

Proposed Bulk Liquids Handling Facility at Port of Grays Harbor

Grays Harbor Rail Terminal, LLC, a wholly-owned subsidiary of US Development Group, LLC, has proposed a bulk liquids rail logistics facility at the Port of Grays Harbor. US Development (USD) is a recognized industry leader in the development and operation of logistics terminals throughout the United States, and has an excellent track record for safety, reliability, and environmental protection. The proposed facility would be located at Terminal 3, a property that has land available with direct access to the shipping channel as well as existing on-site rail connections.

USD is preparing a feasibility study for the project in conjunction with the Port of Grays Harbor under a preliminary access agreement. The terminal project would be similar to other liquid bulk cargo facilities already operating at the Port and elsewhere in Grays Harbor.

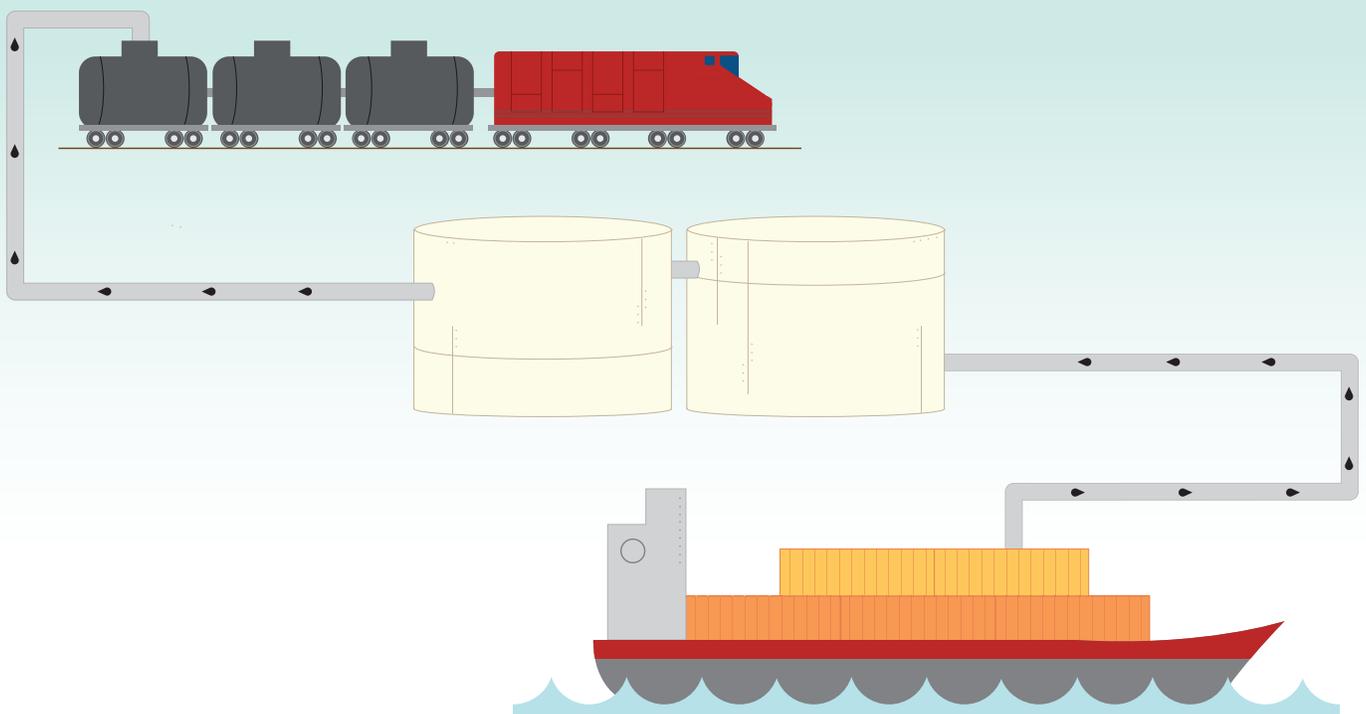
The Port of Grays Harbor is considering this project because of the economic growth it could generate: construction jobs immediately, family-wage jobs permanently, and \$50 million of third-party capital investment at the Port. At the proposed facility, liquid bulk cargo such as crude oil will be transported via rail unit trains from producing locations across North America.

The cargo would arrive in fully contained rail cars similar to those accessing other terminals throughout the Port of Grays Harbor. The cargo would be unloaded via pipe connections into storage tanks at the site until the transport vessel arrives, then pipelines would transfer the bulk liquid from the tanks to the barge or ship.

The vessels will transport the cargo to destinations along the U.S. West Coast. In addition, the facility may export cargo to Asia and import light oil for delivery via rail.

The facility will be used to transport liquid bulk via a process that is safe and efficient. The proposed facility is not a coal export or coal-handling facility. It is designed to handle liquid bulk, primarily crude oil or light oil, and cargo handling will require the support of multiple trades, including local stevedoring services. Though spills involving the equipment used by these facilities are rare, state-of-the-art, site-specific spill prevention and response plans will be developed to ensure environmental protection. These plans will supplement and strengthen existing harbor-wide prevention and response plans.

Environmental protection is a priority for the Port and its development partner. For many years, the Port of Grays Harbor has been an active and effective partner in protecting sensitive environmental areas like those found in coastal areas. Further development and evaluation of the site layout is necessary to determine specific mitigation needs for this project; the port and the USD team will ensure that all stakeholders receive timely, accurate information about any necessary environmental protections.



About the proposed facility

The proposed facility would generate both immediate and long-term economic growth for the Grays Harbor community.

- Immediate jobs with construction of the facility
- Operating facility creates permanent family-wage jobs
- Provides a large capital investment in the community
- Creates annual revenue for the community

The Port of Grays Harbor provides a location and opportunities that most other communities cannot.

- Undeveloped terminal with existing pier
- Existing rail access from two major rail carriers via a shortline railroad to the terminal
- Direct access to the shipping channel
- Close proximity of the Port to open ocean
- Centralized location for shipping/receiving liquid bulk cargo

What are the next steps?

- Feasibility study will be completed by year-end.
- If the study shows, as expected, that the site is a suitable location for a liquid bulk cargo facility, planning efforts will begin in earnest, including preparation of a detailed proposal for consideration by the Port of Grays Harbor Commission.
- US Development will present details of the facilities plans in public forum as they are developed.

About US Development

US Development Group develops and operates liquids logistics and terminal facilities across the United States.

These facilities distribute biofuels and crude oil with a specialized emphasis on movements by rail unit trains, bulk loading/offloading, tank storage, and pipeline transfers to/from trucks and marine vessels.

US Development has developed and operated 12 terminals across the U.S. since 2003:

- Baltimore, MD
- Dallas, TX
- Gardendale, TX
- Houston, TX
- Jacksonville, FL
- New York Harbor, NJ
- Ross, ND
- San Antonio, TX
- St. James, LA
- Van Hook, ND
- West Colton, CA

USD Foundation

The USD Foundation was established as part of the company's commitment to making a positive impact in the communities where their major operations are located. One of the ways they accomplish this mission is through providing financial support to nonprofit organizations and endeavors.