

# Annual Report

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**2006 Annual Meeting**  
**Ames Seed Capital LLC**  
**April 5, 2006**



**Ames Economic Development Commission**  
1601 Golden Aspen Drive, Suite 110  
Ames, Iowa 50010  
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[www.amesedc.com](http://www.amesedc.com) | [www.biotechames.com](http://www.biotechames.com)

## **FUND 3 – ACTIVE INVESTMENTS**

### **Advanced Analytical Technologies Inc. (AATI)**

www.aati-us.com  
ISU Research Park  
2901 South Loop Drive, Suite 3300  
Ames, IA 50010  
515.296.6600 (phone)  
515.296.6789 (fax)



#### **Contact**

Steven J. Lasky, PhD, President and CEO

#### **Investment**

- \$100,000 to purchase 25,000 shares of Series B Preferred Stock (1999)
- \$100,000 to purchase 25,000 shares of Series E Preferred stock (2003)

#### **Key Accomplishments**

Advanced Analytical had record sales in 2005, with instrument sales up 24.7% and consumable sales up 122.5%. Full-time employees increased from 11 to 19, filling key staffing positions in sales, production and research. Fiscal year 2005 proved to be a turnaround year for Advanced Analytical in terms of financial stability and positioning for growth. Significant financial highlights include:

- \$5.3 Million private equity round closed on 9/21/05, netting \$4.4 million in working capital;
- \$2.0 Million was awarded by the Iowa Values Fund on 9/18/05 and the first \$500,000 was received by Advanced Analytical on 3/7/06;
- \$1.45 Million appropriation from Department of Defense to develop a portable bacteria detector for the US Army;
- \$250,000 appropriation from Department of Interior to develop a coliform (8 hour) detection system with the US EPA;
- \$250,000 FBADS (Food Biological Agent Detection System) award with Midwest Research Institute to develop a toxin detection system for Homeland Security. Phase II funding recipients will be selected in June 2006 (\$1.6M).

Additional corporate accomplishments include:

- Strategic Partnerships have been signed with Procter & Gamble, Masterfoods USA (M&M/Mars) Corporation, Mohawk Valley Water and Alberto Culver;
- Scientists from Procter & Gamble and Johnson and Johnson authored book chapters describing the RBD 3000 technology and highlighting their successes;
- A new patent-pending technique for mold detection within 24-hours was released on 3/28/06. This method addresses a critical area of concern for the Personal Care Products, Beverage and Food industries;
- International distribution has been expanded into Japan, Australia, and New Zealand.

**ETREMA Products, Inc.**

www.etrema-usa.com  
2500 N. Loop Drive  
Ames, Iowa 50010  
515.296.8030 (phone)  
515.268.4540 (fax)



**Contact Person**

Howard Harris, President, and CEO

**Investment**

\$50,000 investment. A royalty equal to 0.4% of sales on all ultrasonic systems sold, excluding the existing dental industry tool, will be due to ASC LLC on an annual basis until a repayment of \$250,000 has been reached.

**Research and Development**

R & D efforts for 2004 concentrated on application development using High-Powered Ultrasonics (HPU). In early 2004 HPU was used in the treatment and processing of hog waste by Ag Waste Recovery Systems (AWRS). While successful in achieving the desired disinfection levels, the overall system did not have a robust means of separating treated solids from the fluid stream due to limitations of other technologies, completely separate from the HPU. Because of this technical hurdle and the lack of governmental regulation to mandate a solution for hog-waste treatment, AWRS was deemed non-viable economically and has closed operations.

Work continues with US Navy on applying high powered ultrasonics to treating various waste streams for disinfection and/or accelerated digestion by existing systems. Basic work at the laboratory scale indicates that high power ultrasonics is effective on organisms larger than 500 micrometers, such as various zooplankton that act as biofoulers in cooling and ballast systems. The technology was found to be less effective against bacteria, which is typically on the order of 10-50 micrometers in size. In both cases, the studies reviewed the effects of ultrasonic energy alone. On going work is to look at interactions with other biocidal agents and high powered ultrasonics to quantify any synergistic effects.

Work is also being done in the medical field utilizing hand held ultrasonic actuators to break up blood clots. This is a developing project and has high potential if phase 3 and 4 are successful. The project is currently under review to determine how Etrema and its testing partner will proceed.

Revenues from High Powered Ultrasonics were \$78,000 in 2005 and projected to be \$83,000 in 2006.

Edge Technologies currently employs 21 full-time and 2 part-time employees. Company revenues in 2005 totaled \$4.7M. Edge is projecting \$5.3M in revenues for 2006.

## Palisade Systems, Inc.

www.palisadesys.com  
2625 N. Loop Drive, Suite 2120  
Ames, IA 50010  
515.296.6500 (phone)  
515.296.5335 (fax)



## Contact

Kurt Shedenhelm, President and CEO

## Investment

- \$15,000 to purchase 3,856 at \$3.89 per share adjusted for 20:1 split - 77,120 common shares at \$0.1945 and a warrant to purchase an additional 25,000 shares at \$1.00 per share. Warrants expire on May 15, 2005.
- \$25,000 investment to purchase 12,500 shares at \$2.00 per share purchased in June 2001 (Series C private placement). With the Series E round priced at \$1.00 per share, this investment will be adjusted and we will receive an additional 12,500 shares.

**The 2005 year was an exciting year for Palisade Systems. In 2005, Palisade was recognized as a leader in the Content Monitoring and Filtering security marketplace. This is the first time in the company's 10 year history that respected IT analyst, Gartner Group, recognized the company as a leader in any security segment. The effort to be recognized as a leader is just one example of the milestones we accomplished in 2005.**

Below are some 2005 highlights:

- ***Selected by Gartner to participate in their Magic Quadrant process***

The Gartner Group conducted their Magic Quadrant process on the Content Monitoring and Filtering market for the first time. This process is done every 12 months with the findings included in a market segment research report sent to their customers. Palisade was one of 8 vendors selected to participate.

- ***Implemented re-seller channel program***

Palisade hired Sean Donahue as Director of Channels to implement and build the reseller channel. To date we have 15 solid resellers since implementing the program in July 2005 and the building blocks are in place to rapidly expand the channel in 2006.

- ***Product functionality enhancements for Content Monitoring and Filtering market***

Palisade focused its development team on developing the content monitoring and filtering functionality into the PacketSure product line to compete for a leadership position in the emerging Data Loss Prevention marketplace.

- ***New product sales penetration in the health care, insurance, and banking industries***

Palisade added key new customers in each our new market verticals with the new product. Historically, 90% of Palisade's revenue came from K-12 education.

- ***We hired Dovetail Public Relations to help us communicate to the marketplace our new direction and leadership position***  
Palisade was published 75 times in 2005 in leading technology and industry publications.
- ***Palisade completed a patent validity search and we are finalizing our strategy to pursue infringers***  
Palisade retained the services of patent law firm Mckees, Voorhies & Sease to conduct a patent validity search on our blocking technology patent. The search found no prior art on the patent and Palisade will commence notification of certain infringers in March 2006.

