

Application for Recognition of Exemption

Under Section 501(c)(3) of the Internal Revenue Code

OMB No. 1545-0056
 If exempt status is approved, this application will be open for public inspection.

Read the instructions for each Part carefully.

A User Fee must be attached to this application.

If the required information and appropriate documents are not submitted along with Form 8718 (with payment of the appropriate user fee), the application may be returned to you.

Complete the Procedural Checklist on page 7 of the instructions.

Part I Identification of Applicant

1a Full name of organization (as shown in organizing document) Artesia MainStreet, Inc.		2 Employer identification number (EIN) (If none, see page 2 of the instructions.) 85-0448090	
1b c/o Name (if applicable)		3 Name and telephone number of person to be contacted if additional information is needed Dennis G. Kinsey (505) 748-4412	
1c Address (number and street) 105 South Fourth Street	Room/Suite	4 Month the annual accounting period ends December	
1d City or town, state, and ZIP code Artesia, NM 88210		8 8 2 1 0 - - - -	
5 Date incorporated or formed 11/24/97	6 Activity codes (See page 3 of the instructions.) 119 402 149	7 Check here if applying under section: a <input type="checkbox"/> 501(e) b <input type="checkbox"/> 501(f) c <input type="checkbox"/> 501(k)	
8 Did the organization previously apply for recognition of exemption under this Code section or under any other section of the Code? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes," attach an explanation.			
9 Is the organization required to file Form 990 (or Form 990-EZ)? <input type="checkbox"/> N/A <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach an explanation (see page 3 of the Specific Instructions).			
10 Has the organization filed Federal income tax returns or exempt organization information returns? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes," state the form numbers, years filed, and Internal Revenue office where filed.			

11 Check the box for the type of organization. ATTACH A CONFORMED COPY OF THE CORRESPONDING ORGANIZING DOCUMENTS TO THE APPLICATION BEFORE MAILING. (See **Specific Instructions for Part I, Line 11**, on page 3.) **Get Pub. 557, Tax-Exempt Status for Your Organization**, for examples of organizational documents.)

a Corporation- Attach a copy of the Articles of Incorporation (including amendments and restatements) showing approval by the appropriate state official; also include a copy of the bylaws.

b Trust- Attach a copy of the Trust Indenture or Agreement, including all appropriate signatures and dates.

c Association- Attach a copy of the Articles of Association, Constitution, or other creating document, with a declaration (see instructions) or other evidence the organization was formed by adoption of the document by more than one person; also include a copy of the bylaws.

If the organization is a corporation or an unincorporated association that has not yet adopted bylaws, check here

I declare under the penalties of perjury that I am authorized to sign this application on behalf of the above organization and that I have examined this application, including the accompanying schedules and attachments, and to the best of my knowledge it is true, correct, and complete.

Please Sign Here _____ **President** _____ **JUN 03 1998** _____
 (Signature) (Title or authority of signer) (Date)

For Paperwork Reduction Act Notice, see page 1 of the instructions.

Part II Activities and Operational Information

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- 1 Provide a detailed narrative description of all the activities of the organization - past, present, and planned. **Do not merely refer to or repeat the language in the organizational document.** List each activity separately in the order of importance based on the relative time and other resources devoted to the activity. Indicate the percentage of time for each activity. Each description should include, as a minimum, the following: **(a)** a detailed description of the activity including its purpose and how each activity furthers your exempt purpose; **(b)** when the activity was or will be initiated; and **(c)** where and by whom the activity will be conducted.

Please see Exhibit C.

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- 2 What are or will be the organization's sources of financial support? List in order of size.

Please see Exhibit D.

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- 3 Describe the organization's fundraising program, both actual and planned, and explain to what extent it has been put into effect. Include details of fundraising activities such as selective mailings, formation of fundraising committees, use of volunteers or professional fundraisers, etc. Attach representative copies of solicitations for financial support.

Please see Exhibit D.

Part II Activities and Operational Information (Continued)

4 Give the following information about the organization's governing body:

a Names, addresses, and titles of officers, directors, trustees, etc.

Please see Exhibit E.

b Annual compensation

NONE

c Do any of the above persons serve as members of the governing body by reason of being public officials or being appointed by public officials?

Yes No

If "Yes," name those persons and explain the basis of their selection or appointment.

d Are any members of the organization's governing body "disqualified persons" with respect to the organization (other than by reason of being a member of the governing body) or do any of the members have either a business or family relationship with "disqualified persons"? (See Specific Instructions for Part II, Line 4d, on page 3.)

Yes No

If "Yes," explain.

5 Does the organization control or is it controlled by any other organization?

Yes No

Is the organization the outgrowth of (or successor to) another organization, or does it have a special relationship with another organization by reason of interlocking directorates or other factors?

Yes No

If either of these questions is answered "Yes," explain.

6 Does or will the organization directly or indirectly engage in any of the following transactions with any political organization or other exempt organization (other than a 501(c)(3) organization): (a) grants; (b) purchases or sales of assets; (c) rental of facilities or equipment; (d) loans or loan guarantees; (e) reimbursement arrangements; (f) performance of services, membership, or fundraising solicitations; or (g) sharing of facilities, equipment, mailing lists or other assets, or paid employees?

Yes No

If "Yes," explain fully and identify the other organizations involved.

7 Is the organization financially accountable to any other organization?

Yes No

If "Yes," explain and identify the other organization. Include details concerning accountability or attach copies of reports if any have been submitted.

Please see Exhibit F.

Part II Activities and Operational Information (Continued)

8 What assets does the organization have that are used in the performance of its exempt function? (Do not include property producing investment income.) If any assets are not fully operational, explain their status, what additional steps remain to be completed, and when such final steps will be taken. If "None," indicate "N/A."

N/A

9 Will the organization be the beneficiary of tax-exempt bond financing within the next 2 years? Yes No

10a Will any of the organization's facilities or operations be managed by another organization or individual under a contractual agreement? Yes No

b Is the organization a party to any leases? Yes No

If either of these questions is answered "Yes," attach a copy of the contracts and explain the relationship between the applicant and the other parties.

11 Is the organization a membership organization? Yes No

If "Yes," complete the following:

a Describe the organization's membership requirements and attach a schedule of membership fees and dues. Membership is open to any individual organization or business interested in supporting the purposes of Artesia MainStreet. There is only one class of membership. Annual dues are set by the Management Committee. The membership fee is currently \$50.00 per year.

b Describe the organization's present and proposed efforts to attract members and attach a copy of any descriptive literature or promotional material used for this purpose. Artesia MainStreet attracts members through an annual membership campaign. Members are also enlisted through individual contact during the year.

c What benefits do (or will) the members receive in exchange for their payment of dues? Members receive public recognition and identification as a supporter of the Artesia MainStreet program. They also have the opportunity to participate as a volunteer on any of the Artesia MainStreet Committees.

