

MESA VERDE BANK & TRUST

1520 Randall St. Albuquerque, NM 87112

Dear Mesa Verde Stockholder:

We are pleased to report that Mesa Verde has concluded this financial year with stellar numbers. As we continue to thrive and exceed expectations across the field, Mesa Verde has finally taken its first steps toward expanding outside the local Albuquerque community it has served for nearly thirty years. It is with your help that we are able to begin this exciting expansion. We would like to thank all our continuing stockholders for their unwavering loyalty and support. We believe that we are in an excellent place to both fortify our economic position in New Mexico and take advantage of the opportunities that lie beyond our border.

As part of the strategic initiative enumerated in this report, Mesa Verde will be establishing a new branch in Scottsdale, Arizona at 1261 Rosella Dr. Mesa Verde Scottsdale is on schedule for a fourth quarter 2003 completion.

Please plan to attend the annual meeting of stockholders, which will be held in the coming month. On behalf of the Board of Directors, Officers and Employees of Mesa Verde Bank and Trust, we thank you for your support. As always, we value and appreciate your feedback and suggestions.

Sincerely,
MESA VERDE BANK AND TRUST

Kevin Wachtell
President and CEO

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Kevin Wachtell
President and CEO

BY-LAWS

MESA VERDE BANK AND TRUST
1520 RANDALL ST.
ALBUQUERQUE, NM 87112

MESA VERDE ARIZONA
1261 ROSELLA DR.
SCOTTSDALE, AZ 85262

ARTICLE I

OFFICE

Section 1: Office Designated – The principal office of this corporation shall be located at 1520 Randall St. in Albuquerque, New Mexico. The Board of Directors will be based at the principal office but shall simultaneously provide oversight for the Arizona branch, located at 1261 Rosella Dr. Scottsdale, AZ.

ARTICLE II

ANNUAL MEETING

Section 1: Date – All meetings of the shareholders of this corporation, whether they be regular annual meetings, meetings for the election of new directors, or for the transaction of such other business, shall be held at the principal office and at such a time as the Board of Directors sees fit.

Section 2: Procedure – At the start of every meeting of the shareholders, those in attendance may choose persons to act as Chairman and as Secretary of the meeting. The President of the corporation shall then make a report to the shareholders regarding the

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MESA VERDE: COMMUNITY SERVICE

For decades, Mesa Verde Bank and Trust has been dedicated to serving its community in any way it can. Volunteering is a key component of Mesa Verde's corporate culture. In 1990, we established a formal Community Service Committee to organize our community service efforts. Our employees enjoy a unique opportunity to participate in local community service efforts. In 2001, Mesa Verde supported many honorable organizations such as the Giving Tree Network, Green Clean Earth, Happy Heart Home, and the Association for Family Wellness.

With the official announcement of our new branch at 1261 Rosella Dr. we are pleased to report that we have already formed several partnerships with local foundations including the Arizona Heart and Health Association and Scotts' Tots.

"As we prepare for our upcoming expansion, one of our foremost considerations is the community we will be joining. As Chairperson of the Community Service Committee, I see firsthand how inspiring our employees find their volunteer experiences. We are all lucky to work for a company that encourages these kinds of activities as part of its corporate culture. It forms a camaraderie amongst the employees and fosters support from the community."

-- Paige Novick
General Counsel
Chairperson of the Community Service Committee

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J. Nico
Nico Architects
801 Muscovy Ave.
Albuquerque, NM

RE: Construction Document Submittal Requirements for Building Permits for Mesa Verde Bank and Trust Branch at 1261 Rosella Dr. Scottsdale, AZ

The Development Review Board has approved the above referenced project. For your use, we have enclosed the following forms:

- Approved Stipulations/Ordinance Requirements
- Fire Ordinance Requirements
- Site Plan with Fire Dept. Requirements Notations
- Construction Document Submittal Requirements

Please don't hesitate to contact my office if you have any further questions. We look forward to welcoming you to the Arizona business community.

Sincerely,

A handwritten signature in black ink, appearing to read "B. Rogers".

