

COUNCIL & ENHANCED TENNESSEE FUND, LLC

150 2nd Avenue, North,
Suite 415
Nashville, Tennessee 37201

Telephone: 615.255.3707
Facsimile: 615.255.3709

January 28, 2011

VIA FEDERAL EXPRESS

Lamont Price, CGFM, CFE
Director of Internal Audit and Consulting
Department of Economic and Community Development
312 Rosa L. Parks Avenue – 11th Floor
Nashville, Tennessee 37243

RE: Annual TNInvestco Report

Dear Lamont:

Pursuant to Section 4-28-110(a)(2) of the Tennessee Small Business Investment Company Credit Act, please see the attach report due January 31st for Council & Enhanced Tennessee Fund, LLC (“C&E”) showing the following:

- (A) The amount of C&E’s remaining uninvested designated capital at the end of the immediately preceding taxable year: \$9,905,000 of C&E’s Base Amount (See Attached)
- (B) Whether or not C&E has invested more than fifteen percent (15%) of its total designated capital in any one business: NO (See Attached)
- (C) All qualified investments that C&E has made in the previous taxable year, including the number of employees of each qualified business in which it has made investments at the time of such investment and as of December 1 of the preceding taxable year: SEE ATTACHED
- (D) For any qualified business where the qualified TNInvestco no longer has an investment, the qualified TNInvestco must provide employment figures for that company as of the last day before the investment was terminated: N/A

Additionally, C&E has included the \$5,000 annual certification fee.

If you have any questions or comments or need any additional information, please do not hesitate to contact me.

Sincerely,



Nicole Fiorenza Ellender *per*
Counsel and Director of Compliance

Cc: Mr. John Davis
Mr. Shane McCarthy

COUNCIL & ENHANCED TENNSEE FUND, LLC

SCHEDULE OF QUALIFIED INVESTMENTS
AS OF
DECEMBER 31, 2010

Council & Enhanced
Tennessee Fund, LLC
Schedule of Qualified
Investments
as of December 31, 2010

Base Investment Amount \$14,000,000.00 Seed / Early Stage Multiplier 300.00%

Qualified Tennessee Business	Investment Date	Investment Amount	Seed or Early Stage Investments	Total Investment Credit	% of Base Investment Amount	Industrial Sector NAIC Code	Description of Industry	Number of Employees at the Time of Investment	Number of Employees as of 12/31/10
ND Acquisitions Corp. dba NuScript ^{bcx}	4/6/2010	365,000.00	365,000.00	1,095,000.00	7.8%	44611	Institutional Pharmacy	31	44
Energy Source Partners, LLC	8/20/2010	500,000.00	500,000.00	1,500,000.00	10.7%	541330	Solar Power Generating Facilities	3	11
Est, Inc.	9/27/2010	1,500,000.00	-	1,500,000.00	10.7%	454000	Supply chain business process outsourcing solutions	22	29