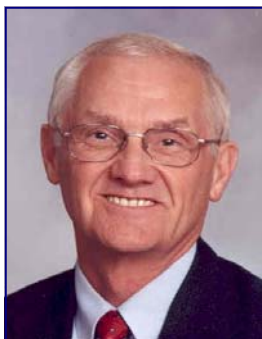


Siouxland Economic Development Corporation: "Your Partner In Small Business Development Finance"

From the Chairman



The SEDC Board of Directors and staff are please to announce receipt of a \$200,000 United States Department of Agriculture Intermediary Relending Program (USDA IRP) loan to re-lend to rural businesses in the northeast Nebraska counties of Dakota,

Dixon, Cedar and Knox. This is a companion to the \$200,000 USDA IRP for rural Iowa counties SEDC received in autumn 2002. This existing IRP loan has to date been used to fund the needs of six rural businesses, creating or retaining 30 jobs, with one additional business loan pending.

USDA made the formal announcement of this new award in late September as part of a \$12.3 million package to support local business revolving loan funds across the country. These dollars, combined with \$4.7 million in rural economic development grants and loans, are expected to create or save 3,073 jobs in rural America.

In other news, September 30 marked another fiscal year end for SEDC. In this past year, we have closed loans with 38 businesses, providing funding of \$8,645,800 through the SBA 504 program and SEDC's RLF and Microloan programs while leveraging \$20,159,000 from private sector sources. SEDC approved 46 loan requests throughout the year.

We thank everyone for their participation in economic development this year, and look forward to another record year.

Your Economic Development Partner,

Glenn M. Ivarsen, Chairman
Siouxland Economic Development Corporation



(From L to R): Dr. Daniel W. Brown, Iowa State Director of USDA Rural Development, presents a \$200,000 check to Kenneth A. Beekley, Executive Vice President, and Glenn M. Ivarsen, Chairperson



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



Jose Arreola in the kitchen of Akron Jo's Cafe.

Company Profile: Akron Jo's Cafe

Jose Arreola spends most of his days in the kitchen, working under a sign that reads "Harassing the cook will definitely result in smaller portions."

Before this, he spent 24 years working in the restaurant business, including being Chef and Manager of over 53 employees at a deli in Beverly Hills, California, before coming to Akron in 1999 to own and operate Akron Jo's Cafe. Originally opened to serve breakfast and lunch seven days a week, due to high customer demand Jose knew his restaurant would need to provide the community with more.

The path to needing a larger restaurant building in Akron is one that crossed two countries and numerous years. Jose had family in the Siouxland area, but he had chosen to live in California, not interested in snowy winters. After he married and had a family to think about, he decided California was not the place to raise his children and moved to a farm in Mexico, having always felt most at home in rural life. Although he enjoyed it, the income was not sufficient to provide for his wife and children as he wanted. After several years on the farm, he moved to Siouxland where his extended family helped him obtain employment.

It was while working in the food industry at a Siouxland company that a co-worker, who lived in Akron, mentioned that a local restaurant had closed and was for sale. After viewing the restaurant's equipment and visiting with the former owners, Jose signed a purchase agreement for the facility and quit his job.

The original Akron Jo's building had a seating capacity of 46. After three years in operation, Jose knew the building was no longer adequate, simply too small and too old to serve his growing customer base.

An existing building, just one block down Reed Street from his original building, was for sale. With relatively few dollars needed for remodeling and restaurant equipment, the building would be ideal for Akron Jo's.

Mike Hohenstein and Paul Albert of Peoples Bank, both believing Jose and his restaurant were assets to the community, contacted SEDC for financial assistance through both the SBA 504 and SEDC RLF programs. When financing was in place, Jose moved his restaurant and began to expand the new building, going from a seating capacity of 88 to 165, over three times the capacity of



Akron Jo's Cafe today.

the original building's 46 seats, and adding a full-service bar to the new addition. The restaurant starts each day by serving an average of 60-70 breakfasts, more on weekends and when the weather is poor, and is now open for evening meals Tuesday through Saturday until 8 p.m. Jose has added two additional employees during the weekdays and has a need for three more on the weekends. In addition to the restaurant, Akron Jo's Cafe caters, although Jose tries to stay close to the Akron area.

Jose's entire family is involved in the restaurant, from cousins helping with the catering to his seven-year-old daughter providing "entertainment" to the regulars when she's not in school. Jose's son is in college to be a chef, wanting to follow in his father's footsteps of providing quality food to customers.