B. Rogers
City Planner
BRogers@scottsdaleAZ.gov



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Nico Architects
801 Muscovy Ave.
Albuquerque, NM

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1261 ROSELLA DR.
SCOTTSDALE, ARIZONA 85262

FIRE ORDINANCE REQUIREMENTS

(To incorporate into building plans as general note block)

1. Premises identification must be reasonably legible from the street or drive & must be on all plans and signs
2. City ordinances require fire lanes to be clearly marked and emergency exits to be visible and accessible
3. It is the developer's responsibility to adhere with the Fair Housing Amendments Act & Americans with Disabilities Act & incorporate such requirements into their official building plans
4. Developers must submit plans & specifications for automatic fire extinguishing systems for all cooking appliances, hood plenums & exhaust ducts.
5. All property owners must install a cabinet adjacent to the fire sprinkler riser. It shall be of adequate size to accommodate both the fire sprinkler & fire alarm control panel
6. Developer must submit plans for fire alarm systems that adhere to Scottsdale's revised codes
7. Commercial buildings must provide interior tenant notification when off-site monitoring is required
8. Buildings may be subject to installation and testing requirements for a public safety radio amplification system
9. Backflow prevention will be required on a vertical riser for class 1 & 2 fire sprinkler systems
10. Developers must provide all weather access roads (min. 16") for all buildings & hydrants during construction.
11. Developers are responsible for staying current with local ordinances pertaining to mandatory numbers of fire hydrants required for your building. Developers shall be responsible for having hydrants installed & operable prior to the footing inspection



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G. Culler
Great Scottsdale
118 Brighton Ave.
Scottsdale, AZ 85262

Dear Mr. Culler,

Please be advised that Mesa Verde Bank and Trust hereby authorizes your firm, Great Scottsdale, to act on behalf of Mesa Verde for all matters relating to the perimeter building lighting for our proposed new office at 1261 Rosella Dr. including the submission and presentation of our proposed plans as required by the City of Scottsdale.

If you have any questions, please do not hesitate to call me. Thank you for your assistance.

Sincerely,

Paige Novick
Mesa Verde Bank and Trust
General Counsel



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Great Scottsdale
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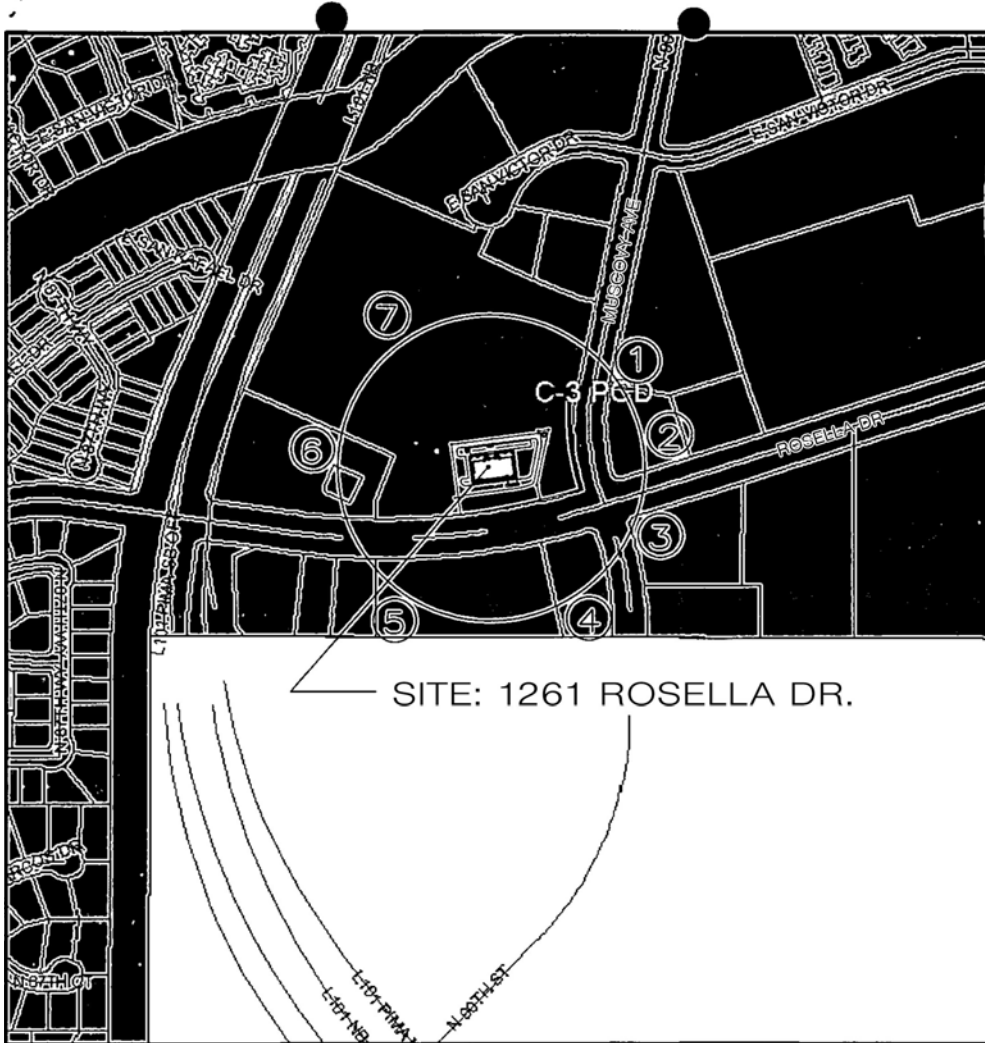
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SITE: 1261 ROSELLA DR.

