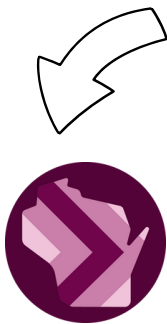


TAX-EXEMPT BOND FINANCING 101



Town or county **ELECTED OFFICIALS** approve a bonding authority, such as WEDC or PFA, to issue tax-exempt bonds to finance a factory farm project.



BONDING AUTHORITY
issues tax-exempt bonds and
an underwriter buys them.



UNDERWRITER sells
bonds to an investor ...



... and then sends proceeds
to a **BOND TRUSTEE**.

Bond trustee provides a low-
interest loan to a private
developer to build and operate a
FACTORY FARM PROJECT.



Revenue generated by the
factory farm goes to the
bond trustee.



Bond trustee pays the **INVESTOR**
principal and interest. No federal
taxes are paid on the interest.