

MINUTES OF THE JUNE 10, 2008 MEETING OF THE BOARD OF DIRECTORS OF THE ILLINOIS FINANCE AUTHORITY

The Board of Directors (the "Board") of the Illinois Finance Authority (the "IFA"), pursuant to notice duly given, held a Board Meeting at 2:30 p.m. on June 10, 2008, at the Illinois State Library, 300 S. Second Street, Room 403/404, Springfield, Illinois.

Members present:

William A. Brandt, Jr., Chair
Michael W. Goetz, Vice Chair
Dr. William J. Barclay
James J. Fuentes
Edward H. Leonard, Sr.
Terrence M. O'Brien
Juan B. Rivera
Joseph P. Valenti
Bradley A. Zeller

Members absent:

Ronald E. DeNard
Dr. Roger D. Herrin
Lynn F. Talbott

Vacancies:

2

Members participating by telephone:

April D. Verrett

GENERAL BUSINESS

Call to Order, Establishment of Quorum and Roll Call

Chairman Brandt called the meeting to order at 2:31 p.m. with the above members present. Chairman Brandt welcomed members of the Board and all guests and asked Secretary, Carla Burgess Jones to call the roll. There being nine (9) members physically present, and one (1) member on the telephone Ms. Burgess Jones declared a quorum present.

Chairman's Report

Chairman Brandt thanked fellow Board members and guests for coming. Chairman Brandt stated that all projects being presented at today's meeting were reviewed by all members of the Board at the Committee of the Whole meeting held at 11:30 a.m. today.

Acceptance of Financial Statements

Financial statements for the period ending May 31, 2008 were presented to members of the Board and accepted by the Board. Chairman Brandt stated that the Authority's financial statements were reviewed at the regularly scheduled Committee of the Whole Meeting held today at 11:30 a.m. Chairman Brandt requested a motion to approve the May 31, 2008 financials. Motion was moved by Mr. O'Brien and seconded by Mr. Rivera. The financials were approved by a roll call vote with 10 ayes, 0 nays, and 0 abstentions.

Minutes

Chairman Brandt announced that the next order of business was to approve the minutes of the May 13, 2008 Meeting of the Board. Chairman Brandt announced that the May 13, 2008 minutes were approved at the regularly scheduled Committee of the Whole Meeting held today at 11:30 a.m. Chairman Brandt requested a motion to approve the minutes. Motion was moved by Mr. Goetz and seconded by Dr. Barclay. Secretary, Burgess Jones, took a roll call vote for approval of the minutes. The minutes were approved by a roll call vote with 10 ayes, 0 nays, and 0 abstentions.

Chairman Brandt announced that the next board meeting of the Illinois Finance Authority will be held on Tuesday, July 8, 2008 in Chicago, Illinois and, that all meeting dates for FY 2009 will soon be published and can also be found on the Illinois Finance Authority's web-site. Chairman Brandt then asked Director Hubbard to give the Director's Report.

Executive Director's Report

Director Hubbard welcomed and thanked all guests for coming. Director Hubbard reported that the Authority's financial position remains strong with total assets over \$173 million. Director Hubbard also reported that year-to-date gross income for May, 2008 ended at over \$13 million, which is \$1.4 million above plan, and that net income ended at \$19.7 million, which includes a \$2M grant and state appropriations for the Fire Truck Revolving Loan Fund and the Ambulance Revolving Loan Fund. Director Hubbard reported that nine (9) projects were being presented today that total \$412,960,000, and that projects being presented today are expected to create approximately 237 new jobs and 870 construction jobs.

Projects

Chairman Brandt asked Director Hubbard to present the following projects for consideration to the Board:

No. 1: A-FB-TE-CD-8087 – Kelby Eubank

Request for final approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$160,000.00 to provide permanent financing to purchase approximately 60 acres of farmland. This project is located in Willow Hill, Illinois. (08-06-01).

No. 2: N-NP-TE-CD-8084 – Achievement Unlimited, Inc.

