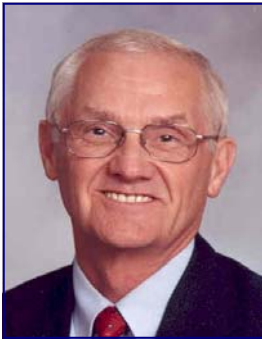


Siouxland Economic Development Corporation: "Your Partner In Small Business Development Finance"

From the Chairman



We at SEDC are excited to report that SBA 504 loan approvals are up nationwide. Through May 31, 2004, the number of loans approved this fiscal year was 5,253, up 28.0% over the same time last year. The dollar volume has increased as well, to \$2,510,758,000, up 33.3% over the same period last fiscal year. Thank

you, lenders, for your continued support of our nation's small businesses.

As you can see from the charts on the right, this a fantastic time to utilize the SBA 504 program with its low, long-term fixed interest rates, especially when combined with the low down payment requirement of as little as 10%. Business cash flow can be significantly and favorably impacted by the low fixed rate the 504 program offers.

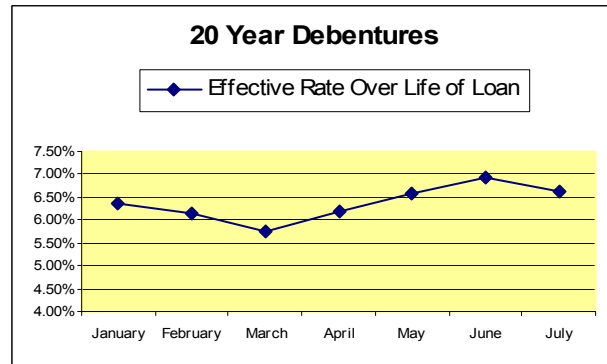
SEDC and its partner banks work with a number of small businesses involved in the food industry. On December 12, 2003, the Public Health Security and Bioterrorism Preparedness and Response Act of 2002 went into effect. The FDA, which published the interim final rule "Regulation of Food Facilities", requires food facilities to register with the FDA to be in compliance with this Act.

As a reminder, if a business is involved with food, such as beverages, fruits and vegetables, fish and seafood, dairy products, shell eggs, raw agricultural commodities, bakery goods, snack food, candy, live food animals, animal feeds, or pet food, it must register with the FDA using Form 3537. Registration is on-line at <http://www.access.fda.gov>, or further information can be obtained via telephone at 1-800-216-7331.

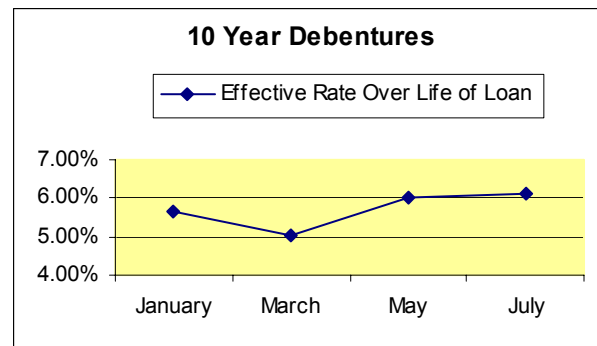
Your Economic Development Partner,

Glenn M. Ivarsen, Chairman
Siouxland Economic Development Corporation

Recent SBA 504 Rates



July's Note Rate: 5.26%



July's Note Rate: 4.49%

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



Dennis and Joy Tooker at the portico to the Dutch Colony Inn.

Company Profile: Dutch Colony Inn

While traveling, a quality place to stay is important to everyone. In Orange City, visitors have the pleasure of a home away from home at the Dutch Colony Inn, a family-owned and operated facility where "Welkom!" is a way of life.

Built in 1985 as a 20-room inn and expanded twice to the current total of 38 rooms, the Dutch Colony Inn offers a variety of room choices and amenities, including complimentary continental breakfast, a conference/reception room for up to 60 people, data ports in each room, and a AAA rating.

If you are a repeat visitor to the Inn, there is a good chance you will be greeted by name when you walk in the door. With approximately 70% of the Inn's business coming from direct billing in Sioux County, the region's business travelers have become part of the Inn's extended family.

While business accounts keep the Inn hopping during the week, from April through November the Inn is also host to numerous wedding parties and family reunions. Additionally, the annual Tulip Festival and the comings and goings of students at Northwestern College help keep the rooms filled.

The staff of the Inn all show a remarkable dedication to and pride in the operation. When complimented on the outstanding cleanliness of the facility, Joy Tooker stated, "We have a super cleaning staff. We work in teams, and I try to make each work day fun for everyone."

In addition to the Tookers, one of the former owners still works at the Inn, the Tookers' children help out when needed, and you might even catch a glimpse of a youthful grandchild "helping" grandma and grandpa.