Palisade focused much of its R&D resources to add the functionality required for the Content Monitoring and Filter marketplace. Because of this re-focusing of the company, we experience a slight decline in revenues. We anticipated this result as we shifted the focus of the entire company toward this emerging new market. We have aggressively built the sales pipeline for 2006 and have restored sales momentum to the company.

#### **2006 Goals**

To continue the positive momentum of 2005, Palisade is attempting to raise additional capital to rapidly expand our market presence through direct and indirect channels. Palisade has engaged a New York investment bank to help raise another \$3 to \$5 million in equity capital. All accredited existing shareholders are welcome to participate in the financing.

**Reality Sports Entertainment, Inc.**

www.realitysportsent.com  
111 Lynn Avenue, Ste 8  
Ames, IA 50014  
515.232.5023 (phone)  
515.232.5036 (fax)



**Contact**

Steve O'Rourke President

**Investment**

\$48,879 to purchase 48,879 shares of common stock at a price of \$1.00 per share.

**Additional Information**

In January of 2005, Reality Sports Entertainment, Inc. founder "Cactus" Jack Barringer resigned his position as CEO, Board of Director Member, and President. Then current Board Member, Steve O'Rourke, was elected President of the Company. Don Meyers was elected as Chief Operating Officer. The Company was facing extreme financial difficulty. As part of his resignation, Mr. Barringer sold in excess of 3,000,000 shares of the Company's stock to back the company for a nominal fee. The Company used these shares under a revised offering for current investors only. Launched at a Special Meeting of Shareholders on February 2<sup>nd</sup>, 2005, and for a period of 6 days the, the Company raised \$200,000. As a result and under a revised business plan the Company is now fully funded. The Company has taken back control of 2 of the 3 franchises in Iowa and slashed monthly expenses. As a result the Company will operate a company-owned franchise. Revenues from this company-owned franchise should equal and surpass expenses sometime in Summer 2005. Post

breakeven point the Company will then focus on franchise sales and the television component of the business plan.

**Employees Based in Ames**

2 ½ Full Time Equivalents

**FUND 4 - ACTIVE INVESTMENTS**

**BioForce Nanosciences, Inc.**

www.bioforcenano.com  
1615 Golden Aspen Drive  
Ames, IA 50010  
515.296.6550 (phone)  
515.296.6570 (Fax)



**Contact**

Eric Henderson, President and CEO

**Investment**

- \$25,000 investment in 2002 for 25,000 shares of common stock.
- \$50,000 investment in 2004 for 40,000 shares of common stock.

**Revenue**

Sales revenues (unaudited) for 2005 were approximately 140,000.

The NanoArrayer™ System was launched as planned in January 2005 with 13 exhibitions attended during the year. The sales cycle of 12-18 months (grant acquisition correlated) is consistent with no NanoArrayer™ sales completed in 2005. The first NanoArrayer™ sale was completed (along with Sindex™ chips and SPTs™) in January 2006. The Company has accumulated a large database of prospective customers, with over 30 price quotes requested for NanoArrayers in 2005.

**Financing**

BioForce did not complete the 8M private placement mentioned in last year's report. It did, however, begin a 6M private placement in parallel with a merger with Silver River Acquisitions, a public company (completed in 2006). This Private Placement was oversubscribed. Having completed the fundraising and merger transaction initiated in 2005 BioForce is now a publicly traded company (BFNH.OB). Efforts to move from the bulletin board to the AMEX are underway.

### **Recognition**

BioForce has received continuous media coverage through 2005.

### **New Product Introductions**

The NanoArrayer™ System, the Company's flagship molecular printing system, was launched at an industrial show in San Diego in January 2005. This proprietary molecular printing system, which lists at \$125,000, is projected to start generating sales by Q1/06 (first sale complete).

Up to 10 NanoArrayer sales are anticipated in 2006. In addition approximately 10 NanoArrayers will be placed in "opinion leader" laboratories in 2006.

BioForce intends to seek licensing partner(s) for the ViriChip™, the company's patented viral microdiagnostic test.

### **Intellectual Property**

The Company continues to pursue its existing patent applications and file critical patents applications in a timely fashion and to the extent that resources allow. A competitor failed in two attempts to execute an interference action against one BioForce patent. That same competitor has been allowed "reexamination" proceeding by the USPTO for that patent. The patent, while important, is not directly related to the operating plan or the Company.

### **Management Additions**

The Company is now managed by the founder and CEO, Eric Henderson, and a new COO, Mr. Kerry Frey, with managerial input from Asrun Kristmundsdottir (HR and Financial Admin.) and Curtis Mosher (VP of R&D). The Company is seeking a CFO/Controller with Sarbanes-Oxley experience to facilitate financial management as a public entity in 2006.

### **Strengthening of the Board of Directors**

In 2005 the BOD was strengthened by the addition of two new Board Members, Dr. Larry Gold and Mr. Jean-Jacques Sunier. Sadly, an outstanding Board Observer, Mr. Art Christoffersen, representing Iowa First Capital of Cedar Rapids, passed away.

Two new members to be appointed in 2006 are Mr. Kerry Frey (COO) and Dr. Guenter Jaensche. Mr. Frey has more than two decades of experience (Sales and Marketing, Product Development, Financing, Management) in a major corporation and several start-up enterprises. Dr. Jaensche has decades of senior level financial management experience with Siemens Corp. and serves on several public and private companies in various capacities including Chairman of the Board.

### **New Facilities**

On February 1, 2005 BioForce moved into new 6,000 square feet custom-designed facilities in Aspen Business Park, Ames. Possible expansion of this space is now being considered to allow for increased production needs.

### **Summary**

The primary goal in 2006 is to build the "business side" of BioForce through enhanced management and sales and marketing. NanoArrayer placements will be made and partnerships will be nurtured to advance the company to the next level of operations and make it an attractive target for additional financing.

### **CADseek (CMnet)**

2501 N. Loop Drive, Suite 1606  
Ames, Iowa 50010  
515.296.7036 (phone)  
515.296.5639 (fax)

### **Contact**

Dr. Abir Qamhiyah, Founder and President.

### **Investment**

\$50,000 investment as a convertible note in 2005. Interest payments will be made annually at a rate of 7%. The entire principal amount and all accrued but unpaid interest is due in five years. Ames Seed Capital LLC will have, at its sole discretion, the ability to convert all or any portion of the original principal amount at any future round of equity financing. The right to convert shall apply for twelve months after the principal amount of the convertible note has been paid in full.

### **Research and Development**

- Funded by a grant from the National Science Foundation, preliminary work was completed to develop and test the basic technology underlying the geometric search engine included in CMnet's software product. This work was accomplished by the end of the spring 2004 semester at Iowa State University.
- In March the company received a \$50,000 convertible debt loan from Wellmark to continue development and commercialization of the software package. CMnet purchased the computer equipment needed and moved into its current quarters at the ISU Research Park in June 2004. There programmers created the graphical user

interface and internal classification and search capabilities for the product, which was named CADseek.