12a If the organization provides benefits, services, or products, are the recipients required, or will they be required, to pay for them? N/A Yes No

If "Yes," explain how the charges are determined and attach a copy of the current fee schedule.

b Does or will the organization limit its benefits, services, or products to specific individuals or classes of individuals? N/A Yes No

If "Yes," explain how the recipients or beneficiaries are or will be selected. Artesia MainStreet's design assistance and Downtown Restoration Loan programs will be restricted to business and property owners located the Artesia MainStreet program area.

13 Does or will the organization attempt to influence legislation? Yes No

If "Yes," explain. Also, give an estimate of the percentage of the organization's time and funds that it devotes or plans to devote to this activity.

14 Does or will the organization intervene in any way in political campaigns, including the publication or distribution of statements? Yes No

If "Yes," explain fully.

Part III Technical Requirements

1 Are you filing Form 1023 within 15 months from the end of the month in which your organization was created or formed? [X] Yes [] No
If you answer "Yes," do not answer questions on lines 2 through 7 below.

2 If one of the exceptions to the 15-month filing requirement shown below applies, check the appropriate box and proceed to question 8.

Exceptions - You are not required to file an exemption application within 15 months if the organization:

- [] a Is a church, interchurch organization of local units of a church, a convention or association of churches, or an integrated auxiliary of a church. See Specific Instructions, Line 2a, on page 4;
[] b Is not a private foundation and normally has gross receipts of not more than \$5,000 in each tax year; or
[] c Is a subordinate organization covered by a group exemption letter, but only if the parent or supervisory organization timely submitted a notice covering the subordinate.

3 If the organization does not meet any of the exceptions on line 2 above, are you filing Form 1023 within 27 months from the end of the month in which the organization was created or formed? [] Yes [] No

If "Yes," your organization qualifies under section 4.01 of Rev. Proc. 92-85, 1992-2 C.B. 490, for an automatic 12-month extension of the 15-month filing requirement. Do not answer questions 4 through 7.

If "No," answer question 4.

4 If you answer "No" to question 3, has the organization been contacted by the IRS regarding its failure to file Form 1023 within 27 months from the end of the month in which the organization was created or formed? [] Yes [] No

If "No," your organization is requesting an extension of time to apply under the "reasonable action and good faith" requirements of section 5.01 of Rev. Proc. 92-85. Do not answer questions 5 through 7.

If "Yes," answer question 5.

5 If you answer "Yes" to question 4, does the organization wish to request relief from the 15-month filing requirement? [] Yes [] No

If "Yes," give the reasons for not filing this application prior to being contacted by the IRS. See Specific Instructions, Line 5, on page 4 before completing this item. Do not answer questions 6 and 7.

If "No," answer question 6.

6 If you answer "No" to question 5, your organization's qualification as a section 501(c)(3) organization can be recognized only from the date this application is filed with your key District Director. Therefore, do you want us to consider the application as a request for recognition of exemption as a section 501(c)(3) organization from the date the application is received and not retroactively to the date the organization was created or formed? [] Yes [] No

7 If you answer "Yes" to question 6 above and wish to request recognition of section 501(c)(4) status for the period beginning with the date the organization was formed and ending with the date the Form 1023 application was received (the effective date of the organization's section 501(c)(3) status), check here [] and attach a completed page of Form 1024 to this application.

Part III Technical Requirements (Continued)**8** Is the organization a private foundation? **Yes** (Answer question 9.) **No** (Answer question 10 and proceed as instructed.)**9** If you answer "Yes" to question 8, does the organization claim to be a private operating foundation? **Yes** (Complete Schedule E.) **No**

After answering question 9 on this line, go to line 15 on page 7.

10 If you answer "No" to question 8, indicate the public charity classification the organization is requesting by checking the box below that most appropriately applies:**THE ORGANIZATION IS NOT A PRIVATE FOUNDATION BECAUSE IT QUALIFIES:**

- | | | |
|----------|--|--|
| a | <input type="checkbox"/> As a church or a convention or association of churches
(CHURCHES MUST COMPLETE SCHEDULE A.) | Sections 509(a)(1)
and 170(b)(1)(A)(i) |
| b | <input type="checkbox"/> As a school (MUST COMPLETE SCHEDULE B.) | Sections 509(a)(1)
and 170(b)(1)(A)(ii) |
| c | <input type="checkbox"/> As a hospital or a cooperative hospital service organization, or a medical research organization operated in conjunction with a hospital (MUST COMPLETE SCHEDULE C.) | Sections 509(a)(1)
and 170(b)(1)(A)(iii) |
| d | <input type="checkbox"/> As a governmental unit described in section 170(c)(1). | Sections 509(a)(1)
and 170(b)(1)(A)(v) |
| e | <input type="checkbox"/> As being operated solely for the benefit of, or in connection with, one or more of the organizations described in a through d, g, h, or i (MUST COMPLETE SCHEDULE D.) | Section 509(a)(3) |
| f | <input type="checkbox"/> As being organized and operated exclusively for testing for public safety. | Section 509(a)(4) |
| g | <input type="checkbox"/> As being operated for the benefit of a college or university that is owned or operated by a governmental unit. | Sections 509(a)(1)
and 170(b)(1)(A)(iv) |
| h | <input checked="" type="checkbox"/> As receiving a substantial part of its support in the form of contributions from publicly supported organizations, from a governmental unit, or from the general public. | Sections 509(a)(1)
and 170(b)(1)(A)(vi) |
| i | <input type="checkbox"/> As normally receiving not more than one-third of its support from gross investment income and more than one-third of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions (subject to certain exceptions). | Section 509(a)(2) |
| j | <input type="checkbox"/> The organization is a publicly supported organization but is not sure whether it meets the public support test of block h or block i. The organization would like the IRS to decide the proper classification. | Sections 509(a)(1)
and 170(b)(1)(A)(vi)
or Section 509(a)(2) |

If you checked one of the boxes a through f in question 10, go to question 15.

If you checked box g in question 10, go to questions 12 and 13.

If you checked box h, i, or j, in question 10, go to question 11.

Part III Technical Requirements (Continued)

- 11** If you checked box h, i, or j on line 10, has the organization completed a tax year of at least 8 months?
 Yes - Indicate whether you are requesting:
 A definitive ruling (Answer questions on lines 12 through 15.)
 An advance ruling (Answer questions on lines 12 and 15 and attach two Forms 872-C completed and signed.)
 No - You must request an advance ruling by completing and signing two Forms 872-C and attaching them to the application.
- 12** If the organization received any unusual grants during any of the tax years shown in Part IV-A, attach a list for each year showing the name of the contributor; the date and the amount of the grant; and a brief description of the nature of the grant.

N/A

- 13** If you are requesting a definitive ruling under section 170(b)(1)(A)(iv) or (vi), check here and:
a Enter 2% of line 8, column (e), Total, of Part IV-A
b Attach a list showing the name and amount contributed by each person (other than a governmental unit or "publicly supported" organization) whose total gifts, grants, contributions, etc., were more than the amount entered on line 13a above.
- 14** If you are requesting a definitive ruling under section 509(a)(2), check here and:
a For each of the years included on lines 1, 2, and 9 of Part IV-A, attach a list showing the name of and amount received from each "disqualified person." (For a definition of "disqualified person," see **Specific Instructions**, Part II, Line 4d, on page 3.)
b For each of the years included on line 9 of Part IV-A, attach a list showing the name of and amount received from each payer (other than a "disqualified person") whose payments to the organization were more than \$5,000. For this purpose, "payer" includes, but is not limited to, any organization described in sections 170(b)(1)(A)(i) through (vi) and any governmental agency or bureau.