1
A-MV.1

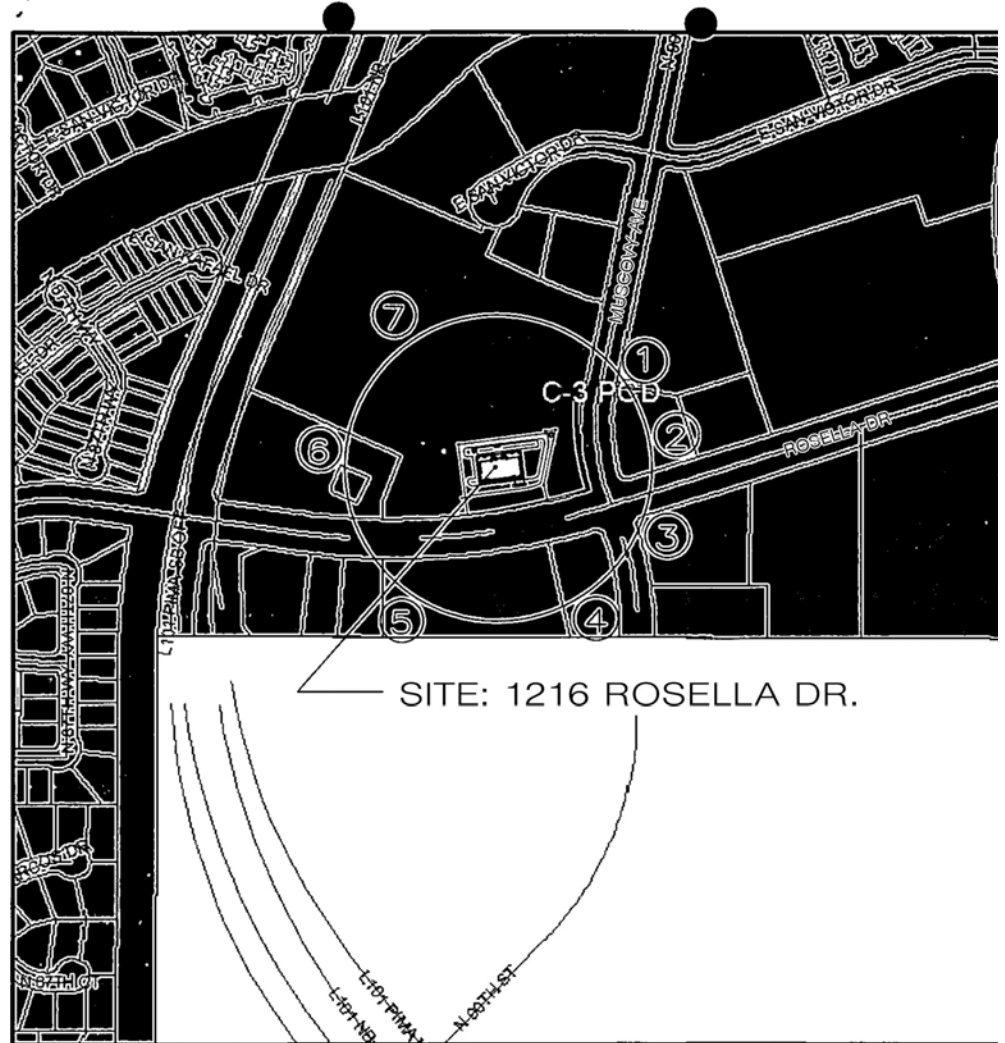
NEIGHBORHOOD CONTACT MAP

1"=300'

0 150' 300'



	PROJECT TITLE	Mesa Verde 1261 ROSELLA DR.	DATE	03-11-02	DRAWING NO	A-MV.1
	DRAWING TITLE	NEIGHBORHOOD CONTACT MAP SCALE = 1" = 300'	DWG REF	MV-SSK DWG	CAD FILE	



SITE: 1216 ROSELLA DR.

1
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Mr. Kevin Wachtell
Mesa Verde Bank and Trust
1521 Randall St.
Albuquerque, NM 87112

Dear Mr. Wachtell,

Pursuant to our engagement letter, JB Consulting, Inc. (JB Consulting) has prepared an independent market analysis for your prospective new branch at 1261 Rosella Dr. in Scottsdale, Arizona. This analysis includes an economic and demographic analysis, demand projections and projections of the branch's projected financial performance. The attached report explains the methods used to develop the estimates and discusses the result of the analysis.