Request for final approval of the issuance of 501(c)3 Revenue Bonds in an amount not-to-exceed \$5.4 million. Bond proceeds will be used to finance the purchase of fourteen existing facilities that are currently leased by the applicant. This project is expected to create approximately 35 new jobs. This project is located in Beardstown, Danville, Galesburg, Greenville, Hardin, Havanna, Milledgeville, Quincy, Rockford and Williamsfield, Illinois. (08-06-02).

- No. 3:** **A-N-PS-TE-CD-8085 – Northwestern University**
Request for final approval of 501(c)3 Bonds in an amount not-to-exceed \$125 million. Proceeds will be used to finance the construction and rehabilitation of buildings and facilities used in the course of the University's program of instruction. This project is expected to create approximately 350 construction jobs. This project is located in Chicago and Evanston, Illinois. **(08-06-03)**.
- No. 4:** **N-PS-TE-CD-8068 – St. Augustine College**
Request for final approval of 501(c)3 Bonds in an amount not-to-exceed \$8 million. Proceeds will be used to refinance outstanding indebtedness to significantly reduce debt service payments and improve cash flow, and to fund professional issuance costs. This project is located in Chicago, Illinois. **(08-06-04)**.
- No. 5:** **E-PC-TE-CD-8059 – Saint Xavier University**
Request for final approval of the issuance of 501(c)3 Revenue Bonds in an amount not-to-exceed \$26 million. Bond proceeds will be used to finance the acquisition and renovation of two off-campus buildings, the construction and equipping of a new student housing facility, and the acquisition and demolition of an existing building, and the construction of a 4-story building for student housing and retail space. This project is expected to create 15 new jobs and 50 construction jobs. This project is located in Chicago, Illinois. **(08-06-05)**.

No guests attended with respect to Project Nos. 1 through 5. Chairman Brandt asked if the Board had any questions with respect to Project Nos. 1 through 5. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Project Nos. 1 through 5. Leave was granted. Project Nos. 1 through 5 received final approval with 10 ayes, 0 nays, and 0 abstentions.

- No. 6:** **N-ND-TE-CD-8092 – Jewish Federation of Metropolitan Chicago, Jewish Charities Revenue Anticipation Note Program, Series 2008-2009A, 2008-2009B**
Request for final approval of 501(c)3 Revenue Anticipation Notes in an amount not-to-exceed \$40 million to provide cash management savings to the Federation to be used to expand services provided to its affiliated organizations, and to pay issuance costs. This project is located in Buffalo Grove, Chicago, Skokie, Flossmoor, Highland Park, Northbrook, Evanston, Wilmette, Glenview, Lake Zurich, and Vernon Hills, Illinois. **(08-06-06)**.

Chairman Brandt requested a motion to adjourn the meeting at approximately 2:43 p.m., to briefly discuss matters concerning Project No. 6, Jewish Federation of Metropolitan Chicago, Jewish Charities Revenue Anticipation Notes Program, Series 2008-2009A, 2008-2009B. The motion was moved by Vice Chairman Goetz and seconded by Mr. Valenti.

A brief discussion ensued concerning the Board's request for additional financials subject to the final approval of Project No. 6, Jewish Federation of Metropolitan Chicago, Jewish Charities Revenue Anticipation Notes Program, Series 2008-2009A, 2008-2009B. The meeting re-convened at approximately 2:46 p.m.

Chairman Brandt then asked if the Board had any questions concerning Project No. 6. There being none, Chairman Brandt asked Secretary Burgess Jones to take a roll call vote for final approval of Project No. 6. Project No. 6 received final approval with 10 ayes, 0 nays, and 0 abstentions.

No. 7: H-HO-TE-CD-8090 – Advocate Health Care Network

Request for preliminary approval of the issuance of 501(c)3 Bonds in an amount not-to-exceed \$180 million. Bond proceeds will be used to finance the cost of the acquisition of certain assets of Condell Medical Center, fund new money projects at Advocate Condell Medical Center, and pay issuance costs. This project is expected to create approximately 200 construction jobs. This project is located in Libertyville, Illinois. (08-06-07).

