

COUNCIL & ENHANCED TENNESSEE FUND, LLC

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

Telephone: 615.255.3707
Facsimile: 615.255.3709

January 31, 2012

VIA ELECTRONIC CORRESPONDENCE

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 attached 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 (not including future designated capital tranches): \$2,271,533.86
- (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 sent you the \$5,000 annual certification fee via Federal Express that you should have received this morning.

Council & Enhanced Tennessee Fund, LLC
Annual Report 2011

Base Investment Amount \$14,000,000.00

Seed Early Stage Multiplier

Percent above 1x credit for qualified investment amount up to \$3,500,000

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	# of Employ. Minorities
New Day Pharmacy Corporation	4/6/2010	\$250,000	\$250,000	1,095,000.00	7.8%	44611	Institutional Pharmacy	
New Day Pharmacy Corporation	1/24/2011	238,230.08	151,000.00	608,230.08	4.3%			
New Day Pharmacy Corporation	3/1/2011	176,470.59		176,470.59	1.3%			
New Day Pharmacy Corporation	9/9/2011	392,837.00		392,837.00	2.8%			
Energy Source Partners, LLC	8/20/2010	\$400,000	\$400,000	1,500,000.00	10.7%	541330	Solar Power Generating Facilities	
Energy Source Partners, LLC	3/3/2011	\$400,000		500,000.00	3.6%			
Fsi, Inc.	9/27/2010	1,500,000		1,500,000.00	10.7%	454000	Supply chain business process outsourcing solutions	
CapControls, LLC	5/19/2011	250,000		250,001.00	1.8%	511210	Financial Information Technology	
Advanced Network Solutions	8/15/2011	\$100,000		500,000.00	3.6%	541512	Local area network computer systems integration design systems	
Payment America Systems, Inc.	11/2/2011	480,000.00		480,000.00	3.4%	561110	Healthcare Revenue Cycle Management	
Totals:		4,902,538.67	1,050,000.00	7,002,538.67	50.02%			