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HAROLD ALFOND FOUNDATION TO BECOME LARGEST IN MAINE

Portland, Maine, June 9, 2008 – The very first private foundation in Maine will soon become the largest foundation in Maine and among the largest in the country. Dexter Shoe founder and philanthropist Harold Alfond left his entire life savings to his foundation, which he established in 1950. Once the estate is settled, the foundation’s assets will exceed \$500,000,000.

Because Alfond’s estate is still being administered, the foundation is not yet fully funded. But with current assets of \$140,000,000, the foundation is poised to move into a new era following Alfond’s death last November. As the foundation strategizes on what this new era will look like, it will focus on planning this next phase, on fully administering current projects, and has decided against accepting any new projects for the next two years.

“Right now, the foundation is in a period of transition.” said Greg Powell, Chairman of the foundation’s board of trustees. “We already had a large number of ongoing projects before Mr. Alfond died. And he made numerous commitments to organizations in Central Maine during the last six months of his life. So between current and new projects, new trustees, and planning for the future of the foundation as it grows in size, there is no shortage of work for us. For that reason, during 2008 and 2009, we have decided not to take on any more new projects.”

Six months into the year, the breadth of Alfond’s final promises is already evident. The largest of these is the first in the nation Harold Alfond College

Challenge, currently in pilot phase, which will make college scholarship grants of \$500 to every baby born in Maine beginning in January 2009. Other recently announced commitments include a \$5 million endowment for the Boys and Girls Club & YMCA at the Alford Youth Center in Waterville, \$3 million for an artificial turf field and stadium at Colby College with rebuilt track and lights, \$2.7 million for artificial turf fields and locker room expansion at Kents Hill School, \$1.5 million for creating a Children's Garden at the Coastal Maine Botanical Gardens in Boothbay, and \$250,000 for the University of Maine football program. As usual, the foundation is challenging the recipient organizations to raise funds from other donors.

Trustees and Operations Several years before his death, Alford worked carefully to plan for the future of his foundation. He selected seven people whom he knew well and trusted to serve as trustees of the Harold Alford Foundation. In addition to Powell, whom Alford named the Chairman of his foundation's board of trustees, Alford selected his three sons, Ted Alford, Bill Alford and Peter Alford, and nephew Peter Lunder to serve as core trustees, and Robert A. Marden and Larry Pugh to serve as rotating trustees.

Greg Powell has known Harold Alford since childhood. In 1996, working with Alford, he founded Dexter Enterprises, Inc., an Alford family owned company which manages the family's investments, philanthropy and business affairs. Powell is the CEO and President of Dexter Enterprises, Inc. For well over a decade Powell worked closely with Alford on all of Alford's charitable projects in Maine and other states.

Alford's three sons and nephew each served on Dexter's board of directors and all were executives at Dexter, helping to manage and grow the shoe company over many years. Peter Lunder was Co-Chairman, President and CEO; Ted Alford was Executive Vice President of Sales; Bill Alford was President of the Bowling Shoe Division, and Peter Alford was President of Caribbean Operations. All of these family members are active philanthropists in their own right, and serve on boards of community organizations and educational institutions in Maine and other states.

Marden is a retired Waterville attorney who served in the state legislature during the 1960's. He is also a former President of the Maine State Bar Association and was a director and Chairman of BankNorth Peoples Heritage Bank for 25 years. Pugh is a retired business executive. He was Chairman

and CEO of VF Corporation, a lifestyle apparel company with over 14 brands, including Wrangler®, Lee Jeans®, and Vanity Fair®. Marden and Pugh are also active in community affairs in Maine.

The Harold Alfond Foundation is administered by Dexter Enterprises, Inc. located in Portland. On behalf of the trustees, this office brings its expertise to managing day to day foundation activities. Gra Hatala manages due diligence on new grant applications, monitoring of current projects and legal compliance. Mike Ouellette manages investment oversight and tax compliance. Mavourneen Goodman manages grant payments. Mary Ann Delsandro manages the office. Trustee meetings to review investment performance and act on grant applications are held three times per year, and more often as necessary.

