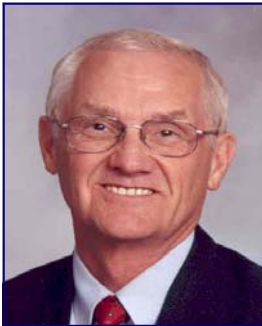


From the Chairman



SBA is Making Changes

"I think it is very important that American small businesses can think of the SBA as a partner, an advocate and a counselor. When President Bush appointed me to this position, I said that I wanted to change

the way government helps small businesses. It's not good enough to do the same old thing. Our goal is always to do more to respond to the needs of American small businesses. They are our clients, and we will judge our success by theirs."

-SBA Administrator Hector V. Barreto

This is the greeting from Administrator Barreto on SBA's web site. It is a fitting summary of SBA's philosophy, as the SBA continues to make changes to its programs with the intention of better serving its target market.

Some of the recent changes to the SBA 504 program include:

- ◆ All Certified Development Companies (CDC's) have been granted state-wide areas of operation in their state of incorporation.
- ◆ If considering a project under job opportunity, the level has been increased from 1 job per every \$35,000 of debenture assistance to 1 job per every \$50,000 of debenture assistance.
- ◆ Utilization of "SIC" codes has been permanently replaced with usage of "NAICS" codes.
- ◆ The requirement that SBA in Washington, D.C. approve a 504 loan between \$25,000 and \$50,000 has been eliminated.

It was announced that due to high demand on the SBA 7(a) loan program, all regular 7(a) loans approved on or after January 8, 2004 have a

temporary size limitation of \$750,000.

SBA and SEDC encourage our partner lenders to utilize the SBA 504 program to finance eligible acquisitions of real estate, machinery and equipment, reserving 7(a) lending for companion needs such as inventory and working capital. The SBA 504 program remains strong, with SEDC seeing a high volume of requests again this fiscal year.

All SBA changes described herein are designed to benefit the American small business borrower. Rest assured SEDC's staff will continue to monitor program changes and develop ways to fund Siouxland's small business needs.

If you have questions on changes to any of SBA's programs, please contact the SEDC staff and they will be happy to assist you.

Your Economic Development Partner,

Glenn M. Ivarsen, Chairman
Siouxland Economic Development Corporation

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"The Mission of the Siouxland Economic Development Corporation is to further the economic development of Siouxland."



Company Profile: Multicare Physicians Group

Dr. Scott Sneller, D.C., a Sioux City native and 1996 Summa Cum Laude graduate of Palmer College of Chiropractic, opened his own chiropractic practice in 1997. Recognizing the limitations and benefits of traditional medical and chiropractic care, he pursued a multi-disciplinary approach to injury and pain treatment, and



Professional Staff, L to R: Dr. Corey Touney, D.C.; Amanda Mauer, PTA; Dr. Scott Sneller, D.C.; Dr. Garry Clark, D.O.; and Michele Sorum-Schwerin, M.P.T.

was able to reach his goal in 2001. Dr. Sneller and Dr. Garry Clark, D.O., joined together in spearheading Multicare Physicians Group, P.C., a unique Iowa

facility offering traditional osteopathy care, chiropractic care, physical therapy, and massage therapy under one roof.

A new patient begins at the clinic by providing a medical history and undergoing a physical exam by one of the doctors, including any diagnostic tests deemed appropriate given the symptoms. The team of doctors and the physical therapist meet daily to review new patient files and come to a consensus on how to best treat the patient. The clinic focuses on pain management and injury-type care, so if illnesses such as diabetes or cancer are found, referral is immediately made to another facility.

A treatment program is outlined to the patient and begins with setting a release date, all the better to monitor expected progress. Treatment may be received from one or more professions within the clinic. Response to the individualized treatment program is expected within two weeks or the patient may be referred elsewhere. Treatment begins conservatively and progresses toward more invasive treatments only if conservative measures don't work.

All treatment programs are carried out in-house. Patients are educated on how to care for themselves going forward to prevent similar injuries and/or minimize pain. Long-drawn-out treatment plans are discouraged, but patients may opt for "well health visits" to verify they are on the right health path and no new problems have cropped up, much like regular visits to the dentist.