15 Indicate if your organization is one of the following. If so, complete the required schedule. (Submit only those schedules that apply to your organization. Do not submit blank schedules.)	Yes	No	If "Yes," complete Schedule:
Is the organization a church?		X	A
Is the organization, or any part of it, a school?		X	B
Is the organization, or any part of it, a hospital or medical research organization?		X	C
Is the organization a section 509(a)(3) supporting organization?		X	D
Is the organization a private operating foundation?		X	E
Is the organization, or any part of it, a home for the aged or handicapped?		X	F
Is the organization, or any part of it, a child care organization?		X	G
Does the organization provide or administer any scholarship benefits, student aid, etc.?		X	H
Has the organization taken over, or will it take over, the facilities of a "for profit" institution?		X	I

Part IV Financial Data Please see Exhibit G.

Complete the financial statements for the current year and for each of the 3 years immediately before it. If in existence less than 4 years, complete the statements for each year in existence. If in existence less than 1 year, also provide proposed budgets for the 2 years following the current year.

A. Statement of Revenue and Expenses

	Current tax year	3 prior tax years or proposed budget for 2 years			(e) TOTAL
	(a) From _____ to _____	(b) 19 _____	(c) 19 _____	(d) 19 _____	
Revenue					
1 Gifts, grants, and contributions received (not including unusual grants - see pages 5 and 6 of the instructions)					
2 Membership fees received					
3 Gross investment income (see instructions for definition)					
4 Net income from organization's unrelated business activities not included on line 3					
5 Tax revenues levied for and either paid to or spent on behalf of the organization					
6 Value of services or facilities furnished by a governmental unit to the organization without charge (not including the value of services or facilities generally furnished the public without charge)					
7 Other income (not including gain or loss from sale of capital assets) (attach schedule)					
8 Total (add lines 1 through 7)					
9 Gross receipts from admissions, sales of merchandise or services, or furnishing of facilities in any activity that is not an unrelated business within the meaning of section 513. Include related cost of sales on line 22.					
10 Total (add lines 8 and 9)					
11 Gain or loss from sale of capital assets (attach schedule)					
12 Unusual grants					
13 Total revenue (add lines 10 through 12)					
Expenses					
14 Fundraising expenses					
15 Contributions, gifts, grants, and similar amounts paid (attach schedule)					
16 Disbursements to or for benefit of members (attach schedule)					
17 Compensation of officers, directors, and trustees (attach schedule)					
18 Other salaries and wages					
19 Interest					
20 Occupancy (rent, utilities, etc.)					
21 Depreciation and depletion					
22 Other (attach schedule)					
23 Total expenses (add lines 14 through 22)					
24 Excess of revenue over expenses (line 13 minus line 23)					

Part IV Financial Data (Continued)

B. Balance Sheet (at the end of the period shown)

Current tax year
Date **5/31/98**

Assets

1 Cash	1	63.00
2 Accounts receivable, net	2	0
3 Inventories	3	0
4 Bonds and notes receivable (attach schedule)	4	0
5 Corporate stocks (attach schedule)	5	0
6 Mortgage loans (attach schedule)	6	0
7 Other investments (attach schedule)	7	0
8 Depreciable and depletable assets (attach schedule)	8	0
9 Land	9	0
10 Other assets (attach schedule)	10	0
11 Total assets (add lines 1 through 10)	11	63.00

Liabilities

12 Accounts payable	12	0
13 Contributions, gifts, grants, etc., payable	13	0
14 Mortgages and notes payable (attach schedule)	14	0
15 Other liabilities (attach schedule)	15	0
16 Total liabilities (add lines 12 through 15)	16	0

Fund Balances or Net Assets

17 Total fund balances or net assets	17	63.00
18 Total liabilities and fund balances or net assets (add line 16 and line 17)	18	63.00

If there has been any substantial change in any aspect of the organization's financial activities since the end of the period shown above, check the box and attach a detailed explanation

EXHIBIT C

Description of Activities and Operational Information
(Answer to Form 1023, Part II, Question 1)

EXHIBIT C
Purposes and Activities

Part II

Answer to Question 1.

I. Introduction

Artesia MainStreet was created in the fall of 1997 by town leaders in Artesia, New Mexico for the purpose of preserving the historic and traditional character of Artesia's downtown as a healthy and vital center of economic and social activity. Artesia MainStreet, Inc. was incorporated in the state of New Mexico on November 24, 1997, as a non-profit corporation. Artesia MainStreet's formation was aided by the New Mexico Main Street program, of which it has also become a member. New Mexico Main Street is affiliated with the National Trust for Historic Preservation's National Main Street Program. The foundation of the Main Street program is the preservation of and the management of change in the built environment.

Artesia MainStreet, Inc. is committed to sponsoring programs and activities which fulfill four charitable purposes: (1) historic preservation, (2) community education, (3) lessening the burdens of local government, and (4) combatting community deterioration.

Historic Preservation

Artesia MainStreet is dedicated to preservation of the historic and traditional character and integrity of downtown Artesia's commercial district., which includes several buildings which are listed in the National Register of Historic Places. Artesia MainStreet's program will facilitate historic preservation by: (1) providing design assistance, free of charge, to building owners seeking approval for historic preservation registry and historic preservation tax credits by serving as a liaison to property owners through Artesia MainStreet's affiliation with the New Mexico Main Street program's architectural staff, (2) encouraging property owners to register eligible buildings in the National Register of Historic Places and helping property owners understand and comply with federal historic preservation guidelines, (3) providing property owners with information regarding the original construction, appearance and history of buildings in the downtown area, and (4) providing assistance to property owners, free of charge, seeking advice on issues such as appropriate exterior materials, paint schemes, signs, and awnings. These programs will encourage the creation of a streetscape which is compatible with Artesia's historic downtown and encourage higher standards for the maintenance of historic buildings. See Rev. Rul. 75-470, 1975-2 C.B. 207 (organization formed to promote an appreciation of history through acquisition, restoration and preservation of homes, churches and public buildings having special historic and architectural significance combats community deterioration and educates the public).

Artesia MainStreet intends to work with local banks to establish a revolving low interest loan program for exterior improvements. This program will offer local property owners in the program area low interest loans for exterior improvements such as awnings, painting, and storefront modifications. Merchants and property owners interested in this program will first consult with Artesia MainStreet, who will then refer the request to an architect from the New Mexico Main Street office. The architect will take pictures of the building and create a computer rendition with several design recommendations that are compatible with the historic character of downtown Artesia. The architect will consult with the New Mexico Historic Preservation Division before finalizing design recommendations for any building with historic character. For buildings that are listed in the National Register of Historic Places, the architect will ensure that any exterior improvements comply with the Secretary of the Interior's Standards for Rehabilitation. See Rev. Rul. 86-49, 1986-1 C.B. 243 (organization that sets up revolving fund to acquire and/or restore historic properties was exempt under section 501(c)(3)).