- The company changed its name from CMnet, Incorporated to iSEEK Corporation in February of 2006 and currently is doing business as iSEEK Corporation. iSEEK has closed on a series A round of financing for a total amount of \$549,104.40. In addition, iSEEK Corporation received an IDEED grant for \$100,000.00 and \$50,000.00 from the Iowa Values Fund. The total financing through the round is \$699,104.40.
- Over the past year demonstrations were presented to key personnel at John Deere, Lockheed-Martin, UGS, PTC, Dassault. Rockwell Collins, and Sauer Danfoss. iSEEK was invited to submit a bid to Deere. A three phase implementation proposal was submitted. Deere approved the budget for the first phase and is currently working internally on selling the other two phases for an enterprise implementation. UGS invited iSEEK to a meeting at their headquarters in L.A., California as part of an effort for UGS to determine whether they should work on the geometric search engine technology internally or license it. UGS will make the decision within the next few months. Dassault requested a web demo for their research team in France after iSEEK presented a demo to their president and CEO at the DARATECH 2006 conference in Boston.  
Rockwell Collins is in the process of establishing a customized information management system for their corporation. They identified CADseek as a component in their solution addressing their CAD information search and retrieval needs.
- Two patent applications were filed by the Iowa State University Research Foundation based on the technology invented by co-founders Abir Qamhiyah and Don Flugrad. These patent applications were filed with the U.S. Patent Office in June 2004. One patent application deals with the coding and classification used in the search engine, and the other addresses the network concept allowing original equipment manufacturers to identify qualified contract manufacturers using the CADseek software and a distributed internet system. CMnet, Inc. negotiated an exclusive license agreement with ISURF for use of the technology in the two patents in September 2004.

### **Sales Activity**

John Deere has approved the budget for the Phase I pilot implementation of CADseek and the Navigator at their headquarters in Moline, Illinois. Deere has forwarded the license agreement to iSEEK for review and signature. Phase I implementation is estimated at \$100,000. In addition, iSEEK has already received \$15,000 from Deere for a proof of concept project in 2005.

### **Net income or loss for 2004**

The company sustained a loss of \$263,555 for 2005.

### **Employees based in Ames**

The company currently has six full time employees based in Ames. We plan to expand to eight by September 2006.

### **Additional Information**

iSEEK is currently negotiating with the York group on developing an international distribution channel for CADseek and the Navigator.

Finally, one VAR has been signed to begin selling CADseek to a variety of CAD customers. Negotiations are currently under way with two other VARs.

**CombiSep, Inc.**

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515.294.1690 (phone)  
515.294.7141 (Fax)



**Contact**

Mark F. McDonald, CEO & President

**Investment**

- \$50,000 to purchase 20,000 shares of Series B Voting Convertible Preferred Stock (April 2002).

**New Solutions**

*CombiSep introduced the following new solutions:*

- **pK<sub>a</sub> Analyzer<sub>PRO</sub><sup>TM</sup>**
- Enhanced pKa and log P analysis software
- Enhanced Oligonucleotide analysis software

**New Solutions – Coming Soon !**

- **Oligo Analyzer<sub>PRO</sub><sup>TM</sup>** (May 2006)
- **PROtein Analyzer<sup>TM</sup>** (Autumn 2006)

**Sales**

Existing customers through March 15, 2006 include:

<u>Customer</u>	<u>Location</u>	<u>System / Solution</u>
Himeji Inst. Of Technology	Hyogo, Japan	MCE2000™ Metabolites
Harvard/Mass General	Cambridge, MA	MCE2000™ Oligos
Pfizer	Groton, CT	MCE2000™ pKa
"	Ann Arbor, MI	pKa Analyzer
Procter and Gamble	Mason, OH	cePRO 9600™ pKa / log P
Integrated DNA Technology	Coralville, IA	MCE2000™ Oligos
" " "	"	MCE2000™ "
" " "	"	cePRO 9600™ "
Illumina	San Diego, CA	MCE2000™ "
"	"	cePRO 9600™ "
"	"	cePRO 9600™ "
Operon (McKinley Leasing)	Sparta, NJ	cePRO 9600™ "
Sigma Genosys	The Woodlands, TX	MCE2000™ "
Maxygen	Redwood City, CA	cePRO 9600™ Process Monitoring
GlaxoSmithKline	Harlow, UK	cePRO 9600™ Purity; log P
MWG Biotech	Ebersberg, Germany	cePRO 9600™ Oligos
"	High Point, NC	cePRO 9600™ "
"	Bangalore, India	cePRO 9600™ "
Biosearch Technologies	Novato, CA	cePRO 9600™ "
Hort Research	Auckland, New Zealand	cePRO 9600™ dsDNA
BASF	Ludwigshafen, Germany	cePRO 9600™ log P
"	Ames, Iowa	cePRO 9600™ Amino Acids
Eli Lilly	Indianapolis, IN	pKa Analyzer
Invitrogen	Paisley, Scotland	cePRO 9600™ Oligos
"	Tokyo, Japan	cePRO 9600™ "
"	Frederick, MD	cePRO 9600™ RNA
J&J / Egea Biosciences	San Diego, CA	MCE2000™ Oligos
"	"	cePRO 9600™ Proteins
Eisai Pharmaceutical	Andover, MA	pKa Analyzer
Axel Semrau	Sprockhovel, Germany	pKa Analyzer / log P

2005 instrument sales tallied \$650,000; revenues from reagents, software, replacement parts, service agreements, and grants registered \$390,578, bringing the overall sales performance for 2005 to \$1,040,578.

### **Distributors and Manufacturer's Representatives**

CombiSep assigned two new domestic manufacturer's representatives and two new international distributors. For the USA, agreements were completed with NanoChrom, LLC and ProGroup Instrument Corporation. NanoChrom ([www.nanochromllc.com](http://www.nanochromllc.com)) is based in Sacramento, CA and has sales, service, and technical training responsibility for West Coast customers; ProGroup ([www.wellpro.us](http://www.wellpro.us)) is based in St. Louis, MO and has sales responsibility for Central United States customers.

In Europe, CombiSep has expanded the sales responsibility of its German distributor, Axel Semrau GmbH & Company ([www.axelsemrau.de](http://www.axelsemrau.de)). Along with its newly appointed French distribution partner, Disruptive Technologies ([www.disruptechno.com](http://www.disruptechno.com)), Axel Semrau now represents CombiSep in the following European countries: Germany, Switzerland, Belgium, France, and the United Kingdom.

To take advantage of the life science growth opportunities in Japan, CombiSep appointed Sanwa Tsusho Company, Ltd. ([www.sanwatsusho.com](http://www.sanwatsusho.com)) to be its sales and service representative for this country.

In order to properly equip these newly appointed distributors and manufacturer's representatives, CombiSep hosted two sales and service training sessions. The first was held October 18-20, 2005; the second was conducted February 23-24, 2006. Both sessions met the objective, with very positive feedback from all the attendees. Note the following comment from Lutz Buchner of Axel Semrau:

*"Thank you for training me, this was very valuable for me. I'm deeply impressed by your company! When I came in, I met superb scientists, highly skilled engineers, and a team with great engagement! I could feel your team spirit. This force will drive you and me in the right direction for marketing and selling our analyzers! Be sure, I will do my very best to reach our sales goal."*

### Intellectual Property

Along with the four (4) previously issued patents related to CombiSep's core technology, the company was issued a fifth patent on November 29, 2005, titled "Two-dimensional Protein Separations Using Chromatofocusing and Multiplexed Capillary Gel Electrophoresis." In addition, on March 13, 2006, CombiSep was notified that its sixth patent would be published on June 1, 2006. The title of this patent is, "Capillary Electrophoresis Gel Especially for Separation Made for Single Stranded Nucleic Acid Separations."

