



July 27, 2009

Mr. Jerry Bridges
Executive Director
Virginia Port Authority
Commonwealth of Virginia
600 World Trade Center
101 North Main Street
Norfolk, Virginia 23510

Re: Competing Phase One Conceptual Proposal under Virginia's Public Private Transportation Act of 1995 ("PPTA")

Dear Mr. Bridges:

Carrix Inc. ("Carrix"), the largest independently owned and operated marine and inland cargo terminal operator together with our partner and financial advisor, Goldman Sachs & Co. ("Goldman"), a leading global investment banking, securities and investment management firm are pleased to present a Phase One Conceptual Proposal under Virginia's Public Private Transportation Act of 1995 ("PPTA") for a strategic partnership with the Virginia Port Authority. We acknowledge the Phase One Conceptual Proposal submitted by CenterPoint Properties Trust on March 12, 2009 and submit our proposal, under the PPTA guidelines, as a competing proposal. We believe that our proposal offers the VPA and the Commonwealth of Virginia (the "Commonwealth") significantly more value than the original proposal submitted. Unlike the original proposal we are not proposing a privatization of the VPA. We believe we have a proposal that offers the VPA flexibility through either an operational partnership with Carrix, a financial re-engineering of the balance sheet utilizing Goldman's extensive knowledge and experience in the capital markets, or both. Several of the key highlights of our proposal are as follows:

- VPA maintains ownership of the Port of Virginia assets
- A partnership commitment of only 30 years at the terminal operating level which is inline with the industry norm and provides greater flexibility than a 60 year commitment
- \$250 million upfront proceeds to the VPA which can be used to offset upcoming 2010 bond payments or to be used as VPA otherwise chooses
- An on-going material operating cash flow sharing mechanism with strong upside potential as the parties collectively work to grow the business
- Provides a materially greater overall value to the VPA as measured by net present value than CenterPoint when compared together on similar timeframes



- Allows the Commonwealth to consider privatization options in the future to further enhance potential value, which we believe creates better option value today given the challenges of the current market environment that have depressed the valuation of Port assets

By utilizing Carrix's expertise and know-how to improve port operations, the VPA would be well positioned to take full advantage of the economic recovery and generate greater value from a future privatization if VPA and the Commonwealth determine that process is in their best interest.

Given the conceptual nature of the Phase One proposal and our desire to construct a partnership that best suits the goals and needs of the VPA and the Commonwealth, we would envision working with the VPA to analyze all aspects of our proposal to ultimately find the solution that maximizes value to the VPA and the Commonwealth. We fully understand the importance of Virginia's maritime ports to the overall economy of the Commonwealth and do not take this opportunity lightly. Our goal is to maximize the potential of the facilities, drive economic growth and generate family wage jobs.

We look forward to working with you in this process. We hope that you find the operational, financial, and strategic value of this proposal to meet the vision of the PPTA statute, which was created to involve the private sector in ways that would deeply impact the operational and financial performance of transportation assets to benefit the people of the Commonwealth of Virginia.

We thank you in advance for your consideration and would welcome the opportunity to discuss our proposal with you in more detail at your convenience.

Sincerely,

A handwritten signature in black ink that reads "Bob Watters". The signature is written in a cursive style with a long horizontal line extending from the end.

Bob Watters
Vice President – Director Business Development
Carrix