We have enjoyed serving you on this engagement and look forward to providing you with continuing service.

Sincerely,

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Neighborhood Involvement Report

The enclosed Neighborhood Involvement Report provides documentation of how Scottsdale residents were notified of our application for a conditional use permit for the renovation of a new Mesa Verde branch in the PRC zoning district located on the corner of Rosella Dr. and Muscovy Ave. at 1261 Rosella Dr.

Neighborhood involvement was solicited through the US mail. In addition, we reached out to homeowners associations and registered neighborhood groups within the area. For your reference we have included those names, addresses and parcel numbers on the attached "Property Owners List."

At this time, no citizen has raised any concern or issue, and there have been no community meetings held regarding our impending project.

Sincerely,

Paige Novick
Mesa Verde Bank and Trust
General Counsel



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NOTICE OF INTENT

With this notice, the Board of Directors at Mesa Verde Bank and Trust hereby file intent to open a de novo branch at 1261 Rosella Dr. Scottsdale, AZ 85262 and promise to abide by Arizona's laws as long as said branch is in operation.

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PARKING DEMAND STUDY

FOR

**MESA VERDE BANK AND TRUST
BRANCH ESTABLISHMENT**

AT

**1261 ROSELLA DR.
SCOTTSDALE, ARIZONA 85262**

By

**SCOTTSDALE PARKING COMMISSION
OCTOBER 2002**

PARKING DEMAND STUDY

FOR

**MESA VERDE BANK AND TRUST
BRANCH ESTABLISHMENT**

AT

**1216 ROSELLA DR.
SCOTTSDALE, ARIZONA 85262**

By

**SCOTTSDALE PARKING COMMISSION
OCTOBER 2002**

NOTICE OF FILING AN APPLICATION FOR BRANCH OFFICE

Notice is hereby given that Mesa Verde Bank and Trust headquartered at 1520 Randall St. Albuquerque, New Mexico has applied to the New Mexico Department of Financial Institutions and the Federal Deposit Insurance Corporation for its written consent to establish a branch office at 1261 Rosella Dr. Scottsdale, Arizona 85262.

Any person wishing to comment on this application may file his or her comments in writing with the New Mexico Department of Financial Institutions no later than 15 days after the date of this publication. The non-confidential portions of the application are on file in the regional office and are available for public inspection during regular business hours. Photocopies of the non-confidential portion of the application file will be made available upon request.

Legal No. 71758 published in The Scottsdale Republic and The Albuquerque Journal.

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REAL ESTATE PURCHASE AND SALE CONTRACT

1. PARTIES: This Real Estate Purchase and Sale Contract (the "Contract") is entered into by and between the Federal Deposit Insurance Corporation (the "FDIC") as Receiver for Barklee Holdings, LLC in its corporate capacity ("Seller") and Mesa Verde Bank and Trust, a New Mexico State Bank ("Purchaser").
2. PROPERTY: The lot of land at 1261 Rosella Dr. Scottsdale, AZ 85262 including all buildings and other improvements situated thereon, all fixtures and other property affixed thereto, and all the rights and appurtenances pertaining to the property, including any right, title and interest of Seller in and to adjacent streets or alleys (collectively, the "Property").
3. PURCHASE PRICE: Seller agrees to accept payment in the amount of NINE HUNDRED AND FIFTY FOUR THOUSAND, THREE HUNDRED FORTY DOLLARS (\$954,340), which shall be paid by wired funds, cashier's or certified check at closing.
4. SURVEY: Seller has no obligation to provide Purchaser with a survey of the Property. However, if Seller has a prior survey of the Property in its possession, it will provide a copy to the Purchaser upon request. Purchaser may elect to purchase a current survey of the Property at its own expense.
6. TITLE COMMITMENT AND TITLE POLICY:
 - (a) As soon as practicable after the effective date of this agreement, Seller will provide Purchaser with a commitment for title insurance covering the Property ("Title Commitment") from a title insurance company selected by Seller. At the time of closing, Seller will cause the Title Company to issue to Purchaser an owner's policy of title insurance in the full amount of the Purchase Price.
 - (b) Purchaser will have five (5) days from receipt of the Title Commitment to make written objections, as long as they substantially and negatively affect title to the Property. After the objection period has ended, and no objections have been made, Purchaser will be considered to have waived its rights to object and must accept the title to the property as is. If, however, Purchaser timely delivers such

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