### Leadership Team

Two leadership changes occurred in 2005. In June 2005, CombiSep's Vice President of Sales and Marketing left the company; to date, this position remains open. And in November 2005, CombiSep's Board of Directors appointed Mark McDonald (formerly Chief Operating Officer) as the company's CEO and President, replacing Shelley Coldiron.

In order to execute more effectively the company's "Go-to-Market" solution strategy, Jeremy Kenseth assumed the position of Marketing and Applications Manager. Ho-Ming Pang, Senior Scientist, will focus a major portion of his work on enhancing and re-designing application software, which will be used by laboratory technicians to seamlessly operate CombiSep's new "analyzer" systems. As Production Manager, Kevin Kennedy will begin efforts to 1) improve operating processes and 2) outsource appropriate sub-assembly work to capable contract manufacturing partners.

### Summary

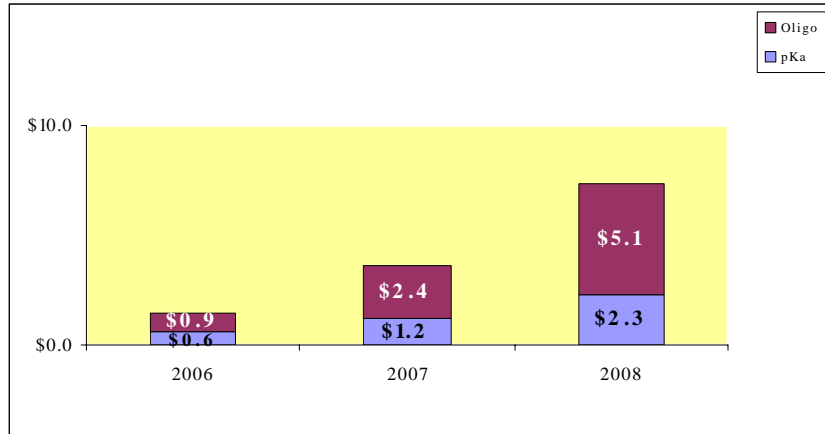
In June 2005 the company developed and quickly launched a new sales and marketing strategy, which incorporates the fundamental concepts of solution selling. Three life science market segments have been targeted to advance sales of CombiSep's core technology. They are:

- Physicochemical Profiling (Associated with the Drug Discovery Process)
- Oligonucleotide Purity Analysis
- Proteomics

For these three segments, CombiSep has designed analyzer systems, equipped with new powerful application software that will control the current instrument hardware, the **cePRO 9600™**. The first of these analyzers, the **pK<sub>a</sub> Analyzer<sub>PRO</sub>™**, was introduced in August 2005 as a solution to meet the high throughput demands of physicochemical profiling. The second analyzer, the **Oligo Analyzer<sub>PRO</sub>™**, will be introduced in May 2006 to address the growing field of oligonucleotide process control. Revenue (Graph I) from these two analyzers alone is projected to reach approximately \$7.5M within 3 years.

Million

*Graph I: 3-year Revenue Projection*



***We're Energized for Growth !!***

**Lincolnway Energy**

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59511 W Lincoln Highway  
Nevada, IA 50201  
515.382.8899 (phone)  
515.382.2417 (fax)



**Contact**

Rick Brehm, CEO

**Investment**

\$49,400 for 52 units at \$950 per unit.

**Current Events**

Since the thought of putting an ethanol plant in the Ames area began for us in November 2003, it has been a stream of fast paced, hard work, and many hours of putting together information for our investors, contractors, newspapers, website and other means to get as much information out as we could. We really do not hit any of the points in which you ask us to highlight for you over

the last year, so I will tell you, in relation to them, the pertinent steps we are taking to ensure we meet the projections and expectations of you as an investor.

**Milestones**

- We began our equity drive on August 9, 2004 in Nevada, Iowa and we had 58 public meetings and did several special invitation meetings to groups, such as yourselves, and closed our equity drive at \$38,124,250 in 53 days and became an operational company as of our new year October 1, 2004.
- We secured commitment from Co Bank to be the lead lender for finance the remainder of the project costs and began construction - dirt work - on November 15th. The work was performed on contract and completed as requested prior to December 31, 2004.
- We secured the required permits for actual structural construction to begin and Fagen, Inc., the design/build contractor, moved on our project in early January 2005. Based off the contract requirements, as you can see on our website, Fagen has done an outstanding job of keeping us on target for a start up in mid May 2006. Please check out our website for live webcam and some still photos of start up construction under our Photo Gallery.
- We also decided in November to protect our interest and purchase the land, Prairie View Golf Course, adjacent to our existing property to ensure potential for growth and rail expansion needs for our current project. This also raised the question as to whether we were going to open the facility as a golf course in 2005. Upon careful review by the board, it was decided that in the best interest of the company, not to open it up because we could not ensure it to remain open once we began our rail work. Therefore it will not be open as a golf course again.
- We are continually working on contracts, agreements, and labor searches in relation to our plant operation start up that includes many hours of hard work and meetings on the part of our Board Members.
- We currently have 7 employees on staff. CEO, CFO, Plant Manager, Commodities Manager, Controller, Office Manager and Accounting Clerk. We plan on having the remaining 32 employees on board by April 10<sup>th</sup>, 2006.
- We are now moved into our new administrative building, that is located in front of the plant.

**MagnaLynx**

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515.663.8821 (fax)



**Contact**

Scott Irwin, PhD, President and CEO

**Investment**

\$50,000 investment to purchase 50,000 shares of common stock in 2004.

**Research and Development**

Initial Patent Application Filed with USPTO ..... Apr-2005  
Second Patent Application Filed with USPTO ..... Jul-2005  
Virage Logic Selected for Embedded SRAM Array Supplier .....Aug-2005  
Release First Device to Fabrication (UMC) .....Aug-2005

Receive Devices from Assembly ..... Jan-2006

### **Sales Activity**

Activities to date have focused on R&D and cultivation of partnerships, including alternate sourcing and host-side implementation partners. Launch of the Company's first SRAM product is scheduled for mid-2006. SRAM product revenue is not projected to ramp until late 2006, although IP licensing, Engineering Samples and Evaluation "Kit" sales are anticipated. Projected sales for 2006 are \$375k.

### **Net income or loss for 2005**

Last year's efforts focused on research and development, including the design and fabrication of our first product. Net loss for the 2005 was \$1,297,441. Year ending cash balance was \$11,494.

### **Employees based in Ames**

As of the end of 2005, MagnaLynx had 7 employees (6 full-time, 1 part-time). All are based at the company's Ames, IA Corporate Headquarters and Design Center.