No guests attended with respect to Project No. 7. Chairman Brandt asked if the Board had any questions with respect to Project No. 7. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Project No. 7. Leave was granted. Project No. 7 received preliminary approval with 10 ayes, 0 nays, and 0 abstentions.

No. 8: H-SL-RE-TE-CD-8093 – Friendship Village of Mill Creek, NFP

Request for preliminary approval of the issuance of Conduit 501(c)3 Bond Anticipation Notes in an amount not-to-exceed \$3.9 million. Bond proceeds will be used to fund the pre-construction costs of the continuing care retirement community known as GreenFields of Geneva, comprised primarily of the design, development, and marketing costs of the Project, and to pay issuance costs. The project is expected to create approximately 175 new jobs, and 250-350 construction jobs. This project is located in Geneva, Illinois. (08-06-08).

Chairman Brandt asked if there were any guests attending the meeting with respect to Project No. 8. Ms. Pamela Lenane, Vice President, introduced Mr. Stephen A. Yenchek and Mr. Robert M. Alston. Messrs. Yenchek and Alston thanked members of the board for their consideration and support. Chairman Brandt then asked if the Board had any questions for Messrs. Yenchek and Alston. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Project No. 8. Leave was granted. Project No. 8 received preliminary approval with 10 ayes, 0 nays, and 0 abstentions.

No. 9: H-HO-TE-CD-8094 – Norwegian American Hospital

Request for preliminary approval of the issuance of Conduit 501(c)3 Bonds in an amount not-to-exceed \$24.5 million. Bond proceeds will be

used to pay or reimburse Norwegian American Hospital for the cost of various construction and renovation projects including, without limitation, an Outpatient Imaging Center, a Women's Center of Excellence, required upgrades to the sprinkler and fire alarm system, and other renovations. Bonds proceeds will also be used to pay or reimburse the Borrower for the payment and cost of acquiring certain capital equipment, to refinance the Borrower's FA Series 2005B Bonds in the approximate amount of \$3.5 million, and to fund a debt service reserve fund and pay certain related expenses. This project is expected to create approximately 12 new jobs and 20 construction jobs. This project is located in Chicago, Illinois. (08-06-09).

No guests attended with respect to Project No. 9. Chairman Brandt asked if the Board had any questions with respect to Project No. 9. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Project No. 9. Leave was granted. Project No. 9 received preliminary approval with 10 ayes, 0 nays, and 0 abstentions.

Amendatory Resolutions

- No. 10:** **TG-IL, Inc.** An Amendatory Resolution to request an increase in the loan amount from \$287,000 to \$325,000. The original loan was requested to finance the acquisition and refurbishment of a commercial building located in Peoria, Illinois.
- No. 11:** **DePaul University Commercial Paper Revenue Notes.** An Amendatory Resolution to request that the Authority approve additional financing for an additional project comprised of an educational facility to be finance, refinanced or reimbursed from proceeds of the Notes.
- No. 12:** **First Friends Daycare.** An Amendatory Resolution to amend the Lease Installment Agreement and related matters for First Friends Daycare.
- No. 13:** **Local Government 2008A Pooled Bonds.** An Amendatory Resolution to reflect changes in the structure of the Local Government 2008A Pool.

Chairman Brandt asked if the Board had any questions with respect to Amendatory Resolutions Nos. 10 through 13. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Amendatory Resolutions Nos. 10 through 13. Leave was granted. Resolutions Nos. 10 through 13 received approval with 10 ayes, 0 nays, and 0 abstentions.

Chairman Brandt asked if there was any other business to come before the Board. There being none, Chairman Brandt requested a motion to adjourn. Upon a motion by Mr. Zeller and seconded by Vice Chairman Goetz, the meeting adjourned at approximately 2:58 p.m.

