



August 20, 2010

Dear Friend:

I am writing to share with you news about ShoreBank. On Friday afternoon, August 20, Urban Partnership Bank, led by David Vitale, purchased all of the loans and most of the other assets of ShoreBank's Midwest bank from the FDIC out of receivership. Urban Partnership Bank, an FDIC-insured, Illinois-chartered bank, will continue ShoreBank's operations. This means that quality, financial services will continue in the neighborhoods ShoreBank has served in Chicago, Cleveland and Detroit—a very positive outcome.

The effect on Northern Initiatives will be minimal. Over the course of the last eight months we have taken precautions to preserve our independence and assure that no matter what might happen that operations would proceed at NI without interruption. Today's announcement has no financial impact on NI. ShoreBank was never a source of our financing or operating support.

All of our Board members who were appointed by ShoreBank Corporation have agreed to fill their terms of service to our Board. We have amended our by-laws to specifically end further Board member appointments through ShoreBank Corporation. We have also taken services that had once been offered through ShoreBank, and set up local sourcing.

As this chapter closes we are grateful for what ShoreBank meant to us, bank like practices and discipline, governance, a global awareness and colleagues across the nation and world who were committed to triple bottom line development. We congratulate David Vitale and his team for assuring the enduring presence of community development banking in the Midwest.

Should you have any questions, please do not hesitate to call me (906-226-1671).

Sincerely,

A handwritten signature in cursive script, appearing to read 'Dennis West'.

Dennis West

President