In the past two years over 1,000 Siouxlanders have been treated at this unique grouping of professions, the only facility of its kind in Iowa. Patient ages range from 2 days to 92 years.

In addition to pain management and injury care, Multicare Physicians Group provides sports physicals, strengthening and conditioning training for local high school and college athletes, and functional capacity examinations for attorneys using AMA approved software.

To make this clinic a reality, Dr. Sneller sought funding to build a new facility off of Singing Hills Boulevard in Sioux City, wanting easy access to Interstate 29 for out-of-town patients. Don Burwitz, Vice President of American Bank in Le Mars, brought the project to SEDC for SBA 504 loan participation. This enabled this unique clinic to open with a low-down-payment on its fixed assets, freeing cash flow for operations.



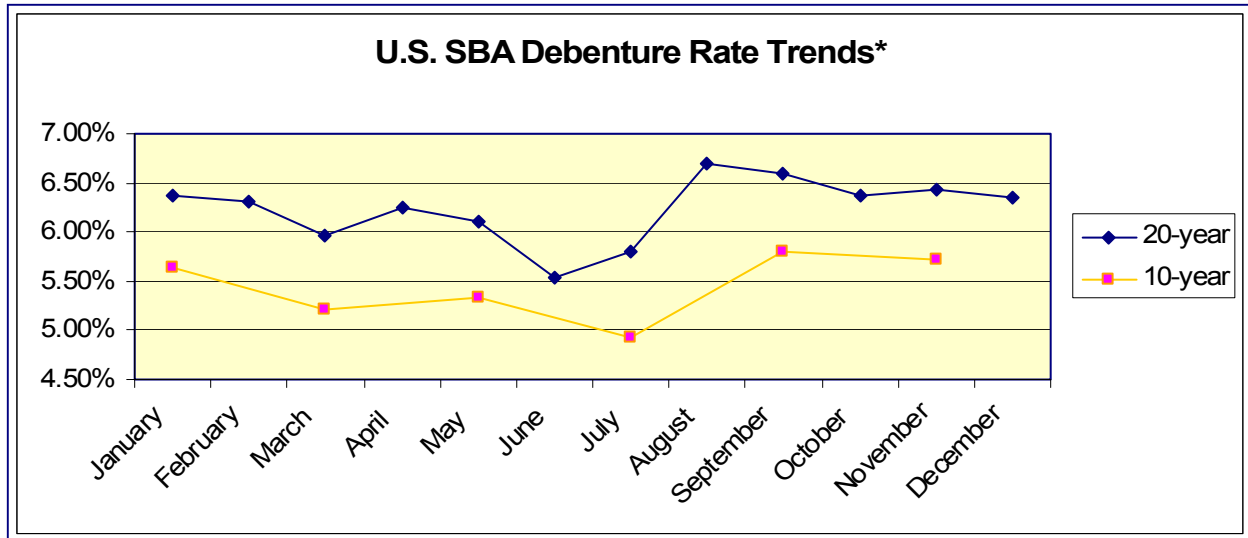
L to R: Tom Harbison, SBA; Denise Schaa, Loan Assistant; Glenda Castleberry, Vice President; Kenneth Beekley, Executive Vice President; Vicki Foster, Assistant Loan Manager; John Langin, SBA; and Glenn Ivarsen, SEDC Chairperson.

SEDC Receives SBA Award

For the sixth year in a row, the SBA Des Moines District Office presented SEDC with a Certificate of Achievement for being a high-volume lender in the 2002-2003 fiscal year.

SEDC's Board of Directors and staff extend our thanks to all of our area lenders who have made this possible by utilizing the SBA 504 program.

SBA 504 Rate Trends - A Year in Review



*over the life of the loan

Recent Lending Partners

SEDC thanks the following lenders for participating in our loan programs during the past few months:

Gregg Boone
American State Bank, Sioux Center, IA

Jeff Eaton
Pioneer Bank, Sioux City, IA

Mark Miller
American Bank, Le Mars, IA

Bill Rosacker
Prime Bank, Le Mars, IA

Tom Schroeder
The First National Bank, Akron, IA

Scott Wilson
Central Bank, Sioux City, IA

UPCOMING: Our 2003 Lender of the Year will be announced this spring!