Respectfully Submitted,

Carla B. Burgess Jones, Secretary

ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors
From: Eric Reed & Cory Mitchell/lk
Date: July 8, 2008
Re: Overview Memo for Beginning Farmer Bonds

- **Borrower/Project Name:** Beginning Farmer Bonds
- **Locations:** Throughout Illinois
- **Board Action Requested:** Final Bond Resolutions for each attached project
- **Amounts:** Up to \$250,000 maximum of new money for each project
- **Project Type: Beginning Farmer Revenue Bonds**
- **Total Requested: \$219,600.00**
- **IFA Benefits:**
 - **Conduit Tax-Exempt Bonds** – no direct IFA or State funds at risk
 - **New Money Bonds:**
 - convey tax-exempt status
 - will use dedicated 2008 IFA Volume Cap set-aside for Beginning Farmer transactions
- **IFA Fees:**
 - One-time closing fee will total 1.50% of the bond amount for each project
- **Structure/Ratings:**
 - Bonds to be purchased directly as a nonrated investment held until maturity by the Borrower's Bank
 - The Borrower's Bank will be secured by the Borrower's assets, as on a commercial loan
 - Interest rates, terms, and collateral are negotiated between the Borrower and the Participating Bank, just as with any commercial loan
 - Workouts are negotiated directly between each Borrower and Bank, just as on any secured commercial loan
- **Bond Counsel:** **Burke, Burns & Pinelli, Ltd**
Stephen F. Welcome, Esq.
Three First National Plaza, Suite 4300
Chicago, IL 60602

Project Number: A-FB-TE-CD-8098
Funding Manager: Eric Reed
Borrower(s): Holkenbrink, Randy
Town: Teutopolis, IL
Amount: \$44,600
Use of Funds: Farmland – 35 acres (1/2 interest)
Purchase Price: \$66,223.50 / (\$1,892 per ac)
%Borrower Equity: 33%
%Other Agency: 0%
%IFA: 67%
County/Region: Jasper / Southeastern
Lender/Bond Purchaser: Teutopolis State Bank / Dirk Bohnhoff
Legislative Districts: Congressional: 15th, Timothy Johnson
State Senate: 55th, Dale Righter
State House: 109th, Roger Eddy

Principal shall be paid semi annually in installments determined pursuant to a Fifteen year amortization schedule, with the first principal payment date to begin 6 months from the date of closing. Accrued interest on the unpaid balance hereof shall be paid semi annually, with the first interest payment date to be six months from the date of closing with the fifteenth and final payment of all outstanding balances due fifteen years from the date of closing.

***Randy Holkenbrink:** Note shall bear simple interest at the expressed rate. The expressed rate shall be 4.00% fixed for three years and adjust every three years thereafter for the term of the note to .50% over the 3 year Treasury Bond rate with a floor of 4.00%. **IFA Fee: \$669.00**

Project Number: A-FB-TE-CD-8099
Funding Manager: Eric Reed
Borrower(s): Holkenbrink, Doug
Town: Teutopolis, IL
Amount: \$50,000
Use of Funds: Farmland – 35 acres (1/2 interest)
Purchase Price: \$66,223.50 / (\$1,892 per ac)
%Borrower Equity: 25%
%Other Agency: 0%
%IFA: 75%
County/Region: Jasper / Southeastern
Lender/Bond Purchaser: Teutopolis State Bank / Dirk Bohnhoff
Legislative Districts: Congressional: 19th, John Shimkus
State Senate: 54th, John O Jones
State House: 108th, David Reis

Principal shall be paid semi annually in installments determined pursuant to a Twenty five year amortization schedule, with the first principal payment date to begin 6 months from the date of closing. Accrued interest on the unpaid balance hereof shall be paid semi annually, with the first interest payment date to be six months from the date of closing with the twenty fifth and final payment of all outstanding balances due twenty five years from the date of closing.

