

**"Introducing...The California FreshWorks Fund!"**

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First Lady Michelle Obama Hosts Major Food Access Initiative Launch

California's \$200 Million Public-Private Loan Fund Provides Financially Attractive Blueprint For Healthy Food Access To Underserved Communities; Financing Encourages Economic Growth and Creates/Retains up to 6000 Jobs

WATCH The Official California **FreshWorks** Fund Introductory Video at www.CAfreshworks.comFull URL: <http://www.youtube.com/cafreshworks> Shortcut URL: http://bit.ly/CFWF_Vid

WASHINGTON--(BUSINESS WIRE)--July 20, 2011--

In an announcement ceremony today at the White House, First Lady Michelle Obama announced an innovative healthy food financing initiative -- the California **FreshWorks** Fund. A project of The California Endowment and an all-star team of partners, **FreshWorks** is a \$200 million public-private partnership loan fund created to increase access to healthy, affordable food in underserved communities, spur economic development, and inspire innovation in healthy food retailing.

The First Lady celebrated the launch of the fund by inviting partners involved in the initiative to the White House for a healthy foods summit with corporate and industry leaders. Mrs. Obama, a vocal advocate for healthy food access, highlighted the work of the California **FreshWorks** Fund and of those involved in its development.

The California **FreshWorks** Fund (CAFWF) is modeled after the successful Pennsylvania Fresh Food Financing Initiative and developed to align with the National Healthy Food Financing Initiative (HFFI). The fund will make communities across California healthier by working directly with grocers on developing new and improved places to buy nutritious food. According to CAFWF partners, the new stores are expected to create or retain around 6000 jobs in California.

"Health happens in our neighborhoods. Families can't eat healthier food if they can't buy it where they live," said Robert K. Ross, M.D., president and CEO of The California Endowment. "The sheer number of banks and other investors involved proves that this is not only the right thing to do to improve the health of our communities, but it's financially attractive." He added, "The more than a dozen partners who made it happen should be congratulated for their vision and collaboration."

"Independent grocers by nature are entrepreneurial and opportunistic and, as a group, have always been willing to open neighborhood-oriented grocery stores in underserved communities that have been passed over by the large chains," said Al Plamann, Chief Executive Officer of Unified Grocers, a retailer-owned wholesale grocery distributor that supplies independent retailers throughout the western United States. "While everyone agrees that it will take many years to provide all Californians with easy access to healthy, affordable foods, **FreshWorks** is

positioned to make significant progress in the years ahead and, in partnership with strong independent grocers, I am confident that the program will be one of the most successful in the country."

Perhaps the most fascinating piece of the **FreshWorks** announcement is the groundbreaking coalition of grocers, major banks, health care entities, research experts and other partners that came together to solve a problem. The complete list includes: The California Endowment, NCB Capital Impact, NCB, Unified Grocers, California Grocers Association, Kaiser Permanente, Catholic Healthcare West, Calvert Foundation, Social Compact, Emerging Markets, PolicyLink, JP Morgan Chase, Morgan Stanley, Bank of America, U.S. Bank, Community Health Councils, The Reinvestment Fund, and Community Redevelopment Agency of the City of Los Angeles. On the partnership, Peter Barker, Chairman of California for JP Morgan Chase noted, "This partnership exemplifies an innovative, integrated approach among industry leaders in philanthropy, industry, and the community."

The fund will provide financing to grocery stores and other healthy food retailers and distributors who meet a subset of skillfully developed program guidelines designed to move healthy food retailing forward in an affordable and accessible way and prioritize healthy choices from top to bottom. CAFWF program guidelines are different from and go further than other previous efforts. For example: Projects will get priority points if they don't sell cigarettes, have higher proportion of healthy food retail, eliminate junk food aisles, etc.

Seed stage financing from The California Endowment included a \$30 million mission-related investment on the debt side and a \$3 million grant. In a matter of months the fund grew to \$200 million committed from prominent investors like NCB, Kaiser Permanente, JP Morgan Chase, and others who felt strongly about the model and believed in its potential to transform underserved communities into communities of opportunity.

