THE HAGESTAD SANDHOUSE GANG

FEBRUARY 23, 2012
CenterPoint Overview

- Experienced infrastructure and transportation-related industrial property company
- Fully integrated: large scale development, redevelopment, investment and operations
- Founded in 1984, public in 1993 on NYSE, 25 years of successful innovation
- Acquired and privatized in 2006 by CalPERS, largest U.S. Pension Fund
- $3.5 billion company
- 6,600+ acres in development
- 40 million SF portfolio
- Annual activity ~ $1 billion
- Offices:
  - Chicago, IL - Headquarters
  - Milwaukee, WI
  - Kansas City, MO
  - Norfolk, VA
  - Los Angeles, CA
WWII Production Line
Joliet Ammunition Production Arsenal Factory

Source: Chicago Tribune staff photographer
Conveyor Belts at Joliet Arsenal

Source: Chicago Tribune staff photographer
24,000 Acre Joliet Arsenal

- Facility ceased all operations in the early 1990’s
- Thousands of jobs lost to the community, and largest contiguous parcel of property in the region, pays no taxes
- 19,000 Acres given to the National Forest Service to create the Midewin Tall Grass Prairie
- 3,000 Acres given to the Veterans Administration to build the Abraham Lincoln Veterans Cemetery (Arlington West)
- Remaining 2,000 acres, a US-EPA Superfund site, is offered for sale
West Side of Joliet Arsenal

Source: Terry Evans, Disarming the Prairie
Manufacturing Area of Joliet Arsenal

Source: Terry Evans, Disarming the Prairie
Manufacturing Area of Joliet Arsenal

Source: Terry Evans, Disarming the Prairie
Main Office Building Destroyed by Fire

Source: Terry Evans, Disarming the Prairie
Power Line!

Source: Terry Evans, Disarming the Prairie
Railroad Tracks!!!

Source: Terry Evans, Disarming the Prairie
CENTERPOINT INTERMODAL CENTER – ELWOOD, IL

- $1 Billion+ CenterPoint Investment
- 2,500-Acre Integrated Logistics Center
- 1,400-Acre Industrial Park
- 1,000-Acre BNSF Intermodal Facility
- Excellent National Connectivity
- International Service
- 12+ Million SF Industrial Facilities
- 100-Acre Equipment Management Area
BNSF-LOGISTICS PARK CHICAGO

- 770 acre facility opened in August 2002
- LPC achieved more than 800,000 lifts in 2010
- Provides international intermodal service to and from every major West Coast port
- 24 hour/seven day per week operation

<table>
<thead>
<tr>
<th>INTERMODAL USAGE</th>
<th>309 ACRES</th>
</tr>
</thead>
<tbody>
<tr>
<td>CLASSIFICATION TRACKS</td>
<td>190 ACRES</td>
</tr>
<tr>
<td>AUTOMOTIVE</td>
<td>160 ACRES</td>
</tr>
<tr>
<td>MAIN YARD PARKING SPOTS</td>
<td>5,200</td>
</tr>
<tr>
<td>WORKING TRACK</td>
<td>8,000 LF</td>
</tr>
</tbody>
</table>
$2 Billion+ CenterPoint Investment
3,600-Acre Integrated Logistics Center
2,200-Acre Industrial Park
950-Acre Intermodal Facility
Excellent National Connectivity
International and Domestic Service
18 Million SF Industrial Facilities
450-Acre Equipment Management Area
Recent Aerial Photo
UNION PACIFIC-JOLIET INTERMODAL TERMINAL

- 785-acre terminal opened in August 2010
- JIT offers international and well as domestic intermodal service
- 24 hour/seven day per week operation

<table>
<thead>
<tr>
<th>INTERMODAL USAGE</th>
<th>550 ACRES*</th>
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<tbody>
<tr>
<td>ANNUAL LIFT CAPACITY</td>
<td>500,000</td>
</tr>
<tr>
<td>PARKING SPOTS</td>
<td>4,000</td>
</tr>
<tr>
<td>AUTOMATED GATE SYSTEM</td>
<td>10-LANE</td>
</tr>
<tr>
<td>WORKING TRACKS</td>
<td>4 (8,000 FT. EACH)</td>
</tr>
<tr>
<td>SUPPORTING TRACKS</td>
<td>6 @ 8,000 FT. EACH</td>
</tr>
<tr>
<td>SWITCHING TRACKS</td>
<td>6 @ 8,000 FT. EACH</td>
</tr>
</tbody>
</table>