***Doug Holkenbrink:** Note shall bear simple interest at the expressed rate. The expressed rate shall be 4.00% fixed for three years and adjust every three years thereafter for the term of the note to .50% over the 3 year Treasury Bond rate with a floor of 4.00%. **IFA Fee: \$750.00**

Project Number:	A-FB-TE-CD-8100
Funding Manager:	Eric Reed
Borrower(s):	Shull, Tyler
Town:	Hidalgo, IL
Amount:	\$125,000
Use of Funds:	Farmland – 10 acres (\$2,500 per acre) & 2160 Hog Nursery
Purchase Price:	\$250,000 (Farmland \$25,000; Nursery \$225,000)
%Borrower Equity	0%
%Other Agency	50%
%IFA	50%
County/Region:	Jasper / Southeastern
Lender/Bond Purchaser	Peoples State Bank / Brian Bohnhoff
Legislative Districts:	Congressional: 19 th , John Shimkus State Senate: 54 th , John O Jones State House: 108 th , David Reis

Principal shall be paid monthly in installments determined pursuant to a Twenty year amortization schedule, with the first principal payment date to begin one month from the date of closing. Accrued interest on the unpaid balance hereof shall be paid monthly, with the first interest payment date to be one month from the date of closing with the twentieth and final payment of all outstanding balances due twenty years from the date of closing.

***Tyler Shull:** Note shall bear simple interest at the expressed rate. The expressed rate shall be 4.75% fixed for five years and adjust every five years thereafter for the term of the note to 2.00% below Wall Street Journal Prime, with a minimum rate to customer of 4.75%, and a maximum rate to customer of 12.99%.

IFA Fee: \$1,875.00

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
July 8, 2008**

Project: Sandrock Land and Cattle, LLC

STATISTICS

Project Number: A-YF-TX-GT-8088	Amount: \$455,000
Type: Young Farmer Guarantee	IFA Staff: Cory E. Mitchell
County/Region: Whiteside/Northwest	City: Rock Falls

This project is 1 of 2 for IFA consideration and all collateral will be cross-collateralized.

BOARD ACTION

Final Resolution	Staff request: Approval of an 85% guarantee In favor of First National Bank in Amboy
IFA Funds contributed: None	Extraordinary conditions: None
State Treasurer's Reserve Funds at Risk: \$386,750	Staff Recommendation: Approval subject to bank conditions

Additional Covenant's:

- *Assignment of Life Insurance on Matthew and Benjamin Sandrock(sum of the loan).
- *Copies of Matthew and Gary Sandrock's 2007 tax return when filed.
- *Verification of satisfactory appraisal of real estate and equipment per IFA adjusted guidelines (real estate 80%, equipment 65%).
- *Provide proof of Insurance on livestock and equipment before closing.

VOTING RECORD

Prior board action: None

PURPOSE

Use of proceeds: Loan proceeds will provide permanent financing for the purchase of farm equipment.

IFA PROGRAM AND CONTRIBUTION

The Authority's Young Farmer Guarantee Program guarantees up to 85% of a bank's loans to Illinois farmers. The guarantees are not transferable without the Authority's written consent. The Authority's agricultural guarantee obligations are backed by an IFA reserve funded for this program and are also full faith and credit obligations of the State of Illinois. IFA's issuance of guarantees helps borrowers obtain debt financing at reduced rates of interest and improved terms

VOLUME CAP

N/A

JOBS

Current employment: 5	Projected new jobs: 0
Jobs retained: 5	Construction jobs: 0

ESTIMATED SOURCES AND USES OF FUNDS

Sources:		Uses: Purchase Equipment <u>\$455,000</u>
IFA Guarantee	\$386,750	
First National Bank	<u>\$68,250</u>	
Total	<u>\$455,000</u>	Total <u>\$455,000</u>

Project Name: Sandrock Land and Cattle, LLC
Product Type: Young Farmer Guarantee
Page 3

