

We greatly appreciated the expertise of Whyte Hirschboeck Dudek to guide us through this bond transaction, and particularly Lynda Templen and her team who enabled us to benefit from the state and local incentives provided to us to make this project a reality.

Stephen Sibert,
Vice President, Corporate
Affairs & Communications,
Diamond Foods, Inc.



WHO COULD HAVE IMAGINED THAT KETTLE FOODS, INC., A DIVISION OF DIAMOND FOODS, INC., WOULD HAVE GROWN TO TODAY'S NO. 1 NATURAL POTATO CHIP BRAND—KETTLE BRAND®?

Kettle Foods offers a wide variety of all-natural snack foods and has pioneered the kettle-cooked style with its all-natural, hand-cooked potato chips.

As the result of Kettle Brand®'s tremendous growth, Kettle Foods opened its second U.S. production facility in Beloit, Wis., in September 2007. When Kettle Foods was acquired by San Francisco-based Diamond Foods in 2010, the company began to explore expanding operations to meet growing demand for Kettle Brand® products in larger markets in the Midwest, East and South, as well as exclusively produce a new potato chip in a reduced oil format. The Beloit facility produces approximately half of the nation's supply of Kettle Brand® potato chips today.

The availability of bond financing in Wisconsin, coupled with local and state incentives, led the company to embark on a major building and equipment

expansion in the Beloit production facility. To help take advantage of the tax-exempt bond financing, Diamond Foods approached Whyte Hirschboeck Dudek S.C. for counsel. WHD documented, assisted in structuring and rendered an approving tax opinion for the bonds, which were purchased in a private placement with GE Capital Finance. WHD also assisted with real estate issues and served as special borrower's counsel.

The expansion project represents an investment of more than \$35 million and consists of remodeling and expanding the existing facility and the purchase and installation of more than \$20 million of equipment. Diamond Foods currently employs 380 employees in Beloit and as a result of the project, Diamond Foods expects to add a minimum of 110 full-time employees.

Today, Kettle Brand® products are distributed throughout North America, Japan, Guam and Western Europe. Diamond's Kettle Brand® is also leading the industry in green building sustainable business practices. The company utilizes 18 wind turbines on the roof of the Beloit facility, recycles and converts its cooking oil into biodiesel that fuels a fleet of company cars, and its Salem, Ore., office hosts one of the largest solar arrays in the Pacific Northwest. The company's investment in green building sustainable business practices earned the Beloit facility LEED® Gold certification from the U.S. Green Building Council, and in 2009, Kettle Brand® was recognized with the National Wildlife Federation Conservation Achievement Award for Corporate Leadership in honor of its native prairie restoration at the Beloit facility, among other sustainability efforts.

DIAMOND FOODS, INC.

Other Key Players: Community Development Authority of the City of Beloit; City of Beloit; GE Capital Finance

Type of Deal: Tax-exempt bond financing

Size of Deal: \$21.2 million (part of a larger financing/expansion with project costs in excess of \$40 million)

Principal WHD Team Members: Lynda Templen, Lisa Lange, Brad Dallet, Kim Wynn, James Lowe, Rebecca Mitich, Kate Albrecht (paralegal specialist)

Practice Areas Involved: Public Finance, Real Estate, Taxation