### **Additional Information**

- On April 4, 2005, the company elected an outside member to the Board of Directors, replacing Eric Groen (who remains Corporate Secretary). Mac Lewis, a Minneapolis-based technology executive and investor, joined the Board of Directors. Mr. Lewis is a partner at the Sherpa Partners investment firm and former President and CEO of Computer Network Technology (CNT), which he took public in 1997. As a founder of the Sherpa Partners, Mr. Lewis has been instrumental in helping cultivate growth of technology companies in the Midwest. Mr. Lewis is a graduate of Princeton University.
- The Company filed its first patent application with the USPTO in April 2005. That application broadly covers the combination of high-speed serial interface(s) with a memory array in an integrated device.
- In June 2005, one of the eight founders of MagnaLynx, Andrew Jenkins, left the company.
- In July 2005, the Company filed its second patent application covering the detailed encoding, scrambling, framing and alignment methods of our MagnaPHY serial interface.
- During 2005, the Company raised \$600,000 via a Convertible Subordinated Bridge Note offering, with automatic conversion to the next equity financing round at a 20% discount. (Next round planned Q1-2006.)
- The Company completed design, layout, and fabrication of its first high-speed, single-port SRAM device incorporating the MagnaPHY Memory Protocol. Characterization, test and demonstration activities are currently under way.
- In January 2006, the Company signed a Memorandum of Understanding (MOU) with Cypress Semiconductor, a leading manufacturer of parallel SRAM devices. The MOU identifies a joint product development undertaking combining the Company's MagnaPHY memory interface with Cypress' Dual-Port SRAM device.

## **Micoy**

[www.micoy.com](http://www.micoy.com)

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Ames, Iowa 50010  
515.233-0400 (phone)  
515.233-0402 (fax)



## **Contact**

Joe Stevens, CEO  
(515) 984-6090 direct

## **Investment**

\$50,000 investment to purchase 200,000 shares of common stock in 2004.

## **Intellectual Property**

Micoy received the long awaited US patent protection on all of its core technologies in 1Q 2005. Acknowledging the many unique attributes of Micoy technology, the patent office has allowed all 57 claims in this first of several pending patents "This patent fully protects all aspects of the Micoy Camera System, which enables the only known method of capturing spherical stereoscopic video," said Trent Grover, Micoy Chief Technology Officer. "Most

importantly, the patent protects the underlying methods upon which our camera systems are based, including the techniques we use to transform large amounts of 2D video data into unified, immersive 3D video.”

Those same claims formed the basis for an international application that has since been converted into national applications in Australia, Canada, China, the European Patent Office, India, Israel, Japan, the Russian Federation, Singapore, South Korea, and the United Arab Emirates. Micoy's pending applications seek patent protection with respect to all aspects of its image-capture, processing, and display technologies. Each of the nearly two dozen applications pending in the U.S. and internationally relates to one of six foundational applications, which together comprise more than 260 separate and distinct claims. The applications on file are under various stages of processing and review by the appropriate patent authorities.

### **Recognition**

Micoy's three-dimensional immersive experience camera technology was recognized at the World's Best Technologies Conference in Arlington, Texas on 1Q 2005. At the conclusion of this conference, Micoy was voted the World's Second-Best Technology and presented with the prestigious Gold award.

**Sales:** 2004 = \$54,000 and 2005 = \$290,000.

**Employees based in Ames:** Three

### **Sales and Revenue Development**

Still in its first year, Micoy's licensing program has resulted in three substantial licensees, Reality Sports Technologies (RST), International Attractions Corporation (IAC), and Rensselaer Polytechnic Institute (RPI).

RST has purchased a market-segment license for football-training applications. RST's first Micoy-based product is being developed for quarterback training. Several college and NFL teams have expressed interest, and Boise State and Iowa State University have committed to be charter “partner teams.” These partners will use and help enhance Micoy-based football training and simulation applications, which should have a major impact on the game as this new technology becomes the next must-have training tool for all teams.

IAC has purchased a market-segment license for upright dome attractions for amusement parks and indoor family entertainment centers. The first attraction, a “revolutionary 4D simulator ride” called *Eye Of The Storm*, was announced at the International Association of Amusement Parks & Attractions (IAAPA) annual trade show and conference in November 2005. This team of veteran attraction designers and producers recognize that Micoy technology will revolutionize the amusement industry. According to one member of the team, a former VP of Engineering at Universal Studio's Theme Park Division: “For the theme

park industry, it's the hottest thing out there." IAC plans to develop other Micoy-based attractions, including custom attractions for larger theme parks.

RPI is a respected engineering and technology school that has developed the award-winning children's science program, *Molecularium: Riding Snowflakes*, a digital-dome presentation designed to be shown in a planetarium, science center, or museum theater (<http://www.molecularium.com>). Micoy has licensed the use of its technology to create a 3D version of Molecularium, which Micoy Media will distribute in the U.S. and internationally. Success will likely lead to the development of additional Molecularium 3D episodes.

### **New Product**

While developing a real-time technology, they have created a new "software camera (or "virtual camera") product. Essentially fully functional software versions of their fourth-generation real-time hardware technology, Micoy Software Cameras eliminate the processing step and can render fully immersive computer-generated (CG) and virtual reality (VR) environments in real-time, and in Spherical 3D™ (stereo). Micoy has demonstrated the capabilities of this software technology in dome presentations in 4Q 2005 and 1Q 2006, with excellent results and feedback. This technology completes the other half of the picture for Micoy capture technologies. By using a combination of Micoy capture technologies; producers and designers can create blended immersive applications and products that offer the best of filmed and computer-generated experiences, environments and effects.

Whether the application calls for an entirely filmed experience, an entirely computer-generated or animated experience, or a combined experience similar to today's best attractions and movies such as *The Lord of the Rings*, Micoy has the technology to create next-generation lifelike three-dimensional experiences that were previously considered science fiction.

### **Focus for 2006**

Micoy's focus for 2006 is as follows:

1. Aggressively pursue licensing agreements with strategic partners and market leaders who want to obtain the exclusive right to certain Micoy-based products or to apply Micoy technology to various applications, both existing and new, within the granted field of exclusivity (see more in "License Model" below). The intention is to capitalize on the current interest level of identified key potential licensees based on the two license models that Micoy currently has in place.
2. Secure funding to pursue the development and production of the 3<sup>rd</sup> and 4<sup>th</sup> generation camera technology through Department of Defense appropriations grant funding.
3. An underlying goal is to pursue the acquisition and distribution of content titles, which could utilize Micoy technologies, through a wholly-owned subsidiary Micoy Media, LLC. Micoy Media has already signed one license agreement that gives Micoy the rights to reproduce an existing edutainment title into spherical 3D utilizing Micoy's

cinematic software camera. Other titles and productions are planned for 2006 subject to available funding.

### **License Model**

Micoy will continue to license its technology for various applications. In our initial target industries, there are literally hundreds of opportunities. Each license agreement requires an upfront fee as well as ongoing royalties in the form of either a percentage of gross revenues or an annual usage fee.

Micoy has already begun to build relationships with thought leaders and proven market-share leaders. Future plans include monetizing content rights inherent in each license agreement through Micoy Media.

Micoy has six categories of licenses that cover all aspects of lifelike immersive experiences, from creation, to playback and display, to specific products and market segments, to certain Micoy technologies themselves.

### **NewLink Genetics Corporation**

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### **Contact**

Nick Vahanian, Chief Medical Officer

### **Investment**

- \$99,999 to purchase 44,444 shares of Series AAA Preferred Stock at \$2.25 per share (October 2001).
- \$99,999 to purchase 39,999 shares of Series B Preferred Stock at \$2.50 per share (July 2002).