Final Resolution
July 8, 2008
Cory E. Mitchell

SERVICE AREA

United States

BACKGROUND INFORMATION

Sauk Valley Angus, located near Rock Falls in Whiteside County, was the originating name of what is now known as Sandrock Land and Cattle, LLC (SLC). Gary Sandrock (father) started Sauk Valley Angus well over 40 years ago. The operation has always raised and sold registered Angus breeding stock to Angus beef cattle producers across the United States. The income for the operation comes from the sale of breeding stock (bulls and heifers) at a spring and fall sale, private treaty breeding stock sales, sale of fertilized embryos for transplant, bull semen and freezer beef sales. Sauk Valley Angus was the recipient of the Beef Improvement Federation's Purebred Producer of the year in 2006. This award has been presented to outstanding seedstock firms throughout the United States and Canada since 1972. Sauk Valley was the first firm to receive the award in Illinois. The other ½ of SLC is their row crop farming operation which consists of 2500 total acres which grows commercial corn, seed corn, soybeans, lima beans and peas. Gary Sandrock continues to farm 1,000 acres and will turn these acres over to SLC in 2010. Both sons Mathew and Benjamin Sandrock have graduated from the University of Illinois and are eager to take over the family business in which they have been a part of on the production side for over 20 years.

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
Board Meeting Date**

Project: Sandrock Land and Cattle, LLC

STATISTICS

Project Number: A-SG-TX-GT-8089	Amount: \$934,500
Type: Specialized Livestock Guarantee	IFA Staff: Cory E. Mitchell
County/Region: Whiteside/Northeast	City: Rock Falls

This project is 2 of 2 for IFA consideration and all collateral will be cross-collateralized.

BOARD ACTION

Final Resolution	Staff request: Approval of an 85% guarantee In favor of First National Bank in Amboy
IFA Funds contributed: None	Extraordinary conditions: None
State Treasurer's Reserve Funds at Risk: \$794,325	Staff Recommendation: Approval subject to bank conditions

Additional Covenant's: *Assignment of Life Insurance on Matthew and Benjamin Sandrock(sum of the loan).
*Copies of Matthew and Gary Sandrock's 2007 tax return when filed.
*Verification of satisfactory appraisal of real estate and equipment per IFA adjusted guidelines (real estate 80%, equipment 65%).
*Provide proof of Insurance on livestock and equipment before closing.

VOTING RECORD

Prior board action: None

PURPOSE

Use of proceeds: Loan proceeds will be used to provide permanent financing for the purchase of breeding livestock from the states largest purebred Angus herd.

IFA PROGRAM AND CONTRIBUTION

Program description:

The Authority's Specialized Livestock Guarantee Program guarantees up to 85% of a bank's loans to Illinois farmers and agribusiness owners. The Specialized Livestock Guarantee Program is available to assist farmers within livestock operations to expand or start new operations. The guarantees are not transferable without the Authority's written consent. The Authority's agricultural guarantee obligations are backed by an IFA reserve funded for this program and are also full faith and credit obligations of the State of Illinois.

IFA's issuance of guarantees helps borrowers obtain debt financing at reduced rates of interest and improved terms.

VOLUME CAP

N/A

JOBS

Current employment: 5	Projected new jobs: 0
Jobs retained: 5	Construction jobs: 0

ESTIMATED SOURCES AND USES OF FUNDS

Sources:		Uses: Purchase Livestock	\$1,587,000
IFA Guarantee	\$794,325	Equity in Livestock	\$(652,500)
First National Bank	<u>\$140,175</u>		

12:02 PM7/1/2008

Total \$934,500 **Total** \$934,500

FINANCING SUMMARY/STRUCTURE

Security: 1st lien position on livestock, 1st lien position on equipment, 2nd mortgage on Real Estate Personal Guaranty from Gary Sandrock (father), Assignment of Life Insurance Policy on Matthew Sandrock for no less than \$694,750 and Benjamin Sandrock for no less than \$694,750. (Term Insurance coverage for the two borrowers will equal loan amounts requested)

Structure: 5 year term 10 year amortization

Interest Rate: See confidential section

Interest Mode: Fixed for 5 years

Credit Enhancement: IFA Guarantee

Maturity: 10 years

Estimated Closing Date: July 31, 2008

PROJECT SUMMARY

Project Rationale: With the approval of the proposed loan, SLC will be able to purchase breeding stock from Gary Sandrock/Sauk Valley Angus. This will allow the borrower to continue operating the State of Illinois' largest purebred Angus herd and position themselves for another generation of successful beef production.