"It's ironic that some communities have an overwhelming need for access to healthy foods in a state that is one of the largest agricultural producers in the country," said Terry Simonette, President & CEO of NCB Capital Impact, the non-profit community development financial institution (CDFI) that serves as the program administrator of the California **FreshWorks** Fund. "The California **FreshWorks** Fund brings together an exceptional combination of private and non-profit partners to deliver a market-based solution to this problem in the absence of public subsidy," Simonette added.

"It's thrilling to have witnessed the evolution of the Fund. Just 18 months ago a few people were staring at a blank white board talking about how to connect investment capital to good food and local jobs. The fact that we are open for business is a testament to the talent at that table," said one of the chief architects of the Fund, Daniel Tellalian of Emerging Markets, Inc.

With trusted partners, encouragement from issue leaders like the First Lady, innovations in program guidelines, and \$200 million in the pot, the California Fund is poised to bring healthy, affordable food to the millions in California who live in critical food access areas.

LEARN More About the California **FreshWorks Fund at www.Cafreshworks.com**

What The Partners Are Saying About **FreshWorks** Fund...

"Bank of America invests in social enterprise efforts such as the California **FreshWorks** Fund as part of our broader efforts to help build healthy communities. Funds like these finance local grocer projects necessary to make healthy food distribution possible statewide, create jobs and spur local economic growth. We applaud the leadership and vision of longtime partner The California Endowment and NCB Capital Impact for creating innovative solutions like the California **FreshWorks** Fund." - Dan Letendre, CDFI Lending & Investing Executive, Bank of America

"The California Grocers Association is proud to be a part of this historic undertaking. The California Endowment is to be commended for uniting such a diverse group to focus on a specific, much needed cause. Our industry understands its responsibility to provide healthy, affordable food to all

Californians and is committed to working with government, civic, regulatory, health and faith-based groups in accomplishing the objectives of the **FreshWorks** Fund." - Ron Fong, President & CEO of California Grocers Association

"We are so pleased to participate in such an exciting and important initiative. We are especially proud to be able to get the public involved by making it possible for anyone to invest in the **FreshWorks** initiative. The more we rally around this issue collectively as a community, the stronger and more effective it can become." - Lisa Hall, President and CEO of Calvert Foundation

"The quality care and state-of-the-art medical services we provide everyday are ultimately downstream interventions. To truly make an impact on community health we must extend our care beyond the walls of our hospitals, and there is nothing that can substitute for the benefit that healthy food and clean water gives to a community. Funding programs like California **FreshWorks** that help improve the overall health and wellbeing of communities is integral to our mission of care." - Lloyd H. Dean, President & Chief Executive Officer for Catholic Healthcare West

"Chase is proud to be a part of **FreshWorks** to help bridge the gap between low income communities and access to healthy food. This partnership exemplifies an innovative, integrated approach among industry leaders in philanthropy, industry, and the community." - Peter Barker, Chairman of California, JP Morgan Chase

"The lack of full-service grocery stores carrying fresh, quality healthy food has fueled the high rates of death and disability due to diet-related diseases like heart disease and diabetes in communities like South Los Angeles. Research has shown for each additional supermarket, the likelihood of residents meeting nutritional guidelines increases by one third. The California **FreshWorks** Fund is an opportunity to break down stigma, misperceptions and bureaucratic obstacles and brings quality stores back into our communities." - Lark Galloway-Gilliam, Executive Director of Community Health Councils

"Improving food access is a relatively new but important tool for redevelopment agencies to help rebuild and strengthen neighborhoods. The **FreshWorks** Fund offers a critical funding source that can be combined with redevelopment funds to encourage better community access to healthy food." - Christine Essel, CEO of the Community Redevelopment Agency of the City of Los Angeles

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"Kaiser Permanente is committed to improving the total health of the communities where our health plan members, physicians and employees live and work. Our grant to the California **FreshWorks** Fund supports our philosophy of making the healthy choice the easy choice by changing the environment and supporting healthy behavior." - Ray Baxter, PhD, Senior Vice President for Community Benefit, Research and Healthy Policy at Kaiser Permanente

"Morgan Stanley's investment in the California **FreshWorks** Fund reflects our firm-wide commitment to building stronger, healthier communities through innovative, economically efficient solutions with the potential to spur job creation. Along with our trusted partners in the Fund, we are proud to leverage our expertise as a financial services firm to help address the nutritional needs that communities across the U.S. currently face." - Audrey Choi, Managing Director and Head of Global Sustainable Finance at Morgan Stanley