Lessening the Burden of Local Government/Combatting Community Deterioration

Artesia MainStreet lessens the burdens of local government and combats community deterioration by improving public spaces and contributing to the development and revitalization of the town as a whole. Artesia MainStreet's activities include designing a streetscape plan for downtown Artesia, working with the City of Artesia to make more city owned parking available for use by the general public, installing holiday light fixtures, and undertaking beautification projects, all of which will lessen the local government's burden and combat community deterioration.

Shortly after its inception, Artesia MainStreet initiated a study for a streetscape project in the downtown area. The study concluded that the streetscape project should be subdivided into several phases. These would be concentrated on downtown Main Street and the two adjacent streets bordering Main Street to the north and south, Texas Street and Quay Street. In addition, the entrance to these streets off of U.S. Highway 285 was targeted as another subdivision of the streetscape project. The New Mexico State Highway and Transportation Department was subsequently contacted regarding coordination of the Artesia streetscape project with a highway construction project currently in process on U.S. Highway 285. The New Mexico State Highway and Transportation Department was receptive to coordinating its construction project with the streetscape plan envisioned by the Artesia MainStreet planners. A landscape architectural firm, Morrow & Company, Ltd., has been engaged to provide consultation services to Artesia MainStreet for the streetscape projects. In addition, architects provided by the New Mexico Main Street program are assisting in the project planning. Preliminary concept sketches have been drawn and detailed planning is in process. Investigation is being conducted in order to determine the possibility of acquiring the abandoned railroad depot which is located on the east side of U.S. Highway 285 at the end of Texas Street. Architect's concept sketches have illustrated the effect of renovating the depot and extending the streetscape project across U.S. Highway 285 to draw attention into the entrances to Artesia's downtown area. The U.S. Highway 285 streetscape project was

presented to the Artesia City Counsel on January 27, 1998, and a concept resolution was passed endorsing the project. In addition, the Artesia City Counsel resolution agreed to submit a grant application in the amount of \$1,204,000 to the New Mexico State Highway and Transportation Department under the Intermodal Surface and Transportation Efficiency Act ("ISTEA") for the U.S. Highway 285 streetscape project. Artesia MainStreet's Design Committee chairman Sheree Bolton and Artesia Clean and Beautiful executive director Valerie Turnbow, were appointed by the City of Artesia as its representatives to prepare and submit the grant application. As a condition of the ISTEA grant, the City of Artesia must commit to provide 25% matching funds and agree to fund the on-going maintenance costs associated with the project. Artesia MainStreet and Artesia Clean and Beautiful will serve as the lead organizations to raise the 25% matching funds from private sources within the community, thereby defraying that burden of the City of Artesia. In addition, Artesia MainStreet and Artesia Clean and Beautiful would provide the labor required to maintain the on-going maintenance associated with the project. See Rev. Rul. 67-391, 1967-2, C.B. 190 (organization which helps to eliminate blight and prevent future deterioration by developing and disseminating land-use plan for a particular urban area serves a public charitable purpose and is exempt under 501(c)(3)).

Artesia MainStreet has recently been in discussions with the local U.S. Post Office regarding its stated intention to move from the building it now occupies adjacent to the downtown area which has become too small for its needs. Artesia MainStreet planners feel that retaining the U.S. Post Office in the downtown area is vital to preservation of the downtown commercial core. Artesia MainStreet is presently working with the local Postmaster to locate a suitable site adjacent to the downtown area upon which the U.S. Post Office can construct a new building. A vacant property has been identified as a potential site for the new U.S. Post Office and Artesia MainStreet is presently attempting to facilitate discussions between the property owner and the local Postmaster. See Rev. Rul. 68-15, 1968-1 C.B. 244 (organization that, among other things, provided counseling on best use of vacant lots educated the public and combatted community deterioration).

Public Education

Artesia MainStreet's program activities depend heavily upon obtaining community support in favor of preservation of the downtown commercial core. Accordingly, Artesia MainStreet has organized and conducted several special events in the downtown area around community related themes. The purpose of these events was to bring public awareness to the Artesia MainStreet organization and its programs as well as to encourage the use of the downtown area as a place for the community to gather, thereby fostering a spirit of unity and community pride.

Artesia MainStreet held its first activity in September 1997. The activity was a "Back to School Celebration" at which the entire community was invited to attend a downtown celebration to welcome back students and teachers in the Artesia public school system. Free food, drinks and two live bands were provided at the Heritage Walkway and on a temporarily closed portion of Fourth Street, adjacent to the downtown area.

Approximately 2,000 people attended the event. Student athletes signed autographs in the tailgate party atmosphere. The purpose of the Back to School Celebration was to bring recognition to our community's students and teachers and to make the community aware of Artesia MainStreet as an organization and the importance of the downtown area to the community as a place of value worth preserving and improving.

In October 1997, Artesia MainStreet coordinated with the Artesia High School planners for the annual Homecoming Parade. Following the parade, which lasted over 45 minutes, Artesia MainStreet provided food and drinks accompanied by 1950's music on a temporarily roped-off section of the downtown area. The theme for homecoming was "The 1950's", in honor of Artesia High School's first State Football Championship title which occurred in 1957. Dress contests, dancing and music as well as photographs and period stories in the local news media all helped promote Artesia MainStreet's goal of educating local citizens concerning the history of Artesia and its tradition of community pride. All of the post homecoming parade activities were planned and coordinated by Artesia MainStreet.

On December 4, 1997, Artesia MainStreet worked with the Artesia Chamber of Commerce and the Central Park Committee to coordinate the "Christmas Celebration in Central Park". The Artesia MainStreet Promotion Committee contacted downtown merchants to enlist their participation in a downtown Christmas lighting and window decoration contest. Artesia MainStreet also coordinated with the City of Artesia and provided volunteer assistance for the Christmas lighting decorations in the downtown area. Downtown merchants were encouraged to keep their stores open into the evening hours and the community was encouraged, through the local media, to visit the downtown area and cast their vote for the best decorated store. Artesia MainStreet assisted in soliciting donations of Christmas lights from downtown merchants and citizens in the community to be used in decorating Central Park, which is located near the downtown area. Artesia MainStreet also provided a Santa Claus who was present in the downtown area during the activities and on Saturdays prior to Christmas. Artesia MainStreet's purpose in participation was to further educate the community in the value of downtown Artesia as a gathering place and to enhance the economic vitality of the downtown area, thereby preventing community deterioration. The downtown merchant's store window decoration contest also drew community attention to buildings in the downtown area and fostered a sense of awareness for needed improvements in some cases and recognition of accomplishments in others.

Artesia MainStreet will continue to sponsor events and programs that highlight the unique architectural character of downtown Artesia and encourage greater public appreciation of the existing historic area. To generate public interest in these events, Artesia MainStreet volunteers will make presentations at various community organizations on the history of Artesia and Artesia MainStreet's role in preserving Artesia's traditional downtown. In addition, Artesia MainStreet intends to sponsor seminars and training programs on a variety of topics such as window display design, merchandizing, customer service and techniques for promoting the historic downtown area, and state and federal

historic tax credits. See Rev. Rul. 74-16, 1974-1 C.B. 126 (organization that conducts seminars and training programs on the subject of managing credit unions is a Section 501(c)(3) educational organization).

