, 2025, from 3 to 6 pm, to celebrate Anne Haines' retirement as CEO.
- The financial statement recap for Homewise has been updated with March 31, 2025, audited financial statements. Net assets grew from \$88 million to \$116 million. The growth included a \$25 million contribution from the MacKenzie Scott Foundation.
- LiftFund has had employee turnover, and Mr. Cummins is working to establish a new contact person.
- The Loan Fund is in compliance with the Liabilities to Net Assets ratio requirement, after NMSBIC approved inclusion of \$1 million in equity equivalent (EQ2) funding from US Bank. Mr. Cummins continues to monitor The Loan Fund's financial position and lending activity.
- As noted earlier, MFA is moving forward with funding of a multifamily project in southern New Mexico and plans to deploy \$1 million in NMSBIC funds.
- Randy McDonald has provided draft loan documents to Raza Development Fund, and we are waiting for feedback from their legal counsel.
- We are working to get a new custodian in place for assets managed by RBC GAM. Josh Grassham provided Mr. Cummins with names additional potential custodians, and Mr. Cummins is obtaining quotes.
- RCAC contacted Mr. Cummins and indicated it would like to start using the NMSBIC line of credit. RCAC's line of credit matured on October 1, 2025. Mr. Cummins will follow up about possibly renewing the loan.
- Mr. Cummins has provided WESST with a Discussion Term Sheet related to a possible expansion by WESST of its lending program, and WESST continues to work on developing expansion plans.
- Verge is still planning to end the limited partnership at the end of this year and distribute shares to limited partners. One of the Verge companies has lost federal grant funds and is looking to raise additional capital to offset the lost grant funds.

Ms. Beckett asked about The Loan Fund's leverage ratio of 24-to1, which is an exception to the rest of NMSBIC lending partners. She said we have certainly enjoyed our relationship with The Loan Fund, and they've done a lot of good work. Ms. Beckett asked for an assessment of how The Loan Fund's board views its capital position. Mr. Cummins said he periodically attends The Loan Fund's board meetings. He said he has made comments at the board meetings about the need for more net assets to support growth but feels he needs to continue having the conversation. The board is very supportive of The Loan Fund's mission, but he has not observed any discussions or strategic goals about growth in net assets. He said he has had several detailed conversations about net assets with The Loan Fund's management, and he sees management taking actions to increase net assets.

Chair Smith asked if The Loan Fund is still focused on originating loans less than \$1 million. Mr. Cummins responded that this year, The Loan Fund has reduced its maximum loan size from \$1 million to \$350,000. Chair Smith noted there might be a vacuum now for loans between \$350,000 and \$1 million.

EXPANDED SERVICES REPORT

Mr. Cummins said his professional services contract requires him to provide a report on time spent on expanded services, which includes direct investments acquired upon termination of venture capital limited partnerships, or winding down activities of a venture capital limited partnership. Mr. Cummins referenced the expanded services report included in the board package indicating he spent 13 hours on expanded services during the past six months.

Mr. Cummins added that the Verge limited partnership will terminate at the end of this year and plans to distribute shares of common stock to limited partners in four remaining companies. This might result in more time spent on expanded services going forward.

NMSBIC PROPOSED 2026 BOARD MEETING DATES

Mr. Cummins presented the following proposed board meeting dates for 2026. He asked board members to let him know if there are any conflicts or suggested changes, and he plans to finalize the schedule at the December NMSBIC board meeting.

Proposed Meeting Date

Friday, February 20, 2026

Friday, April 17, 2026

Thursday, June 18, 2026

Note: June 19th is Juneteenth Holiday

Friday, August 21, 2026

Thursday, September 17, 2026

Note: Limited Agenda, Call-In Meeting

Friday, October 16, 2026

Thursday, December 10, 2026

Chair Smith suggested that for the final board meeting this year on December 11th, the board get together to interact outside of a board meeting. He suggested holding the board meeting in Santa Fe and scheduling lunch afterward. Mr. Cummins said he would check with Treasurer Montoya about holding the meeting at the State Treasurer's Office. Mr. Cummins noted that the board meeting would be published and open to the public. The lunch would not be published, and would be a social gathering, with no NMSBIC business discussed at the social gathering.

BUREAU OF BUSINESS AND ECONOMIC RESEARCH, IMPACT STUDY UPDATE

Mr. Cummins said the Bureau of Business and Economic Research (BBER) is making progress with the NMSBIC impact study. It has completed all data collection from lending partners and is working to obtain job data from the New Mexico Department of Workforce Solutions. He noted that Legislative Finance Committee (LFC) staff were invited to collaborate on the impact study. He coordinated a Zoom meeting with BBER and LFC staff, which he felt was positive and productive.

BOARD CONTINUING EDUCATION, FEDERAL RESERVE ECONOMIC INDICATORS

Mr. Cummins referred to information in the board package with economic indicators for southern New Mexico from the Federal Reserve Bank of Dallas. He briefly reviewed information on oil prices, copper prices, and imports/exports through the Santa Teresa port of entry.


CHAIR'S COMMENTS

Chair Smith thanked everyone for attending and encouraged board members to continue looking for creative ways to deploy NMSBIC funds.

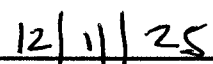
ADJOURNMENT

Mr. Garduño moved to adjourn at 10:30 a.m. Mr. Valdiviez seconded the motion, which passed unanimously by roll call vote.

ADJOURNMENT: 10:30 a.m.



Joshua Smith, Board Chair



Date