### **Additional Information**

The second half of 2005 has been as exciting and rewarding as the first half of the year. NewLink expanded the scope of its operations to pursue a more complete utilization of its intellectual properties and expertise. In addition to the core business of cancer drug development, NewLink has acquired OncoRx, a small molecule therapeutics company with highly complementary intellectual property. We have also licensed seven additional patents from the Medical College of Georgia to strengthen our intellectual property portfolio related to this small molecule platform as we continue to advance this technology for clinical development. NewLink also recently created BioProtection Systems Corporation (BPS) as a new affiliate, currently, majority owned by NewLink. BPS is dedicated to the development of NewLink's HyperAcute<sup>®</sup> Vaccine technology against potential bioterrorism agents. NewLink's Biopharmaceutical Ltd. (Shanghai) division was created to lay the groundwork for our expansion into the Chinese market for new cancer therapeutics.

The foremost reason for the existing organization of NewLink's operations is a strong desire to keep our primary focus on cancer drug development. We believe the greatest strength of our corporation, beyond its highly dedicated and skilled staff, is the concentration of intellectual property and financial applications. Acquired or developed assets to further this function are retained and or incorporated as divisions within the existing corporation, e.g., small molecule oncology therapeutics developed by OncoRx dictate its inclusion with the existing clinically oriented divisions. Secondary applications, such as bioterrorism vaccine development using HyperAcute<sup>®</sup> technology within the burgeoning field of biowarfare defense, are best established as independent entities that operate on the basis of their own business and financial merit.

The core mission of NewLink Genetics continues to be cancer drug development, to accelerate the deployment of oncology pharmaceuticals, including HyperAcute<sup>®</sup> Vaccines, into clinical testing and commercialization. This core of clinical researchers is supported by a clinical production and testing group that produces our pharmaceuticals and performs FDA-mandated testing prior to distribution. Complementing these groups with direct clinical involvement, we operate research and development sections. These divisions are both historically and functionally related to the principal goal of NewLink Genetics: the development of a vertically integrated oncology pharmaceuticals company.

**Palisade Systems, Inc.**

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515.296.5335 (fax)



**Contact**

Kurt Shedenhelm, President and CEO

**Investment**

Fund 3	2005	\$20,331	20,331 shares of common stock
Fund 4	2005	\$25,000	25,000 shares of Series E preferred stock

**See Fund 3 Investments for detail. (Page 4)**

## **Proplanner**

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## **Contact**

Dave Sly, President and CTO

## **Introduction**

2005 was a year of transition for Proplanner. We entered the year with great hope and enthusiasm due to our early success in deploying our initial products and services into the marketplace, as evidenced by our \$387K in 2004 revenue and a solid customer list that included manufacturing giant GM (Mexico). In early 2005, however, we saw sales and service activity slow down considerably, due to both customer issues as well as our own product issues. Accordingly, in the summer of 2005, Proplanner implemented a plan to 1) complete the \$1 Million fundraising that was initiated in 2004, 2) complete necessary development of its existing product line to meet the needs of its customers, 3) review and

revamp the company's sales model, and 4) cut monthly spending to give the plan time to work.

The successful \$1 Million fundraising (completed in July) gave the company time to aggressively complete development of several product enhancements that had been requested by our customers. These enhancements – to both the Proplanner suite as well as the stand-alone tools developed in 2004 – offer more complete solutions for our customers and have definitely opened doors that were not open before.

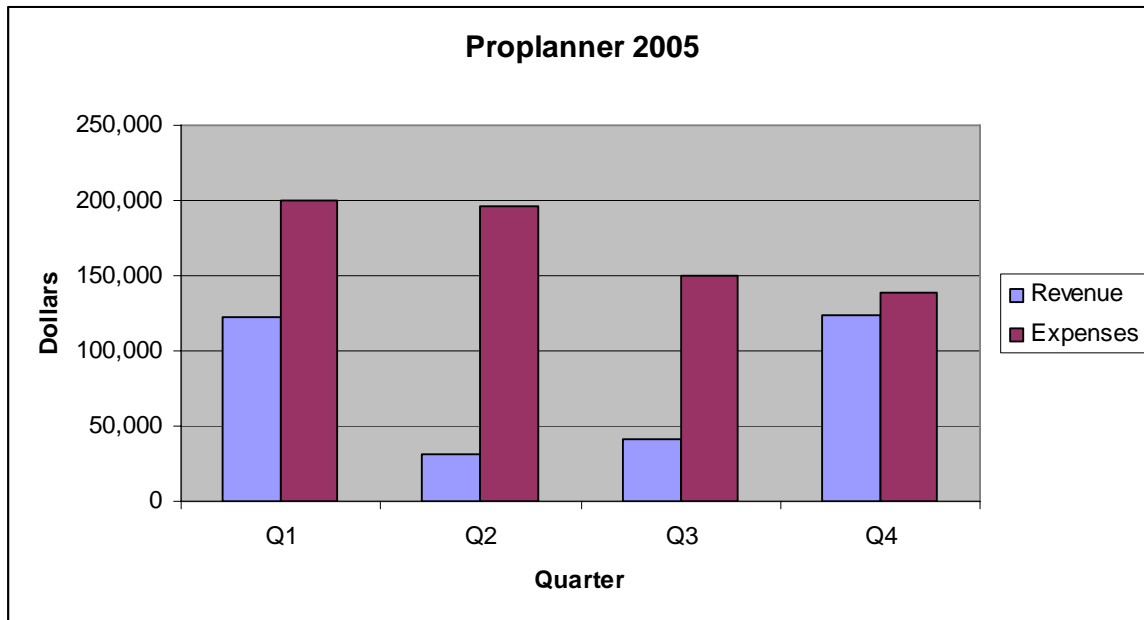
We also revamped our sales strategy to focus on key customers that offered the greatest likelihood of success (such as Case New Holland) rather than taking a shotgun approach to sales development, and by developing stronger, more active relationships with hardware vendors and engineering consultants and service providers that can leverage our activities.

Our 2005 cost reductions included laying off two developers and three engineers, commensurate with our slowing sales and service activities, plus closing our Detroit office, which is now being covered by Jim Vincent out of his home office. In addition, VP of Sales Aaron Bruner resigned in November to pursue another career opportunity, leaving our total number of employees at 7 -- 2 developers, 2 engineers, 2 unpaid executives and a full-time sales person responsible for major accounts. With the new cutbacks, the company is able to operate with expenses of around \$120K - \$140K a quarter, versus \$200K a quarter during the beginning of 2005 with this new expense structure, the company is confident that it can keep expenses below \$600K (possibly even \$575K) for 2005.

Proplanner continues to pursue direct sales with select customers in select regions. However the company has greatly scaled back these activities in order to put more focus on profit-producing sales opportunities with strategic customers (like Case, New Holland, International Trucks, AMG and others). Proplanner's management team recognizes that developing relationships with these large manufacturers in today's business climate is very expensive and time consuming and so Proplanner is instead pursuing partners who can provide the company with exposure to key decision makers.