For Jose, the restaurant and the community are all about family and supporting each other. Knowing how busy Jose stays at

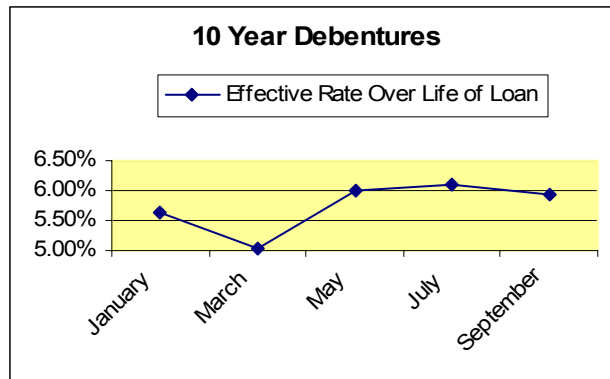
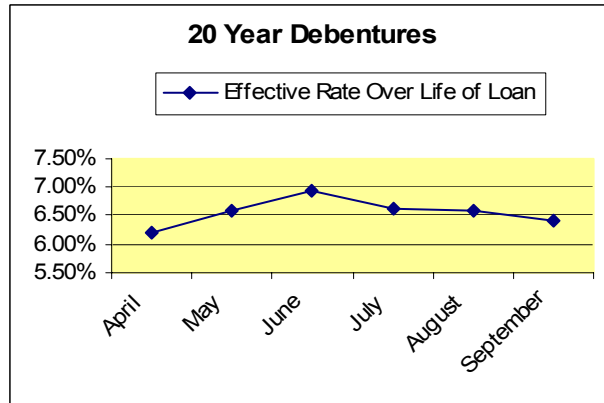


Interior of Akron Jo's Cafe

the restaurant, where he is the head chef in addition to being the owner and manager, Jose appreciates how businesspeople such as his banker and insurance agent will come to the restaurant if there is business to be conducted, saving him a trip away from the restaurant during the day.

Jose states he is happy that everything is working out fine, happy to be in Akron, and is pleased with the support of not just Akron, but all of Siouxland.

Recent SBA 504 Rates



Recent Lending Partners

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

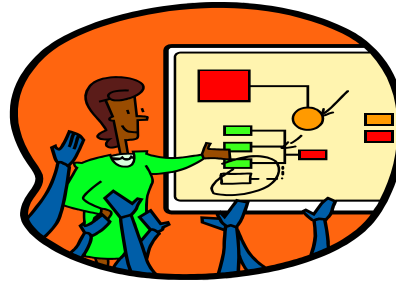
Jeff Eaton
Pioneer Bank, Sioux City, IA

David Olson
Wells Fargo Bank Iowa, N.A., Sioux City, IA

Dan Taylor
Premier Bank, Rock Valley, IA

Kiley Todd
The Security National Bank, Sioux City, IA

Training Seminars



SEDC provides customized information and training seminars on all our lending programs and services.

From a ten-minute summary of current trends in the programs to lengthier training on loan origination and closing processes, we will customize a presentation to fit your needs at most any function.

For more information or to schedule a presentation, contact Glenda Castleberry at 712-279-6286, or e-mail glenda@simpco.org.

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

July 1, 2004—September 30, 2004

Location	Business Type	Lending Partner	Total Project Costs	Private Funds	SEDC/SBA Funds	Funding Program	Jobs Created/Retained
Rock Valley, IA	Metal Fabrication	Premier Bank, Rock Valley, IA	\$298,125	\$146,250	\$151,875	SBA 504 & SEDC RLF	5.5
Rock Valley, IA	Metal Fabrication	Premier Bank, Rock Valley, IA	\$306,000	\$150,000	\$126,000	SBA 504	3
Sergeant Bluff, IA	Funeral Services	Pioneer Bank, Sioux City, IA	\$211,468	\$83,868	\$87,000	SBA 504 & 7(a)	3
Sioux City, IA	Car Wash	Wells Fargo Bank Iowa, N.A., Sioux City, IA	\$1,205,941	\$597,101	\$370,000	SBA 504	4
Sioux City, IA	Gymnastics School	The Security National Bank, Sioux City, IA	\$750,519	\$370,383	\$299,000	SBA 504	9
Sioux City, IA	Sewer & Drain Cleaning	Pioneer Bank, Sioux City, IA	\$186,800	\$91,500	\$74,000	SBA 504	2
			\$2,958,853	\$1,439,102	\$1,107,875		26.5

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 Max Spain, Past Chair
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 Kenneth A. Beekley, Asst. Secretary

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