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"The success of healthier communities hinges on greater cooperation between a wide range of partners to create access to fresh, quality foods. Serving the food industry for over 30 years with \$1 billion in financing for the independent grocery sector, NCB eagerly brings a \$50 million commitment to the California **F r e s h W o r k s** Fund." - Charles E. Snyder, President and CEO of NCB

"Every family deserves access to nutritious, healthy food near their homes, and yet more than 23 million Americans today don't have a grocery store nearby that sells fresh fruits and vegetables. For low-income people and communities of color -- who face disproportionately high rates of obesity, diabetes, heart disease and other chronic health conditions -- this lack of access is even more critical. Now, with programs like the **FreshWorks** Fund and the national Healthy Food Financing Initiative (HFFI), we have tremendous possibilities for state and federal partnerships to help improve and expand this access." - Judith Bell, President of PolicyLink

"TRF has been delighted to bring its expertise in fresh food financing from our pioneering PA Fresh Food Financing Initiative to bear in such a bold statewide initiative as the CA **FreshWorks** Fund has the potential to become." - Don Hinkle -Brown, Acting CEO of The Reinvestment Fund

"Everyone eats food, yet one in four people in the California Endowment communities alone lack access to healthy fresh food according to our analysis. This number is replicated in communities across California. Solving the lack in access to healthy fresh food requires a gamechanger like the **FreshWorks** Fund. Social Compact provides the data needed to understand the need and the opportunity, and the **FreshWorks** Fund provides a supportive structure and critical capital to make the deals happen. As a manager of a small fund ourselves, we can attest to the immeasurable value." - Alyssa Lee, CEO of Social Compact

"Health happens in our neighborhoods. Families can't eat healthier food if they can't buy it where they live," said Robert K. Ross, M.D., president and CEO of The California Endowment. "The sheer number of banks and other investors involved proves that this is not only the right thing to do to improve the health of our communities, but it's financially attractive." He added, "The more than a dozen partners who made it happen should be congratulated for their vision and collaboration." - Robert K. Ross, M.D., President and CEO of The California Endowment

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"USBDC is committed to allocating a significant portion of its New Markets Tax Credit (NMTC) investments to projects that increase healthy, affordable food availability in high-need urban and rural communities across the country. Creating a partnership with the **FreshWorks** Fund to leverage resources also dedicated to this effort, is one of our strategies to deploy capital in California. U.S. Bank has a strong presence in the state and is committed to working with valued local partners to support projects that address healthy food needs and promote healthy outcomes." - Matt Philpott, Director of New Markets, Historic and Renewable Energy Tax Credit Investments for U.S. Bancorp Community Development Corporation (USBDC)

About Our Partners:

The California Endowment, a private, statewide health foundation, was established in 1996 to expand access to affordable, quality health care for underserved individuals and communities and to promote fundamental improvements in the health status of all Californians. For more information, please visit www.calendow.org.

Building Healthy Communities is a 10-year, \$1 billion plan of The California Endowment. In connection with staff-led, statewide policy initiatives, 14 communities are taking action to make where they live healthier. They're doing this by improving employment opportunities, education, housing, neighborhood safety, unhealthy environmental conditions, access to healthy food and more. The goal: to create places where children are healthy, safe and ready to learn. Ultimately, we're aiming at nothing less than a transformation in the way all of us think about and support health for all Californians. For more information, please visit www.calendow.org/healthycommunities/.

Bank of America is one of the world's largest financial institutions, serving individual consumers, small- and middle-market businesses and large corporations with a full range of banking, investing, asset management and other financial and risk management products and services. The company provides unmatched convenience in the United States, serving approximately 58 million consumer and small business relationships with approximately 5,800 retail banking offices and approximately 18,000 ATMs and award-winning online banking with 30 million active users. Bank of America is among the world's leading wealth management companies and is a global leader in corporate and investment banking and trading across a broad range of asset classes, serving corporations, governments, institutions and individuals around the world. Bank of America offers industry-leading support to approximately 4 million small business owners through a suite of innovative, easy-to-use online products and services. The company serves clients through operations in more than 40 countries. Bank of America Corporation stock (NYSE: BAC) is a component of the Dow Jones Industrial Average and is listed on the New York Stock Exchange. Learn more at www.bankofamerica.com.

