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U.S. BANK AND PARTNERS PROVIDE \$5.3 MILLION IN FINANCING FOR ZILKHA BIOMASS TO RENOVATE FORMER DIXIE PELLETS FACILITY IN SELMA

*World's first full-scale Zilkha proprietary "black" pellet plant
to create more than 55 jobs in rural community*

SELMA, Al. (August 5, 2013) – [U.S. Bank](#), [Stonehenge Capital Company](#), and [AMCREF Community Capital](#) announced today that they had closed on \$5.3 million of federal and Alabama state [New Markets Tax Credit](#) equity to help [Zilkha Biomass Energy](#) transform an existing facility in Selma into the world's first full-scale Zilkha Black Pellet plant. Zilkha's hydrophobic Black Pellet is an important advancement in compressed wood pellet fuel, providing an environmentally sustainable and low carbon fuel, which can be transported and burned by coal plants using their existing equipment.

The project, located in a county with the third-highest unemployment rate in Alabama, will generate 55 jobs at the Zilkha facility as well as 120 jobs in the trucking and forestry industries for the surrounding the community.

"We're proud to promote economic development and job creation in Alabama using the benefits of federal and state New Markets Tax Credits in partnership with Stonehenge and AMCREF," said Matt Philpott, director of New Markets, Historic, and Renewable Energy Tax Credit Investments for [U.S. Bancorp Community Development Corporation](#) (USBCDC), the subsidiary of U.S. Bank that made the investment. "With the help of NMTCs, projects like this one are moving forward across the country, strengthening rural communities like Selma."

As the project's sole federal and Alabama state New Markets Tax Credit allocatee, AMCREF was able to raise investments from U.S. Bank and Stonehenge and attract other funding to provide patient capital to Zilkha, which will use the funds to renovate and retrofit the former Dixie Pellets plant. The plant is located in a county with an unemployment rate of 11.1 percent, the third-highest rate in Alabama according to the Bureau of Labor Statistics. Zilkha acquired the facility in 2010 after the former manufacturing company stopped its operations. In addition to the 55 permanent Zilkha positions and 120 supporting jobs, it is estimated that the project will bring 380 construction jobs to the area. Construction is under way on the plant, set to begin operations in 2014.

"We're excited to open the world's first full-scale Zilkha Black Pellet plant in Alabama," said Jack Holmes, CEO for Zilkha Biomass Energy. "Selma offers the workforce and training that will help make this facility successful. The plant will produce 275,000 tons of our Black Pellets per year, which can generate enough clean, renewable electricity to supply 50,000 homes per year."

Wood pellets – which are already a staple in Europe's energy sector and gaining popularity in the United States – can be used as a substitute for coal in coal-fired power plants. A mix of coal and pellets can generate the same electrical power, but with reduced emissions. Unlike traditional

compressed wood pellets, the Zilkha Black Pellet cannot be damaged or compromised by contact with water. Because it is waterproof, it can be transported and stored outside like coal, increasing its safety, reducing product loss and providing a low capital solution to power plants transitioning to a low carbon future.

“Flexible, low-cost NMTC financing will allow Zilkha to offset the higher cost of capital associated with alternative funding sources, helping make the project more viable,” said Susan Seagren of AMCREF. “Zilkha’s expansion will position the company for full-scale operations, while creating much needed jobs and providing environmental benefits, a win-win for both the company and the community.”

Alabama enacted the state’s New Markets Development Tax Credit in 2012.

“The purpose of the Alabama New Markets Tax Credit is to help make capital available to job-creating projects located in economically distressed areas of the state,” said Steven LeBlanc, assistant vice president of Stonehenge Capital Company. “This project accomplishes that mission, and we’re excited it will lead directly to more jobs, more economic development, and more demand for Alabama timber and services.”

About AMCREF Community Capital

AMCREF Community Capital, LLC, is a specialty finance firm providing a range of financial products and services, including New Markets Tax Credits (NMTCs). As a mission-driven firm, AMCREF focuses on community economic development and environmentally responsible investments. Formed in 2005, AMCREF has received five allocations of NMTCs from the US Treasury Department and has deployed over \$200 million in NMTC-enhanced capital since inception. In 2012, AMCREF received an allocation of Alabama state NMTCs. AMCREF targets startup, early-stage, and innovative businesses and projects that generate employment opportunities while providing environmental, economic and community benefits in low-income areas throughout the Southeast. For more information, visit www.amcref.com.

About Stonehenge Capital Company

Stonehenge Capital Company is a national leader in making affordable capital available to business owners and developers working to create jobs and opportunities in economically distressed communities across the United States. Through Stonehenge’s leadership in fulfilling the mission of New Markets Tax Credits at the federal and state levels, the firm has helped create and retain thousands of jobs for Americans in communities most in need of economic opportunity. Stonehenge’s expertise in tax credit assisted finance extends from community development, to venture capital, to historic rehabilitation, to renewable energy and to other industries in need of private capital investment.

About Zilkha Biomass Energy

Zilkha Biomass Energy makes power out of woody biomass. It produces baseload natural renewable fuel, providing good long term jobs both in the field and in our plants. Zilkha Biomass Fuels produces the Zilkha Black® Pellet, a proprietary waterproof biomass pellet that is transportable like coal. Zilkha Biomass Energy is dedicated to innovative sustainable energy solutions. Its prior company, Zilkha Renewable Energy, made it possible for more than 400,000 households to switch to green wind power by the time it was sold to Energias de Portugal. Zilkha Biomass Energy is a continuation of that legacy.

About New Markets Tax Credits

New Markets Tax Credits (NMTCs) were established by Congress in 2000 to encourage the investment of private capital in designated low-income communities in order to create jobs, generate economic activity and improve the quality of services in low-income communities and to low-income persons. NMTCs attract investment capital to low-income communities by permitting individual and corporate investors to receive a tax credit against their federal income tax return in exchange for making qualified equity investments in specialized financial institutions called Community Development Entities (CDEs). In turn, CDEs provide below-market financing to transformative development projects in low-income communities across the country. The credit totals 39 percent of the original investment amount and is claimed over a period of seven years. For more information, visit www.cdfifund.gov.

About U.S. Bancorp Community Development Corporation

With more than \$11.7 billion in managed assets as of June 30, 2013, U.S. Bancorp Community Development Corporation, a subsidiary of U.S. Bank, provides innovative financing solutions for community development projects across the country using state and federally sponsored tax credit programs. USBCDC's commitments provide capital investment to areas that need it the most and have contributed to the creation of new jobs, the rehabilitation of historic buildings, the construction of needed affordable and market-rate homes, the development of renewable energy facilities, and the generation of commercial economic activity in underserved communities. Visit USBCDC on the web at www.usbank.com/cdc.

About U.S. Bancorp

U.S. Bancorp (NYSE: USB), with \$353 billion in assets as of June 30, 2013, is the parent company of U.S. Bank, the 5th largest commercial bank in the United States. Celebrating its 150th anniversary this year, the company operates 3,087 banking offices in 25 states and 5,032 ATM and provides a comprehensive line of banking, brokerage, insurance, investment, mortgage, trust and payment services products to consumers, businesses and institutions. Visit U.S. Bancorp on the web at www.usbank.com.

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