Timing: The proposed loan will likely close within 30 days of IFA approval.

BUSINESS SUMMARY

Description of Business: Mathew and Benjamin Sandrock (SLC) and their father operate the largest purebred Angus beef cattle herd in the state of Illinois. Mathew and Benjamin (SLC) are the 7th generation to own the business directly after their father. They hold spring and fall heifer and bull sales in which the animals are purchased by other beef producers across the United States to improve their beef cattle herd. SLC also sells freezer beef; fertilized embryo's and bull semen. The other part of the LLC is a grain farming operation consisting of 2500 acres of row crop farming which raises commercial corn, seed corn, peas, lima beans and soybeans are the crops grown. Matthew is responsible for management of the grain operation while Benjamin focuses on the management of the beef cattle operation.

OWNERSHIP / ECONOMIC DISCLOSURE STATEMENT

Applicant: Sandrock Land and Cattle, LLC
Mathew A. Sandrock individually and Benjamin G. Sandrock individually

Project Location: 8681 Hickory Hills Road, Rock Falls, IL 61701

Borrower: Sandrock Land and Cattle, LLC, Mathew A. Sandrock and Benjamin G. Sandrock

Ownership: Sandrock Land and Cattle LLC, Mathew A. Sandrock, Benjamin G. Sandrock (50/50)

PROFESSIONAL & FINANCIAL

Borrower's Counsel: None

Accountant: Blackhawk FBFM Freeport, IL

Bank Counsel: None

Originating Bank: The First National Bank in Amboy Amboy, IL

Bank Contact: Greg Dempsey, Chief Loan Officer

IFA Advisors: D.A. Davidson & Co. Chicago, IL Bill Morris
Scott Balice Strategies, Inc. Chicago, IL Lois Scott

LEGISLATIVE DISTRICTS

Congressional: Phil Hare, 17th
State Senate: Tim Bivins, 45th

State House: Jerry Mitchell, 90th

SERVICE AREA

United States

BACKGROUND INFORMATION

Sauk Valley Angus, located near Rock Falls in Whiteside County, was the originating name of what is now known as Sandrock Land and Cattle, LLC (SLC). Gary Sandrock was the 6th generation of Sauk Valley Angus. The operation has always raised and sold registered Angus breeding stock to Angus beef cattle producers across the United States. The income for the operation comes from the sale of breeding stock (bulls and heifers) at a spring and fall sale, private treaty breeding stock sales, sale of fertilized embryos for transplant, bull semen and freezer beef sales. Sauk Valley Angus was the recipient of the Beef Improvement Federation's Purebred Producer of the year in 2006. This award has been presented to outstanding seed stock firms throughout the United States and Canada since 1972. Sauk Valley was the first firm to receive the award in Illinois. A key element in the management system for SLC is their Sesame Database system which is used to utilize herd information in a more efficient manner. This system is supplemented by the Angus Information Management program developed by the American Angus Association. This database system contains the entire production record for every breeding female in the herd. Not only is individual performance information secured, but it also shows every breeding date, every sire bred to, every calving date, and all the calving information for the life of the dam. Through this system they can make note of any information pertinent to the cow to help in the analysis of her performance. From this database, custom breeding, calving, health, etc. reports can be printed. This program makes it incredibly easy to get all the information and history on a particular animal in a matter of seconds. This type of technology and production method is just an example of what sets SLC apart from your typical cow/calf operator. The other ½ of SLC is their row crop farming operation which consists of 2500 total acres which grows commercial corn, seed corn, soybeans, lima beans and peas. Gary Sandrock continues to farm 1,000 acres and will turn these acres over to SLC in 2010. Both sons Mathew and Benjamin Sandrock have graduated from the University of Illinois and are eager to take over the family business in which they have been a part of on the production side for over 20 years.