#### **2005 Financial Performance**

In 2005, Proplanner generated revenue of \$320,000 with expenses of \$686,000, resulting in a net loss of \$366,000. This compared with revenue of \$387,000, expenses of \$812,000 and a net loss of \$426,000 in 2004. In 2005, software sales rose 21% and software maintenance rose 108%, however service revenues dropped 62% and comprised only 27% of total company revenue in 2005, versus 56% of total revenue in 2004. In Q4 of 2005, Proplanner generated \$123,879 in revenue versus \$138,989 in expenses which resulted in a quarterly loss of only \$15K (the best for the company so far).



### Sales Strategy

To boost its financial performance in 2006 and beyond, Proplanner has taken steps to improve its sales and marketing activities. Jim Vincent has come on full time to take over direct sales, with a special focus on a selected set of major accounts. Jim will be at the annual meeting and I recommend that you all take an opportunity to speak with him about his efforts. Jim's sales proposals have been much more professional than what we have had in the past, and his recent successes at CNH have moved Proplanner into a new major revenue opportunity at that account for 2006.

Dave has taken over the Iowa territory directly (as of October 2005). So far, he has been able to install software at Polaris, Fisher Controls and soon Winnebago. The emphasis of these installations is a "prove-it-first" approach whereby we are providing software and services to generate results which will then be leveraged into multi-plant deployments. If successful, Dave will expand this pilot to other Iowa and Midwest accounts. In addition, he is working with Hagerman & Associates, a major Autodesk distributor in the Midwest. Collectively, Dave and Hagerman have put on 3 seminars in St Louis, Chicago and Indianapolis and have presented to over 12 different companies over the past 90 days. Collectively, Dave and Hagerman have about \$100K in identified business in about 1/3 of those accounts and anticipate closed orders before the end of Q1 2006. Hagerman has a very professional and well-connected sales team, so the partnership shows a great deal of promise for both parties.

### Marketing

The company continues to improve the website with the primary emphasis of providing a great deal of information (relative to our competitors) and a professional look. The company has also launched a "Free Trial Download" capability on several of its software modules. This has greatly increased quality leads (from about 5 a month to over 20 a month) on average, and has resulted in sales at Cooper and Bally Gaming, to name two.

In addition, the company recently published a set of professional brochures that are available via the website and are also being handed out to clients during sales presentations. Given our emphasis on using partners to help us sell, it was important to have informative and professional documents to assist them with their sales process.

### **Development**

In 2005, Proplanner focused on the depth of its current solutions. No new products were added, however all of the modules (Proplanner Suite, Line Balancing, Workplace Planning and Flow Path Calculator) saw major enhancements that were driven directly by customer requests and have resulted in making the products easier to use, quicker to deploy and more value added. Several press releases have been issued on these new enhancements and those have been attached.

In 2005 we believe that we validated our strategy to unbundle the Proplanner suite and provide modules of functionality that would eventually drive some customers to deploy the entire Proplanner solution. We have seen situations where this is working, especially with regards to the Line Balancing module driving customers into the Proplanner Suite. In fact, many customers now see the Proplanner suite as a database version of the MS-Excel oriented line Balancing Module. This may prove to be an important distinction that we will use more heavily during our marketing in 2006.

### **Administrative**

Proplanner also made significant strides in developing administrative and financial tools in 2005, including the on-going development of a financial projection system that will allow the company to better model both sales activity and financial expectations and performance. That system is currently functional, and will benefit from iterative improvements as more data is collected from the sales and financial processes.

### **UGS**

Proplanner continues to make progress within the Automotive market (Ford, GM and Chrysler) and has become a direct market threat to UGS. In response, UGS has complained to Proplanner that certain components of the new Proplanner products violate UGS' copyrights and co-development agreements. While these claims are totally groundless (the Proplanner products have been carefully developed according to "Greenfield" principles), Proplanner has responded by offering to have the respective source codes reviewed by an independent software consultant, and is currently negotiating the terms of this review.

### **Merger/Acquisition Activity**

Many of you know that Proplanner was in active discussions with PTC last year at this time. PTC was trying to choose between a purchase of PolyPlan, with whom they had a multi-year development partnership, or Proplanner, whom they had recently met as a result of a consulting activity with consultant Don Brown. While Proplanner was the favorite by the Business and Sales groups at PTC, the development group fought strongly for the purchase of PolyPlan due to their prior working history and current product integrations, in addition to

the fact that both PTC and Polyplan were developed in JAVA versus Proplanner, which was developed in MS.NET. In the end PTC chose Polyplan and discussions with Proplanner ceased.

With PTC's decision, only Autodesk and Matrix One remain as significant CAD/PDM vendors without MPM solutions to offer customers.

In the fall of 2005, Proplanner met with the VP of Autodesk's Manufacturing Division, which is now looking to expand their manufacturing data management capabilities. We have had a very successful meeting with Autodesk to discuss the technical aspects of our products, and we have been introduced to several Autodesk resellers to work on joint proposals with mutual customers (which have gone very well). Autodesk is currently busy integrating a previous acquisition into the company, but we hope and assume there will be renewed energy back in the discussions with Autodesk later this Spring.

In January 2006, Proplanner began discussions with Matrix One (Nasdaq:MONE ). Don Brown, Stuart Miller and Dave Sly, had previously made several attempts to contact Matrix One throughout 2004 and 2005 but had no success. At the time, Matrix One was pushing their homegrown MPM solution (essentially a powerpoint presentation with no substance) to CNH (Case New Holland). Luckily, CNH recognized the need for a more robust solution and has told Matrix One that Proplanner will be their corporate MPM solution, and further suggested that Matrix One needed to develop interfaces with Proplanner in the future. With this strong endorsement from a major Matrix One customer, Proplanner and Matrix One have been engaged in several high-level sales and development meetings and have had very short discussions on Proplanner's capital structure and future plans.

Thanks in large part to Jim Vincent's handling of the CNH account, and the solid products that we have been able to develop so far, the Matrix One people are very impressed with Proplanner and have stated internally that they are going to position Proplanner as their only MPM solution – as opposed to a strategy of developing a generic MPM interface and supporting many solutions. In addition, Matrix One is now beginning to introduce Proplanner to additional customers of theirs who want an MPM solution (eg., Eaton Corp).

In summary, the Matrix One opportunity is very real at this time (both in terms of helping Proplanner generate revenue and also in terms of providing an exit strategy for investors). The Autodesk opportunity is still possibly alive, but will need some market/sales push to get it back on track.

### **2006 Objectives**

2005 was another learning experience for our company. We deployed the software at 46 different companies and universities last year, and received extensive feedback from these deployments regarding changes that need to be made in order to make it easier to use, easier to deploy and easier to extract value. The company continues to make these iterative changes to the product, continues to find more partners where it can generate profitable

sales engagements and continues to leverage existing customer engagements in an effort to reach profitability.

Proplanner is now in weekly contact with its partners in Europe, Mexico and China, due to the extensive increase in activity around Proplanner's products in those countries. In addition, Proplanner is working closely with the Hagerman Company, the MTM Association and 4 engineering consultants here in the US, and is already experiencing revenues and a rapidly increasing pipeline from those sources. These relationships have taken a great deal of time, energy and money to develop, throughout 2004 and 2005, however the company is confident that the revenues from those companies in 2006 will be the deciding factor in determining if this investment in our partners will pay off.