SEDC Loan Programs

SBA 504 Program

Maximum Amount: \$1,000,000 (\$1,300,000 in certain situations) or 40% of total project cost (the lesser)
 Use of Proceeds: Fixed Assets (land, building, equipment)
 Interest Rate: Approx. 1% above 10 yr. Treasury Note
 Term: 10 or 20 years based upon economic life of the assets financed.
 Typical Structure: 50% Bank, 40% 504 Debenture, 10% Local Injection
 Fees: One time fee of approx. 3-4% of the loan (can be capitalized as part of the loan).

RLF (Revolving Loan Fund)

Maximum Amount: \$100,000 or 25% of total project cost (the lesser)
 Use of Proceeds: Fixed Assets or Working Capital
 Interest Rate: 2% fixed below primary lender's rate
 Term: Must match life of financed assets
 Typical Package: 65% Bank, 25% RLF, 10% Equity Injection
 Fees: One time fee of 1% of the RLF loan, an annual fee of 1/2% of declining RLF balance, and all loan closing costs.

SBA Microloan

Maximum Amount: \$35,000
 Use of Proceeds: Working capital, inventory, fixtures, lease hold improvements, and equipment
 Interest Rate: Currently 10% fixed
 Term: Maximum maturity of 6 years
 Typical Package: 100% Microloan
 Fees: \$20.00 credit report fee and all loan closing costs



Spotlighting Our Activity Report October 1, 2003—December 31, 2003

Location	Business Type	Lending Partner	Total Project Costs	Private Funds	SEDC/SBA Funds	Funding Program	Jobs Created/Retained
Le Mars, IA	Mfg. waffle cones	Prime Bank, Le Mars, IA	\$10,570,000	\$9,162,000	\$75,000	RLF	24.0
Akron, IA	Chiropractor	The First National Bank, Akron, IA	\$170,000	\$75,000	\$76,000	SBA 504 & 7(a)	1.5
Sioux City, IA	Restaurant	Pioneer Bank, Sioux City, IA	\$1,820,000	\$850,000	\$827,000	SBA 504 & 7(a)	28.0
Sioux City, IA	Custom Built Motorcycles	Central Bank, Sioux City, IA	\$160,000	\$80,000	\$67,000	SBA 504	2.0
Sioux Center, IA	Movie Theater	American State Bank, Sioux Center, IA	\$1,716,110	\$678,100	\$658,000	SBA 504	13.0
Merrill, IA	Motorcycle Sales & Body Work	American Bank, Le Mars, IA	\$232,798	\$86,350	\$114,000	SBA 504 & 7(a)	2.5
Sioux City, IA	Auto Body Shop	Pioneer Bank, Sioux City, IA	\$423,370	\$199,070	\$186,000	SBA 504 & 7(a)	3.0
TOTALS:			\$15,092,278	\$11,130,520	\$2,003,000		74.0

SEDC Board of Directors & Officers

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 Dusty Small, Vice Chairman
 Grant Haight, Treasurer & Servicing Committee Chair
 Merle Long, Secretary
 Max Spain, Past Chair
 Bruce Kolbe, Past Chair
 Kenneth A. Beekley, Asst. Secretary

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Paul Clousing	Ted Colt	Deane Davenport
George Frangedakis	Merrill Hale, Loan Committee Chair	
Don Klynsma	Randy Kramer	Grant Mears
Kory Menken	Scott Miller	Kiley Todd
Scott Utech	Virgil Van Beek	Mauri Welte
Ron Will	Bill Wilson	

Emeritus: Fred Davenport, Jr., James Sherman, Kay Lagan, Past Chair

Ex-Officio: SEDC Attorneys and Auditor
 SIMPCO Executive Director
 City of Sioux City Econ. Dev.
 City of SSC Administrator
 Siouxland Chamber of Commerce

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 Vicki Foster, Assistant Loan Manager
 Denise Schaa, Loan Assistant