*550 ACRES IN PHASE I, 785 ACRES TOTAL
CenterPoint Intermodal Center—Joliet, Illinois

The Largest Master-Planned Inland Port in North America

- Nation’s Largest Inland Port
  - Connects Chicago to West and East Coast Ports
  - 6,000+ Acres
  - BNSF’s 785-Acre Intermodal Terminal
  - UPRR’s 840-Acre Intermodal Terminal
  - 4-6 Million TEU’s Per Annum in Future
  - 30 Million SF of Industrial Facilities
  - 450 Acre Equipment Management Area
  - Over $50 Billion of Goods Past Through Both Facilities
  - Foreign Trade Zone #22
- $3 Billion CenterPoint Investment
- Public-Private-Partnership
21st Century Economic Engine: The Integrated Intermodal Center

- Requires rail service, interstate proximity
- Adequate and available labor
- Integrates warehouses with rail terminals
- Foreign Trade Zone Savings
- Minimize drayage

- Eliminates demurrage
- Creates platform for corporate carbon footprint reductions
- Allows implementation of “supplier campus” initiative

Locates all supply chain components on ONE CAMPUS

*550 ACRES IN PHASE I, 785 ACRES TOTAL
CHICAGOLAND’S INTERMODAL GROWTH CORRIDOR
NORTH AMERICAN CONTAINER PORT RANKING

2010 Total TEUs

- Los Angeles: 6,748,995
- Long Beach: 5,067,597
- NY/NJ: 4,561,597
- Savannah: 2,356,512
- Vancouver (BC): 2,152,462
- Oakland: 2,050,030
- Hampton Roads (VA): 1,745,228
- Seattle: 1,658,625
- Tacoma: 1,545,855
- Houston: 1,366,243
- Charleston: 1,181,353
- Manzanillo (COL): 1,110,350
- Miami: 807,069
- Jacksonville: 757,647
- Montreal: 729,896

*CIC-Joliet/Elwood 3,000,000 (Base Case)
*CIC-Elwood 1,414,000 (Actual)

* Total Loads Including Empties & Domestic
Source: AAPA Advisory May 2010
INLAND IMPORT DISTRIBUTION CENTER - WALMART

- 3.4 Million SF, 168 Acres
- Delivered in 10 Months
- Largest Distribution Center in Chicagoland History??
- Walmart’s Only Inland Import DC
- 2,126 Trailer Stalls
- 308 Exterior Docks
- 600 New Full-Time Jobs
INLAND IMPORT DISTRIBUTION CENTER - BISSELL

- 36 Acres
- 499,200 SF BTS Lease
- Midwest Distribution Center
- Walmart Tier One Supplier
- 229 Trailer Stalls
- 120 Dock Doors, 4 Drive-in Doors
Maximum Value is Seen When Connecting Goals-Real Estate & Transportation

LOGISTICS COST BREAKDOWN

- Transportation: 50.3%
- Inventory: 21.8%
- Labor: 9.5%
- Customer Service: 7.8%
- Rent: 4.3%
- Admin: 2.7%
- Supplies: 2.2%
- Other: 1.2%

Source: Establish, Inc./Herbert W. Davis and Company 2006 Database

The future of real estate is driven by transportation.
### Analysis Based on 600,000 SF Facility & 5,000 Containers per Year

**Intermodal Center Annualized Savings**

<table>
<thead>
<tr>
<th></th>
<th>VS. Minooka</th>
<th>VS. Tinley Park</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dray &amp; Fuel Savings (<a href="http://www.cicdraysavings.com">www.cicdraysavings.com</a>)</td>
<td>$570,000</td>
<td>$775,000</td>
</tr>
<tr>
<td>FTZ Benefits of the Intermodal Center</td>
<td>$474,780</td>
<td>$474,780</td>
</tr>
<tr>
<td>Heavyweight Savings</td>
<td>TBD</td>
<td>TBD</td>
</tr>
<tr>
<td>Container Storage Savings</td>
<td>TBD</td>
<td>TBD</td>
</tr>
<tr>
<td><strong>Total Annual Savings Impact</strong></td>
<td>$1,044,780 = $1.74 per SF</td>
<td>$1,249,780 = $2.08 per SF</td>
</tr>
</tbody>
</table>
CIC CARBON EMISSION BENEFITS