The California Grocers Association is a non-profit trade association representing the food industry since 1898. CGA represents approximately 500 retail members operating over 6,000 food stores in California and Nevada, and approximately 200 grocery supplier companies. Retail membership includes chain and independent supermarkets, convenience stores and mass merchandisers. More information is available at www.cagrocers.com.

Calvert Foundation is a nonprofit organization that pioneered a new type of investing that delivers a social and financial return. People invest in us through the Community Investment Note and then we invest in organizations around the world that empower people living in low-income communities. Learn more at www.calvertfoundation.org.

Catholic Healthcare West (CHW), headquartered in San Francisco, CA, is a system of 40 hospitals and medical centers in California, Arizona, and Nevada. Founded in 1986, it is one of the nation's largest not-for-profit health care systems and the largest private hospital system in California. CHW is committed to delivering compassionate, high-quality, affordable health care services with special attention to the poor and underserved. The CHW network of nearly 10,000 physicians and approximately 54,000 employees provides health care services to more than five million people annually. In 2010, CHW provided more than \$1.3 billion in charity care, community benefit, and unreimbursed patient care. For more information, please visit our website at www.chwHEALTH.org.

Chase is the U.S. consumer and commercial banking business of JP Morgan Chase & Co. (NYSE: JPM), a leading global financial services firm with assets of \$2.2 trillion and operations in more than 60 countries. Chase serves consumers and businesses in California through more than 830 bank branches and 3,100 ATMs, mortgage offices, and online and mobile banking as well as through relationships with auto dealerships and schools and universities. JP Morgan Chase employs more than 20,000 Californians. In 2010, JP Morgan Chase and its Foundation contributed more than \$23 million to nonprofit organizations in California, focusing on community development, education and arts & culture. More information about Chase is available at www.chase.com.

Community Health Councils has, for more than a decade, been at the forefront of advocacy to eliminate health disparities by expanding healthcare coverage, increasing access to quality healthcare and improving the environment for under-resourced communities. CHC's policy advocacy is grounded by the coalitions and the community-based initiatives that form the foundation of our work. Our dynamic network of coalitions is composed of neighborhood leaders, consumer

advocates, healthcare, social services, educational and faith-based organizations serving communities in Los Angeles, across California and the US. Learn more at www.chc-inc.org.

Community Redevelopment Agency of the City of Los Angeles (CRA/LA) is a public agency of the City of Los Angeles and is regulated by the State of California. We make strategic investments to create economic opportunity, build affordable housing, generate good jobs and improve the quality of life for the people who live and work in 31 redevelopment project areas and three revitalization areas across the city. Our regions of operation include the West Valley, East Valley, Hollywood & Central, Downtown, Eastside, South Los Angeles and the Harbor. For more information, please go to <http://www.crala.org>.

Emerging Markets, Inc. is a double-bottom line consulting firm that assists financial institutions and food retailers in pursuing business opportunities in low-income communities. For the past decade, our firm has helped banks and supermarkets expand and operate, both profitably and responsibly, in underserved "emerging" markets. Our model is premised on defining clear, mutually-beneficial partnerships between community stakeholders and the private sector. www.emerginmarkets.us

Kaiser Permanente is committed to helping shape the future of health care. We are recognized as one of America's leading health care providers and not-for-profit health plans. Founded in 1945, our mission is to provide high-quality, affordable health care services to improve the health of our members and the communities we serve. We currently serve 8.8 million members in nine states and the District of Columbia. Care for members and patients is focused on their total health and guided by their personal physicians, specialists and team of caregivers. Our expert and caring medical teams are empowered and supported by industry-leading technology advances and tools for health promotion, disease prevention, state-of-the art care delivery and world-class chronic disease management. Kaiser Permanente is dedicated to care innovations, clinical research, health education and the support of community health. For more information, go to: www.kp.org/newscenter.