Accordingly, Artesia MainStreet, Inc. qualifies for Section 501(c)(3) tax exemption.

EXHIBIT D

Sources of Financial Support and Fundraising Program
(Answer to Form 1023, Part II, Questions 2 and 3)

EXHIBIT D

Part II.

Question 2.

Artesia MainStreet's present sources of financial support are as follows:

a. Grant from a 509(a)(1) public charity for the following active projects:

(i) Master Streetscape Plan	\$15,871.95
(ii) U.S. Highway 285 Transportation Enhancement ISTEAs grant application	<u>4,761.59</u>
Total indirect public support	\$20,633.54

b. Direct public contributions and donations 3,000.00

c. Raffels ticket sales 240.00

Artesia MainStreet's sources of financial support are anticipated to increase significantly for the remainder of 1998 and years following. As its projects gain momentum it will become necessary to seek grants from public charities. Artesia MainStreet intends to amend its bylaw to provide for memberships which will also provide an additional source of funds.

Question 3.

Since its inception on November 24, 1997, Artesia MainStreet's fund raising activities have consisted of personal calls on individuals and businesses made by Artesia MainStreet volunteers to request donations for specific community events it sponsored. The Master Streetscape Plan and the U.S. Highway 285 ISTEAs Transportation Enhancement grant application have been funded through a grant from Greater Artesia Foundation which is a 501(c)(3) organization qualified under IRS Code Section 509(a)(1) as a public charity. The grant was made pursuant to a grant agreement which contains provisions to insure that Greater Artesia Foundation retains discretionary control over the grant funds in compliance with the requirements of Rev. Rul. 68-489. Artesia MainStreet's bylaws provide for a fund raising committee and a fund raising committee chairman has been appointed. The fund raising committee's responsibilities include conducting fund raising drives to cover the organization's operating budget for the year. It is anticipated that one fund raising drive will be conducted each year. Unbudgeted projects which may arise during the year, depending upon the nature and size of the project, may require additional fund raising efforts. Artesia MainStreet will also seek grants from other public charities from time to time. For larger public works projects such as infrastructure improvements to city sidewalks, streetscapes, bicycle paths, lighting fixtures, parking lot improvements, etc. Artesia MainStreet will coordinate with the City of Artesia by defining and developing plans and support for public works projects, assisting the City in locating funds from other governmental units, assisting with negotiating and drafting joint powers agreements and assisting the City in the oversight of project construction.

EXHIBIT E

Officers and Directors
(Answer to Form 1023, Part II, Question 4)

EXHIBIT E

Officers

Peyton Yates, President
P.O. Box 1344
Artesia, New Mexico 88211-1344

Jeffery Bowman, Vice President
611 W. Mahone, Suite E
Artesia, New Mexico 88210

Dennis Kinsey, Secretary-Treasurer
P.O. Box 473
Artesia, New Mexico 88211-0473

EXHIBIT E

Board of Directors

Peyton Yates, Director
P.O. Box 1344
Artesia, New Mexico 88211-1344

Johnny Knorr, Director
P.O. Drawer 159
Artesia, New Mexico 88211-0159

Joaquin Lopez, Director
1302 W. Main
Artesia, New Mexico 88210

Lois Oliver, Director
210 S. Roselawn
Artesia, New Mexico 88210

Jeffery Bowman, Director
611 W. Mahone, Suite E
Artesia, New Mexico 88210

William Dampeer, Director
P.O. Drawer 500
Artesia, New Mexico 88211-0500

Mike McCloskey, Director
160 E. Jackson Road
Lake Arthur, New Mexico 88253

James Haas, Director
P.O. Box 1720
Artesia, New Mexico 88211-1720

Dennis Kinsey, Director
P.O. Box 473
Artesia, New Mexico 88211-0473

Eddie Guy, Director
101 W. Main
Artesia, New Mexico 88210

Emma Salgado, Director
1007 Yucca
Artesia, New Mexico 88210

Bill Gray, Director
P.O. Drawer 159
Artesia, New Mexico 88211-0159

Sylvia Flores, Director
1106 W. Quay
Artesia, New Mexico 88210

Jimmy Mason, Director
205 W. Main
Artesia, New Mexico 88210

Renie Moreno, Director
3904 Estates Drive
Artesia, New Mexico 88210

Johnny Gray, Director
P.O. Drawer 227
Artesia, New Mexico 88211-0227

Richard Chase, Director
505 S. Bolton Rd.
Artesia, New Mexico 88210

EXHIBIT F

Financial Accountability to Other Organizations
(Answer to Form 1023, Part II, Question 7)

EXHIBIT F

Part II.

Question 7.

Artesia MainStreet has received a grant from Greater Artesia Foundation, a 501(c)(3) organization, for the following two projects:

Master Streetscape Plan	\$15,871.95
U.S. Highway 285 Transportation Enhancement ISTEA grant application	\$4,761.59

Artesia MainStreet is required to insure that Greater Artesia Foundation retains discretionary control over the grant funds pursuant to Rev. Rul. 68-489. A copy of the report provided to Greater Artesia Foundation each month is attached. The schedule reflects payment which have been made to the landscape architectural firm of Morrow & Company, Ltd. for progress work under letter agreements for the above two projects. Copies of letter agreements between Morrow & Company, Ltd. and Artesia MainStreet for the above projects are attached as Exhibit F. A copy of the grant letter agreement between Greater Artesia Foundation and Artesia MainStreet dated February 10, 1998, is also attached as Exhibit F.

EXHIBIT F

ARTESIA MAINSTREET, INC.
105 South Fourth Street
Artesia, New Mexico 88210

February 10, 1998

Board of Directors
Greater Artesia Foundation
P.O. Box 1720
Artesia, New Mexico 88211-1720

Gentlemen:

Artesia MainStreet, Inc. was incorporated on November 24, 1997 as a New Mexico non-profit corporation. Since that time the organization has been very active in the community, sponsoring several events in order to draw attention to the downtown area as a central place for citizens to gather, socialize and express pride in their community.

In furtherance of the Artesia MainStreet Vision, Mission Statement and Goals, a copy of which has been enclosed, Artesia MainStreet has undertaken a project for the development of a Master Streetscape Plan for the downtown Artesia area. A separate but related project has also been undertaken by Artesia MainStreet, in conjunction with Artesia Clean & Beautiful and the City of Artesia. At its meeting on January 27, 1998, the Artesia City Council voted to adopt a concept resolution authorizing and appointing Artesia MainStreet and Artesia Clean & Beautiful as the City's representatives for submitting an application from the City of Artesia to the New Mexico State Highway and Transportation Department for a grant under the Intermodal Surface Transportation Efficiency Act ("ISTEA") of 1991. The grant funds would be used for land acquisition and construction in conjunction with a U.S. Highway 285 Transportation Enhancement Project in the City of Artesia.