- Companies who locate within CIC benefit from reduced carbon emissions due to reduced drayage miles
- Based on an estimate of 5,000 annual intermodal loads, a company located at CIC will save approximately:
  - 44,962 gallons of fuel annually or 760,211 total pounds of CO2e versus operating in Minooka
  - 47,170 gallons of fuel annually or 1,055,849 pounds of CO2e versus operating in Tinley Park

*550 ACRES IN PHASE I, 785 ACRES TOTAL
WHY WE ARE IN THE INTERMODAL BUSINESS

Highway Infrastructure vs. Miles Traveled
Indexed: 1980 = 100%

Vehicle Miles Traveled
Lane Miles Constructed

Source: USDOT
BENEFITS OF LONG-HAUL RAIL VS. TRUCK

▶ Economies of scale – lower delivered cost
  ▶ One gallon of diesel fuel moves one ton of freight
    • Nearly 500 miles via rail
    • 155 miles via truck

▶ Eases highway congestion
  ▶ A single intermodal train can take 300 long haul trucks off the highway

▶ Rail is the “Green” alternative
  ▶ Trucks emit 4X more Greenhouse gases than rail for same load of freight

▶ Trucking industry facing increased costs / regulation
  ▶ Hours of service change
  ▶ High driver turnover (100%)
  ▶ Rising insurance costs
  ▶ Highway congestion
  ▶ Quality of life for drivers
$350 million CenterPoint investment
- 900-acre integrated logistics center
- 25 miles to VPA
- Large land assemblage, zoned and annexed

- 5-6 million SF for cross-doc, transload, CY
- Adjacent to 1.5 million SF Target distribution center
- Worked closely with VPA, VDOT, city of Suffolk
CIC – SAVANNAH, GA

- $150 million CenterPoint investment
- 250-acre integrated logistics center
- 2.5 million SF for DC, transload, cross-dock facilities
- Building private road to intermodal entrance
- Norfolk-Southern direct rail service
- Domestic intermodal service
- 4 miles to gate at GPA – Garden City terminal
- Zoned for 3-high CY storage
CIC – MANTECA, CA

- $250 million CenterPoint investment
- 200-acre integrated logistics center
- Adjacent to UP domestic intermodal facility – 250,000 lifts annually

- 1-99 & I-5 (north/south routes extending from Canada to Mexico) are within 5 miles
- 4 million SF industrial facilities
- One hour drive from port of Oakland
CIC – HOUSTON, TX

- $300 million CenterPoint investment
- 650-acre integrated logistics center
- 200-acre KCS Intermodal facility

- 7.5+ million SF of industrial facilities
- Potential car load facility
CIC – KANSAS CITY, MO

- $300 million+ CenterPoint investment
- Public-private partnership
- 1,400-acre integrated logistics center
- 900-acre industrial park
- 500-acre KCS intermodal facility
- Intermodal traffic from Mexico to US
- International and domestic service
- 5 million SF industrial facilities
CIC – CRETE, IL

- $500 million+ CenterPoint investment
- 1,000-acre integrated logistics center
- 300-acre industrial park
- 700-acre intermodal facility

- Excellent East, mid-Atlantic and Gulf Coast connectivity
- 6 million SF industrial facilities
In Summary

- Total intermodal volume in the U.S. was up 5.4% in 2011 over 2010 (Rail Time Indicators).
- Intermodal volumes have been slowly rising and are just 3.2% short of the 2006 peak (AAR).
- Domestic intermodal continues to show strength as more truck traffic is being moved to rail because of cost savings, rising 8.2% in 2011 (RSE Consulting).
In Summary (cont’d)

- Continued capital investment in the rail industry has made domestic intermodal more attractive due to increased efficiency and reliability.

- The distance at which intermodal is viable continues to decrease as the trucking industry faces increased costs and capacity issues.

- BNSF believes there are 7-8 million loads in its service corridor that it can convert to intermodal. UP believes there are 11 million loads (Journal of Commerce).

Source: FRA’s National Rail Plan