Giving Philosophy The foundation will continue to adhere to Harold Alfond’s giving pattern and philanthropic principles, with latitude to allow for evolving community needs. The geographic area of preference will continue to be Maine, and central Maine in particular, although Alfond did provide that grants could be made outside of the state. The trustees will also favor Maine projects with state-wide impact. In terms of organizations receiving support, the trustees will continue to favor educational, health care and charitable institutions in Maine, with special emphasis on projects for youth.

As a businessman, Alfond’s philanthropy was shaped and guided by business principles. Thus, for him charitable dollars were like investment dollars that required careful homework. Foundation trustees will continue Alfond’s business approach to funding decisions. Preference will be given to organizations and projects which possess strong boards, excellent executive leadership, close adherence to the organizational mission, the capacity to fundraise, community support, clear and definable outcomes, and where there is high potential for the grant to have a major transforming impact.

Perhaps most notably, the trustees will honor Alfond’s belief in teamwork and his love of competition by continuing to deploy matching challenge grants to inspire and leverage additional giving by others. Alfond understood the value of a community knowing that each individual contribution would be doubled, whether it was \$5 or \$50,000. Powell noted that “the challenge grant approach helps build community partnerships, something important in a state like Maine with limited resources.”

“We will continue to focus on education and health care projects in Maine, with an emphasis on youth. We will favor larger projects with the promise of making significant, long-lasting contributions to the community and the state. Preference will be given to projects involving community partnerships seeking to accomplish what no one entity could achieve alone, another cornerstone of Alfond’s philanthropy.”

Collaboration Alfond’s philanthropy has resulted in models of collaboration, teamwork and community involvement gaining national recognition. One of his favorite projects was also one of his most challenging. In 1996, Alfond received three separate capital funding requests for construction of youth recreation facilities in Waterville from the YMCA, the Boys & Girls Club, and the Waterville Parks and Recreation Department. Knowing there was a lack of area resources to support all three projects, Alfond assembled community leaders and issued a challenge. He would fund the biggest and best youth recreation center in the country by tripling all contributions if the three entities cooperated. This challenge served as the catalyst to unite the community and resulted in the construction of the only combined YMCA and Boys & Girls Club in the nation bordering a new outdoor municipal pool. In 1999, General Colin Powell, who was then Chairman of America’s Promise - The Alliance For Youth, visited the Center and called it “the best youth center in the country.” The Alfond Youth Center, a 72,000 square foot facility, now serves over 8,000 children and hundreds of families.

Another collaborative partnership that gained national attention is the Harold Alfond College Challenge which plans to improve college aspirations and preparedness by giving every child born in Maine \$500 for college. The College Challenge initiative was launched by Alfond and his foundation last year. Alfond and Powell reached out to the Finance Authority of Maine, state leaders in education, as well as hospital executives from central Maine who could help introduce and open 529 college savings plans for newborns. The Alfond Scholarship Foundation was created to administer the College Challenge program, and is a partnership with representatives from the Maine Compact for Higher Education, Finance Authority of Maine, University of Maine System, Maine Community College System, Mitchell Institute, Maine Community Foundation, Maine Hospital Association and MaineGeneral Health.

Scope of Giving With over 20 athletic buildings bearing his name, it would be easy to assume that Alfond's giving focused on athletics and sports. However, his philanthropic mission broadened considerably over the years as evidenced by more than a dozen non-athletic buildings also named after Alfond. Some of these include the Health Science Center at the University of New England where Maine's only medical school is located; cottages and a middle school building at Good Will-Hinckley School for students who have experienced family strife, emotional or behavioral struggles, or learning problems; a cottage at Camp Susan Curtis for economically underprivileged children; and MaineGeneral's new Center for Cancer Care. The Center for Cancer Care in Augusta was Alfond's largest gift. He gave over \$8 million for construction of a state of the art regional cancer treatment facility and patient care endowment.

"Down the road when the foundation is fully funded, the trustees will focus on large-scale projects, especially those with the promise of improving education and health care, and by extension, the economy of Maine," said Powell. "Following in Mr. Alfond's footsteps, we will look for grant opportunities, and private and public partnerships that will make a real difference in the lives of Maine citizens."