A landscape architectural firm, Morrow & Company, Ltd., under two separate letter agreements (copies attached) has been engaged by Artesia MainStreet to provide its services in the development of a master streetscape plan and to assist Artesia MainStreet and Artesia Clean & Beautiful with the City of Artesia's application for ISTEA grant funds. Artesia MainStreet has a financial obligation to Morrow & Company, Ltd. in the amounts not to exceed \$15,871.95 and \$4,761.59 for the Master Streetscape Plan and the U.S. Highway 285 Transportation Enhancement Project ISTEA grant application, respectively.

Artesia MainStreet, Inc. is in the process of submitting Form 1023, "Application for Recognition of Exemption Under Section 501(c)(3) of the Internal Revenue Code". We have been advised, however, that it may take from six months to one year to obtain a final determination letter from the IRS once the application has been filed. Due to the time constraints related to Artesia

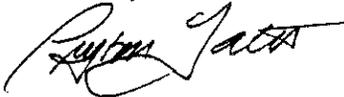
MainStreet's financial commitment to Morrow & Company, Ltd., Artesia MainStreet is hereby requesting financial assistance from Greater Artesia Foundation as follows:

Master Streetscape Plan	\$15,871.95
U.S. Highway 285 Transportation Enhancement Project ISTEA grant application	\$ 4,761.59

Artesia MainStreet will provide volunteers to raise the requested funds for Greater Artesia Foundation from the community. In addition, Artesia MainStreet will provide documentation to Greater Artesia Foundation for all expenditures under the two projects in sufficient detail to satisfy the requirements of IRS Rev. Rul. 68-489. Accordingly, Greater Artesia Foundation will have discretionary control over any funds granted to Artesia MainStreet for these projects. Although it is the opinion of Artesia MainStreet that the above projects fall within the definition of activities eligible for 501(c)(3) treatment, should the Internal Revenue Service subsequently determine otherwise, Artesia MainStreet agrees to reimburse Greater Artesia Foundation for any funds so determined by the Internal Revenue Service as being ineligible.

Please indicate Greater Artesia Foundation's acceptance of this grant request in the space provided below and return one copy to my attention. If you have questions or require additional information please contact myself or Dennis Kinsey at (505) 748-1471.

Sincerely,



Peyton Yates, President
Artesia MainStreet, Inc.

Agreed and accepted this 23rd day of February, 1998.

GREATER ARTESIA FOUNDATION
BOARD OF DIRECTORS:

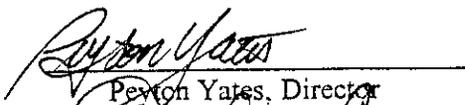
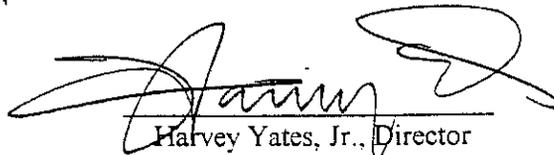
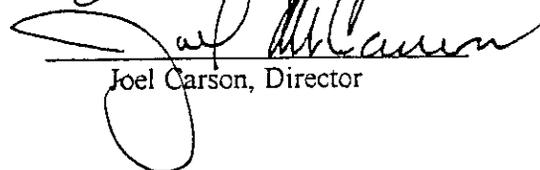
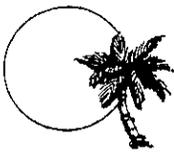

Peyton Yates, Director
Harvey Yates, Jr., Director
Joel Carson, Director

EXHIBIT F - Attachment
**ARTESIA MAINSTREET/
 GREATER ARTESIA FOUNDATION GRANT**

	Date	AMS Ck. No.	Streetscape Design Project	ISTEA Grant U.S. 285 Proj.	Total
Grant Balance - Beginning			\$15,871.95	\$4,761.59	\$20,633.54
Retainer deposit on contract	02/17/98	1002	3,703.44		3,703.44
Morrow & Company, Ltd. inv. # 43140	02/17/98	1001		2,575.56	6,279.00
Total February disbursements			\$3,703.44	\$2,575.56	\$6,279.00
Grant Balance @ 2/28/98			\$12,168.51	\$2,186.03	\$14,354.54
Morrow & Company, Ltd. invoice # 4351Q	03/11/98	1006	605.34		605.34
Morrow & Company, Ltd. invoice # 4350Q	03/11/98	1005		763.47	763.47
Total March disbursements			\$605.34	\$763.47	\$1,368.81
Grant Balance @ 3/31/98			\$11,563.17	\$1,422.56	\$12,985.73
Morrow & Company, Ltd. invoice # 4373Q	05/12/98	1010	9,858.31		9,858.31
Morrow & Company, Ltd. invoice # 4350Q	05/12/98	1011		488.72	488.72
Total April & May disbursements			\$9,858.31	\$488.72	\$10,347.03
Grant Balance @ 5/31/98			\$1,704.86	\$933.84	\$2,638.70



MORROW & COMPANY, LTD.
LANDSCAPE ARCHITECTS

505 268-2266
210 La Veta NE
Albuquerque, N.M. 87108

EXHIBIT F

February 2, 1998

Mr. Peyton Yates, President
Artesia MainStreet, Inc.
105 South Fourth Street
Artesia, New Mexico 88210

RE: REVISED PROPOSAL for landscape and site design
consultation for proposed ISTE A improvements to
US 285 (1st Street), Artesia, New Mexico

Att.: Ms. Sheree Bolton

Dear Mr. Yates:

I have certainly enjoyed my recent conversations with you and Ms. Sheree Bolton regarding proposed ISTE A (Intermodal Surface Transportation Enhancement Act) landscape and site improvements for the US 285 (1st Street) upgrade project in Artesia. As you requested, I am pleased to offer you and the Artesia Clean and Beautiful organization the following services for the preparation of an ISTE A funding request:

- 1) The provision of general consultation and conceptual streetscape design as needed for the preparation of the application for funding, including: background research; consultation with engineering firms involved with adjacent US 285 improvement projects; consultation with the New Mexico State Highway and Transportation Department (NMSHTD), the County, and/or the City of Artesia during the course of preparation of the funding application; and assisting the staff of Artesia Clean and Beautiful in the writing or editing of the application itself.
- 2) The provision of presentation assistance as needed to promote the funding request with the City of Artesia and/or other governmental entities, interested civic groups, or the reviewing agency or agencies for the funding request.
- 3) The provision of such other consultation as may be needed to complete or process the ISTE A application.

We would propose fees for the work as follows:

For the basic consultation outlined in items 1-3 above: hourly at the rates indicated in our attached Schedule of Hourly Fees, not to exceed an "upset" amount of \$4,500.00 plus tax without your written approval. If the scope of our work were to change substantially, we would appreciate the opportunity to renegotiate this upset fee.

Nothing in this proposal includes the preparation of comprehensive schematic or construction documents for the US 285 project. If you or the City should require additional design work beyond the initial consultation I have outlined above, we will be pleased to prepare a mutually-acceptable addendum to this agreement for your approval.