Morgan Stanley (NYSE: MS) is a leading global financial services firm providing a wide range of investment banking, securities, and investment management services. The Firm's employees serve clients worldwide including corporations, governments, institutions and individuals from more than 1,300 offices in 42 countries. Since 2006, Morgan Stanley has executed more than \$3.6 billion in investments to strengthen underserved communities. For more information about Morgan Stanley, please visit www.morganstanley.com.

NCB Capital Impact helps people and communities reach their highest potential at every stage of life. As a national, non-profit community development finance institution, Capital Impact provides financial services and technical assistance to help make high-quality health care, healthy foods, housing, and education more accessible and attainable, and eldercare more dignified and respectful. Capital Impact has used its depth of experience, cooperative approach, and diverse network of alliances to generate over \$1.6 billion in critical investments that create a high quality of life for low income people and communities. www.ncbcapitalimpact.org.

NCB, FSB (NCB) is a federally insured savings bank wholly owned by the Congressionally-chartered National Consumer Cooperative Bank (NCCB). NCB provides financial products and services for the nation's cooperatives, their members, and socially responsible organizations. Serving both rural and urban neighborhoods, NCB is a leader in supplying grocery, health care, small business and housing solutions to the nation's communities that are most in need. Headquartered in Washington, D.C., NCB has offices in Alaska, California, New York, Ohio and Virginia. To learn more, visit www.ncb.coop.

PolicyLink is a national research and advocacy institute advancing economic and social equity. Founded in 1999, PolicyLink helps create sustainable communities of opportunity that offer access to quality jobs, affordable housing, good schools, transportation, and the benefits of healthy food and physical activity. The organization is based in Oakland (Calif.), with offices in New York City, Los Angeles, and Washington DC. www.policylink.org

The Reinvestment Fund (TRF), a national leader in the financing of neighborhood revitalization, has invested \$1 billion in Mid-Atlantic communities since 1985. A CDFI, TRF finances housing, community facilities, supermarkets, commercial real estate and energy efficiency projects. It also provides public policy expertise by helping clients create actionable solutions and by sharing data and analysis via www.PolicyMap.com.

Social Compact is a nonprofit, nonpartisan organization formed by coalition of business leaders from across the country committed to promoting successful investment in lower-income communities. Working in close partnership with community and corporate leaders over the past decade and a half, Social Compact has pioneered the DrillDown(TM), a methodology to analyze inner-city markets and create accurate, business-oriented profiles of "emerging" neighborhood markets. Drawing on business disciplines and community strength, these DrillDown profiles have a strong track record of catalyzing sustainable, private investment, benefiting communities and businesses alike. www.socialcompact.org

Unified Grocers, Inc. was founded in 1922 and is a retailer-owned wholesale grocery distributor that supplies independent retailers throughout the western United States. Unified and its subsidiaries, which generated approximately \$4 billion in sales during fiscal 2010, offer independent retailers all the resources they need to compete in the supermarket industry. www.unifiedgrocers.com

U.S. Bancorp Community Development Corporation (USBCDC) finances community development and affordable housing projects through the use of New Markets Tax Credits, Historic Tax Credits, Low-Income Housing Tax Credits, and Investment Tax Credits in Renewable Energy. USBCDC is the most active New Markets Tax Credit investor in the country, investing billions of dollars nationwide in hundreds of transactions. These equity investments have provided much needed revitalization and new resources to communities throughout the country. It is a subsidiary of U.S. Bank, the fifth largest commercial bank in the United States, whose parent company is U.S. Bancorp. Learn more at www.usbank.com.

New Markets Tax Credit Program (NMTC Program) is administered by the U.S. Treasury Department's Community Development Financial Institutions Fund (CDFI Fund). The NMTC Program spurs investment of private sector capital into distressed communities by providing a tax credit to corporate or individual taxpayers who make qualified equity investments in designated CDEs. The CDEs in turn, invest the capital raised into projects and businesses in low-income communities. The credit provided to the investor totals 39 percent of the investment in a CDE and is a seven year credit allowance period. Since the inception of the NMTC Program, the CDFI Fund has made 594 awards--totaling \$29.5 billion in tax credit allocation authority--to CDEs through the NMTC Program. The equity raised through the tax credit stimulates economic growth, supports job creation and fosters small business growth in distressed communities across America. Learn more at www.cdfifund.gov.

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