The company is also greatly encouraged by a recent purchase order from a large engineering consulting firm that is conducting a major project for a Big4 automaker. This one-year, \$120,000 services contract could be the first of several multi-year revenue opportunities from this consultant – both software and services, and will also offer high visibility in the manufacturing industry as well as affording an impressive new reference customer, which would be hugely beneficial to the company's sales and marketing efforts.

Finally, the opportunities for a mutually beneficial partnership at Matrix One and perhaps even Autodesk look very sound, and may provide the best opportunity yet for a successful exit strategy for all parties.

**BioProtection Systems Corporation (BPSC)**

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**Contact**

Joseph E. Lucas, Chief Operating Officer

**Investment**

\$50,000 to purchase 8,571 shares of Preferred Stock at \$1.75 per share.

**Additional Information**

BioProtection Systems is fully operational in our new laboratory in the Iowa State University Research Park. The company closed the Series A preferred round of investment on February 28, 2006.

We are privileged to have hired an outstanding group of scientists to work on our various projects.

The scientific team is operating in the lab consisting of a cell culture room, wet laboratory, conference room and administrative section. We have procured several pieces of equipment including biological hoods, centrifuges, microscopes, multiple incubators and many supplies stored in our several freezers and refrigerators. We have formed a joint BioSafety Committee with NewLink Genetics for review of all internal procedures and protocols.

BioProtection Systems is developing the next generation of prophylactic and therapeutic vaccines for the prevention and treatment of infectious diseases using our HyperAcute<sup>®</sup> vaccine technology. Our main focus is on Category A, B, and C pathogens as defined by the National Allergy and Infectious Disease division of the National Institute of Health. The company submitted a proposal to the Defense Threat Reduction Agency in January 2006 to jointly develop two vaccines in response to a Broad Agency Announcement (BAA). The BAA requested submissions focused on developing medical counter-measures to biological warfare threat agents to include vaccine enhancement technologies. It is our belief that HyperAcute<sup>®</sup> vaccines when applied to Bioterror pathogens can be stockpiled for use in controlling the infections spread of a bio-weapon beyond the initial outbreak as a prophylactic vaccine.

The company also jointly submitted a grant application to the National Institute of Health with Dr. George Kraus, University Professor, Iowa State University, for "Therapeutics for Category A Viruses". Dr. Kraus is the principal investigator.

BioProtection Systems is seeking to establish relationships with pharmaceutical companies and public agencies to expand the HyperAcute<sup>®</sup> vaccine product application. We are focusing on new technologies available for license and innovative discovery within our current laboratory.

We are pleased to announce that Dr. Wendy Maury, Assistant Professor, Department of Microbiology, University of Iowa will be joining our Scientific Advisory Board.

**REDEEMED INVESTMENTS**

The following Ames Seed Capital LLC investments have been successfully redeemed and distributed to investors

COMPANY:                   Engineering Animation, Inc.  
 Investment (Fund 2): \$100,000 loan repaid in 2000.  
 Comments:                 Loan repaid along with \$25,437 in interest income.

COMPANY:                   RocketChips, Inc.  
 Investment (Fund 3): \$80,000 Equity  
 Comments:                 Company purchased by Xilinx. Ames Seed Capital LLC received 21,389 shares, with 18,491 shares distributed to investors in June 2001. The 2,898 shares held in escrow were sold (\$41 per share) and the \$119,109.83 in proceeds were distributed to investors in March 2002.

**LLC MANAGERS**

<b>Managers</b>	<b>Officers</b>
Dick Clem	Marvin Walter, President
Steve Goodhue	Chuck Jons, Vice President
Dean Hunziker	Jami Larson, Secretary
Dick Johnson	
Chuck Jons	
Dan Krieger	
Jami Larson	
Lee Livingston	
Wayne Moore	
John Russell	
Marvin Walter	
Shane Zimmerman	
Steve Schainker, ex-officio	

**Fund 3 Investors**

Brian Anderson – Knapp Tedesco	Jere Maddux – Newbrough Law
Betty Baudler Horras	Tim Mallicoat – ISU Ready Mix
Jeff Becker	Brad Manatt – Manatt's Inc.
Bob Boecke	Shane Zimmerman – Wells Fargo Bank, NA
Richard Clem	Ron McMillen
Joseph Craig – The Tribune/Partnership Press	Fredrick Miller
John Dasher – Dasher Management	Wayne Moore
Keith Denner – PPM	Jerry Nelson – Nelson Electric
William Dreyer – Rudi, Lee, Dreyer, Architects	Carroll Nikkel – Nikkel & Associates
Don Furman	Randy Olson – F & M Bank
Steve Goodhue – First American Bank	John Parks
Harlan Hanson	Scott Randall – Randall Corporation
Richard Roseland – Roseland, Mackey, Harris, Architects	Steven Risdall – Risco Inc
Dean Hunziker	John Russell – US Bank
Erban Hunziker – Erben A. Hunziker Revocable Trust	Warren Sargent
Dickson Jensen – The Jensen Group	Mike Sayen – UGS PLM Solutions
Richard Johnson – Story Construction Co.	Maggie Sevde – Sevde Transfer
Charles Jons – Charles and Carolyn Jons Trust	Joel and Barbara Snow
David Klatt – Grand Investors LLC	Mark Speck – Speck Plumbing, Inc.
Steve Kroger – McFarland Clinic	Scott Thacker – Kapaun & Brown
Daniel Krieger – First National Bank	Roger Underwood
John Langeland – Gateway Insurance	Marvin Walter – Ford Street Development Co., L.C.
Kent Larsen – Construct	Donald Wandling
James Larson, II – Larson Development Corporation	Dale Watson – Fox Engineering
Lee and Patricia Livingston	

**Fund 4 Investors**

Brian Anderson – Knapp Tedesco	Brad Manatt – Manatt's Inc.
Betty Baudler Horras	Shane Zimmerman – Wells Fargo Bank, NA
Richard Clem	Ron McMillen
Reinhard Friedrich	James & Katherine Melsa – James L. & Katherine S. Melsa JTWROS
Reinhard Friedrich – R. Friedrich & Sons, Inc.	Fredrick Miller
Steve Goodhue – First American Bank	Wayne Moore
Dean Hunziker	Carroll Nikkel
Erben Hunziker – Erben A. Hunziker Revocable Trust	Harold Pike
Richard Johansen	Scott Randall – Randall Corporation
Dick and Gene Johnson	Steven Risdal – Risco
Richard Johnson – Story Construction	John Russell – U.S. Bank, N.A.
Charles Jons – Charles and Carolyn Jons Trust	Jerry Smith
David Klatt – Grand Investors LLC	Joel & Barbara Snow

**Ames Seed Capital LLC**  
**Annual Report**  
April 5, 2006

Daniel Krieger – First National Bank	Mark Speck
Daniel L. & Sharon Krieger – Daniel L. Krieger 2000 Revocable Trust	Roger Underwood
John Langeland	Marvin Walter – Ford Street Development Co., L.C.
James Larson, II – Larson Development Corporation	William Whitman – Antoinette C. Whitman and William
James Larson, II	Chuck Winkleblack
Lee & Patricia Livingston	Bill Woodruff – Woodruff Construction
Warren Madden	