Mr. Peyton Yates
February 2, 1998
Page Two

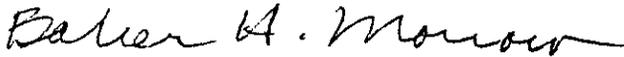
Our monthly statements would reflect actual hours expended for the project. Please note that we usually send invoices out on or about the twenty-fifth of each month and would request payment by the tenth of the following month. We will show a credit for your initial payment (see below) on our first invoice. We offer a discount for prompt payment (2%) and add a service charge (1.5% per month) after 30 days. In addition, please note that we reserve the right to assign, factor, or otherwise collect accounts that are 90 days or more overdue.

We understand that time is very short for the preparation of the ISTEPA application and intend to work quickly and be very responsive to your schedule.

If these terms meet with your approval, please sign the photocopy of this agreement, enclose an initial payment of \$1,000.00 plus tax of \$58.13 (\$1,058.13 total), and return both to us in the enclosed envelope. We will be happy to begin work upon receipt of our signed copy of the agreement and the initial payment.

I very much appreciate your thinking of Morrow and Company for this important project. We look forward to working with you, Artesia Clean and Beautiful, Inc., and the City of Artesia in the months to come.

Yours truly,
MORROW AND COMPANY, LTD.

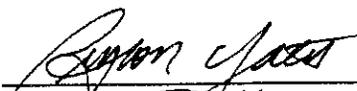


Baker H. Morrow, ASLA
Landscape Architect

BHM/rm
enclosures

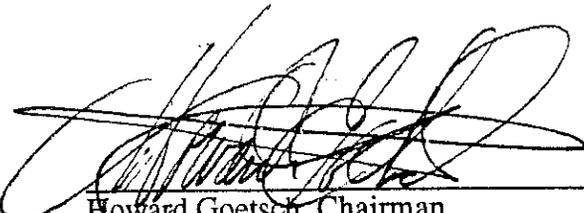
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ACCEPTABLE:



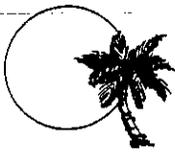
Peyton Yates, President
Artesia MainStreet, Inc.

2/10/98
date



Howard Goetsch, Chairman
Artesia Clean and Beautiful, Inc.

2-11-98
date



ATTACHMENT NO. 1

**MORROW AND COMPANY, LTD.
Landscape Architects**

**SCHEDULE OF HOURLY FEES
Effective May 1, 1997**

Principal	\$77.50
Associate	\$67.50
Landscape Architect	\$62.50
Certified Irrigation Designer	\$57.50
Landscape Designer/Irrigation Designer	\$52.50
Senior CADD Operator	\$47.50
CADD Operator/Draftsperson	\$42.50
Clerical Services	\$37.50
Construction Observer	\$57.50



MORROW & COMPANY, LTD.
LANDSCAPE ARCHITECTS

505 268-2266
210 La Veta NE
Albuquerque, N.M. 87108

EXHIBIT F

February 2, 1998

Mr. Peyton Yates, President
ARTESIA MAINSTREET, INC.
105 South Fourth Street
Artesia, New Mexico 88210

RE: Revised proposal for landscape and site
design consultation for new streetscape
improvements for Artesia MainStreet,
Artesia, New Mexico

Att.: Ms. Sheree Bolton

Dear Mr. Yates:

I have certainly enjoyed my recent conversations with you, Ms. Sheree Bolton, and the members of your Artesia MainStreet Management Committee regarding the proposed streetscape improvements for downtown Artesia as identified in the recent New Mexico MainStreet development proposal. We have reviewed the requirements of the project thoroughly and have visited the site of the work. As you requested, I am pleased to offer ArtesiaMainStreet, Inc. the following services for your streetscape planning, design, and implementation program:

1) The provision of a master streetscape plan for the downtown area as discussed with you, Ms. Bolton, and the MainStreet Management Committee. The boundaries of the project would be as follows:

- a. North: Texas Street
- b. South: Richardson Street
- c. East: Approximately one-to-two blocks east of 1st Street, to include Main Street (US Highway 82) in the refinery area
- d. West: 7th Street.

Please note that we would follow the extensive guidelines for downtown streetscape design provided to us by the MainStreet Management Committee, the Design Committee, and the MainStreet charette of December, 1997, and the results of conversations with the City and other interested governmental agencies and utilities. We will prepare a program or "wish list" for the masterplan for your review and approval.

Mr. Peyton Yates
February 2, 1998
Page Two

The scope of the masterplan work would also include tasks 1-4 as outlined in our letter to you of December 29, 1997 (attached as Exhibit No. 1), concerning recommended procedures and approaches for the MainStreet project.

2) Based on the approved MainStreet streetscape masterplan and budget for construction, the preparation of construction documents and associated construction period services for Phase I and for such other phases of construction as you may request of us.

3) Such additional consultation for the project as you may wish us to perform.

We will prepare low-end and high-end opinions of probable construction cost for your use as our site analysis and masterplanning work are completed in the next few weeks. We realize that funds for the project are likely to be limited and will do our best to give you maximum impact at minimal cost.

We would propose fees for the work as follows:

a. For the basic planning, design, and consultation outlined in item 1 above: a not-to-exceed amount of \$15,000.00 plus tax, payable upon presentation of a monthly statement indicating hours actually expended, based on the following rates:

SCHEDULE OF HOURLY FEES

Principal	\$77.50
Associate	\$67.50
Landscape Architect	\$62.50
Certified Irrigation Designer	\$57.50
Landscape Designer/Irrigation Designer	\$52.50
Senior CADD Operator	\$47.50
CADD Operator/Draftsperson	\$42.50
Clerical Services	\$37.50
Inspector (Site Observer)	\$57.50

Our civil and transportation engineers, Smith Engineering of Roswell, will also bill us hourly for their time during the masterplan phase. We will include their charges, which are included in the "upset" amount, in our monthly statements to you. As we discussed, extensive, detailed engineering or landscape architectural

studies and investigations are not included in this upset amount, which is intended to serve general streetscape masterplanning purposes. If extraordinary circumstances arise requiring additional design or planning services, or if the scope of our work were otherwise to change substantially, we would notify you immediately and prepare an acceptable proposal for additional services for your signature before we proceed.

b. For item 2 above (construction documents and construction phase services): a mutually-acceptable fee to be negotiated once schematic masterplanning is complete and an approved construction budget for the project has been established. This proposal does not at present include any design development phase, construction documents phase, or construction phase services for the Artesia MainStreet project. Please note that we will send on for your approval an addendum to this letter of agreement indicating this portion of our fee at the appropriate time.

c. For item 3 above: as requested and negotiated.

In addition, we would like to note the following:

- As you requested, we have prepared and sent on for your approval under separate cover a proposal for streetscape consultation for the proposed US 285 (1st Street) ISTEPA funding application. No part of this proposal includes or is intended to cover any design or consultation for that project except for those portions of 1st Street that lie within the MainStreet area.
- At your request, we will submit under separate cover a proposal to furnish any new surveys or related consultation that may be needed for Texas Street or other downtown streets for masterplanning purposes or for Phase 1 construction. No part of this proposal includes surveys.