"This is a family operation. This is part of its charm and part of the culture of Orange City people find welcoming," states Joy.

How Yesterday's Dream Became Today's Reality

In 2002, the original owners of the Dutch Colony Inn decided to retire from ownership of the Inn. Joy Tooker, a hotel employee for eight years, and her husband Dennis, decided they wanted to purchase the hotel and continue the Inn's tradition of hospitality to Siouxland visitors.

To make this dream a reality, the Tookers worked with Leroy Van Kekerix and Mark Kleinwolterink of Iowa State Bank, and the staff of SEDC, on packaging both an SBA 504 loan and SEDC RLF loan to compliment the bank's first position lending.

Since taking ownership, the Tookers have moved into the hotel's manager's apartment and have undertaken many improvements, including a new roof, retaining wall, landscaping, and updates to the interior.

One other change since the Tookers took ownership is the number of smoking rooms available.

"We tracked the requests for smoking rooms, and they aren't like they used to be. We used to have nine designated smoking rooms, and we're now down to three."



What the Loan Process is Like

"Iowa State Bank has always been good to work with," states Dennis, "We've had a quality long-term relationship with the bank and trusted them to know what would be best for our loan needs in this new venture."

Joy states, "In getting to know SEDC and its staff, we have to say SEDC is very easy to work with, the staff is very approachable, and the service is phenomenal. I can only imagine the work that went on behind the scenes that made the process easy for us."

Final Thoughts

The Tookers are delighted to tell a story that is an example of the care their guests take with the Inn. Receiving a mysterious package in the mail one day, Joy opened it to discover a towel that a guest had apparently taken by mistake.

"It cost that guest more in postage to send us the towel than what the towel was worth," states Joy, "It made us laugh, but we are also glad our guests care about us like we care about them."

Castleberry Receives Award



Glenda Castleberry

Glenda Castleberry, Vice President and Loan Manager of SEDC, recently received statewide recognition from the U.S. Small Business Administration as the Iowa Financial Services Champion of the Year.

Glenda has been a key staff member of SEDC for over twenty-two years. Her responsibilities include providing financial and other economic development assistance to small businesses. She is well known in the banking community for her knowledge of SEDC's programs, the U.S. SBA's programs, and various state and local small business development programs in Iowa, Nebraska, and South Dakota.

Nohr Joins SEDC Staff



Jackie Nohr

Jackie Nohr has recently joined the staff of the Siouxland Economic Development Corporation as an Assistant Loan Manager. This is the first time SEDC's permanent staffing level has been expanded to five positions.

Ms. Nohr has most recently been known for her service to Siouxland as the Director of the Small Business Development Center at WITCC, Sioux City, and prior to that she has been an employee of the Department of the Air Force, Edwards Air Force Base, CA; Winnebago Tribe of Nebraska; and Mutual of Omaha. She received her MBA from the University of Nebraska, Lincoln in 1994.

Recent Lending Partners

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

Tom Schaack
First National Bank, Vermillion, SD

Marjo Pace
Western Commerce Bank, Carlsbad, NM

Ronda Moret
Northwestern State Bank, Orange City, IA

Brent Linn
Wells Fargo Bank Iowa, N.A., Sioux City, IA

Brandon Krotz
American Bank, Le Mars, IA

Doug Downing
Primebank, Le Mars, IA

Paul Albert
Peoples Bank, Rock Valley, IA

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

April 1, 2004—June 30, 2004

Location	Business Type	Lending Partner	Total Project Costs	Private Funds	SEDC/SBA Funds	Funding Program	Jobs Created/Retained
Le Mars, IA	OTR Truck Service	Primebank, Le Mars, IA	\$651,755	\$314,000	\$234,000	SBA 504	3
Sioux City, IA	Hardware Store	Wells Fargo Bank Iowa, N.A., Sioux City, IA	\$355,000	\$200,000	\$55,000	RLF	8
Orange City, IA	Antique Sales	Northwestern State Bank, Or- ange City, IA	\$126,281	\$61,068	\$53,000	SBA 504	1
Vermillion, SD	Family Recreation Center	First National Bank, Vermillion, SD	\$246,542	\$110,000	\$82,000	SBA 504	5
Sioux City, IA	Chiropractic Clinic	N/A	\$15,500	—	\$5,000	MLN	2
Sergeant Bluff, IA	Restaurant	American Bank, Le Mars, IA	\$417,831	\$205,693	\$171,000	SBA 504	21
Rock Valley, IA	Restaurant	Peoples Bank, Rock Valley, IA	\$139,000	\$67,500	\$58,000	SBA 504	12
Sioux City, IA	Motel	Western Commerce Bank, Carls- bad, NM	\$2,322,000	\$1,150,000	\$712,000	SBA 504	45
TOTALS:			\$4,273,909	\$2,108,261	\$1,370,000		97

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

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