This proposal reflects our detailed understanding of the current scope of work for the project. If you wish us not to pursue any of the tasks we have outlined above, please let us know immediately. If the overall scope of work were to change substantially, we would likely ask for a renegotiation of our fee. In addition, if this proposal is not accepted within 30 days, we will likely request a renegotiation of the scope and/or the fee.

Our monthly statements would reflect actual hours expended for the project. As you requested, we will attempt to provide you with a bi-weekly estimate of our

Mr. Peyton Yates
February 2, 1998
Page Four

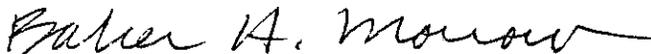
billing hours expended on the project. Please note that we usually send invoices out on or about the twenty-fifth of each month and would request payment by the tenth of the following month. We will show a credit for your initial payment (see below) in our upcoming invoices for the project. We offer a discount for prompt payment (2%) and add a service charge (1.5% per month) after 30 days. In addition, please note that we reserve the right to assign, factor, or otherwise collect accounts that are 90 days or more overdue.

We understand that the schedule for the preparation of the streetscape masterplan and Phase I construction documents is quite pressing and we intend to work very quickly to meet it.

If these terms meet with your approval, please sign the photocopy of this agreement, enclose an initial payment of \$3,500.00 plus tax of \$203.44 (\$3,703.44 total), and return both to us in the enclosed envelope. We will be happy to begin work upon receipt of our signed copy of the agreement.

Thanks very much for thinking of Morrow and Company for the Artesia MainStreet project. It is a challenging project with great potential for the city and we look forward to working with you and your committee in the months to come.

Yours truly,
MORROW AND COMPANY, LTD.

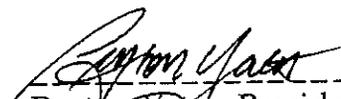


Baker H. Morrow, ASLA
Landscape Architect

BHM/rm
enclosures

enclosures

ACCEPTABLE:



Peyton Yates, President
Artesia MainStreet, Inc.

date 2/10/98

EXHIBIT G

Financial Data
(Form 1023, Part IV, A. Statement of Revenue and Expenses)

EXHIBIT G
Part IV. Financial Data

		Actual		***** proposed budget *****			
		11/24/98 to	*****	1998	1999	2000	Total
		12/31/97					
1	Gifts, grants and contributions received	0	140,634	175,000	170,000	485,634	
2	Membership fees received	0	2,500	5,000	5,000	12,500	
3	Gross investment income	0	0	200	250	450	
4	Net income from organization's unrelated business activities	0	0	0	0	0	
5	Tax revenues levied for and either paid to or spent on behalf of the organization	0	0	0	0	0	
6	Value of services or facilities furnished by a governmental unit to the organization without charge	0	0	0	0	0	
7	Other income	659	700	800	900	3,059	
8	Total (lines 1 through 7)	659	143,834	181,000	176,150	501,643	
9	Gross receipts from admissions, sales of merchandise or services, or furnishing of facilities in any activity that is not an unrelated business	0	0	0	0	0	
10	Total (lines 8 and 9)	659	143,834	181,000	176,150	501,643	
11	Gain or loss from sale of capital	0	0	0	0	0	
12	Unusual grants	0	0	0	0	0	
13	Total revenue (lines 10 through 12)	659	143,834	181,000	176,150	501,643	
14	Fundraising expenses	0	2,475	2,475	2,475	7,425	
15	Contributions, gifts, grants, and similar amounts paid	0	65,000	100,000	100,000	265,000	
16	Disbursements to or for benefit of members	0	0	0	0	0	
17	Compensation of officers, directors, and trustees	0	0	0	0	0	
18	Other salaries and wages	0	0	40,000	42,000	82,000	
19	Interest	0	0	0	0	0	

EXHIBIT G
Part IV. Financial Data

		1997	1998	1999	2000	Total
20	Occupancy (rent, utilities, etc.)	0	0	1,000	1,000	2,000
21	Depreciation and depletion	0	0	0	0	0
22	Other	192	71,974	33,340	25,840	131,346
23	Total expenses (lines 14 through 22)	192	139,449	176,815	171,315	487,771
24	Excess of revenue over expenses (line 13 minus line 23)	467	4,385	4,185	4,835	13,873

EXHIBIT G
Part IV. Financial Data -Supplemental Schedule
Line 14 and Line 22

	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>Total</u>
Line 14 - Fund Raising Expenses:					
<u>Organization Committee Projects:</u>					
Stationary, supplies		575	575	575	1,725
Membership decals, newsletter		1,100	1,100	1,100	3,300
Public relations, newsmedia		350	350	350	1,050
Meetings		150	150	150	450
Miscellaneous administrative expense		300	300	300	900
Total Line 14. Fund Raising Expen	0	2,475	2,475	2,475	7,425
Line 22 - Other Expenses:					
<u>ISTEA/U.S. 285 Enhancement:</u>					
ISTEA grant application		4,762			4,762
Construction management		2,500	2,500		5,000
Project maintenance			2,000	2,000	4,000
Railroad depot acquisition/renovation		5,000	5,000		10,000
Total U.S. 285 Project	0	12,262	9,500	2,000	23,762
<u>Streetscape Project:</u>					
Master Streetscape Plan		15,872	5,000		20,872
Texas Street with Depot area			5,000	5,000	10,000
Heritage Park/Parking Lot		40,000			40,000
Main Street				5,000	5,000
Quay Street			5,000		5,000
Richardson Street				5,000	5,000
Main Street - First St. to Refinery			5,000	5,000	10,000
Total Streetscape Project	0	55,872	20,000	20,000	95,872
<u>Promotions Committee Events:</u>					
February - Mardi-Gras Madness		200	200	200	600
April - Annual Awards Banquet		1,700	1,700	1,700	5,100
May - School's Out Dance-a-Thon		300	300	300	900
June - Big Band Social		200	200	200	600
July - Car Show and Street Dance		200	200	200	600
- 4th of July Parade		200	200	200	600
- Fireman's Olympics		200	200	200	600
August - MainStreet Block Party	72	200	200	200	672
September - Back-to-School	48	200	200	200	648
October - Trick-or-Treat MainStreet	72	200	200	200	672
December - MainStreet Christmas		240	240	240	720
Total Promotion Committee	192	3,840	3,840	3,840	11,712
Total Line 22. Other Expenses	192	71,974	33,340	25,840	131,346

EXHIBIT G
Part IV. Financial Data - Supplemental Schedule
Line 15. Contributions, Gifts, Grants

	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>Total</u>
Recipient - City of Artesia:					
Heritage Park/Parking Lot		15,000			15,000
U.S. 285 Enhancement/ISTEA		50,000			50,000
Texas Street with Depot area			50,000	25,000	75,000
Main Street			40,000	25,000	65,000
Quay Street				25,000	25,000
Richardson Street				25,000	25,000
Main Street - First St. to Refinery			10,000		10,000
Total Line 15. Contrib., Gifts, etc.	0	65,000	100,000	100,000	265,000