



Cherokee Investment Partners, LLC

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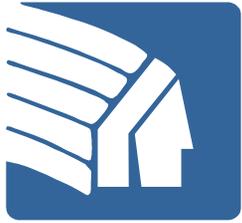
Win-Win Approach

- **Our mission is to acquire environmentally impaired assets and protect sellers from the associated risks and liabilities.**
- **With over \$1 billion of assets under management, we are the largest investment fund specializing in environmentally complicated transactions and the largest purchaser of environmental insurance for brownfields in the world.**
 - Our annual spending for environmental insurance and remediation puts us near the top of all private-sector companies.
 - We are making things better for the environment, for the communities we serve and for the companies we protect.
- **We typically:**
 - Acquire an asset or portfolio of assets for cash,
 - Indemnify the seller from environmental liability, and
 - Remediate and redeploy the asset for productive use, typically by selling to a developer or end user.



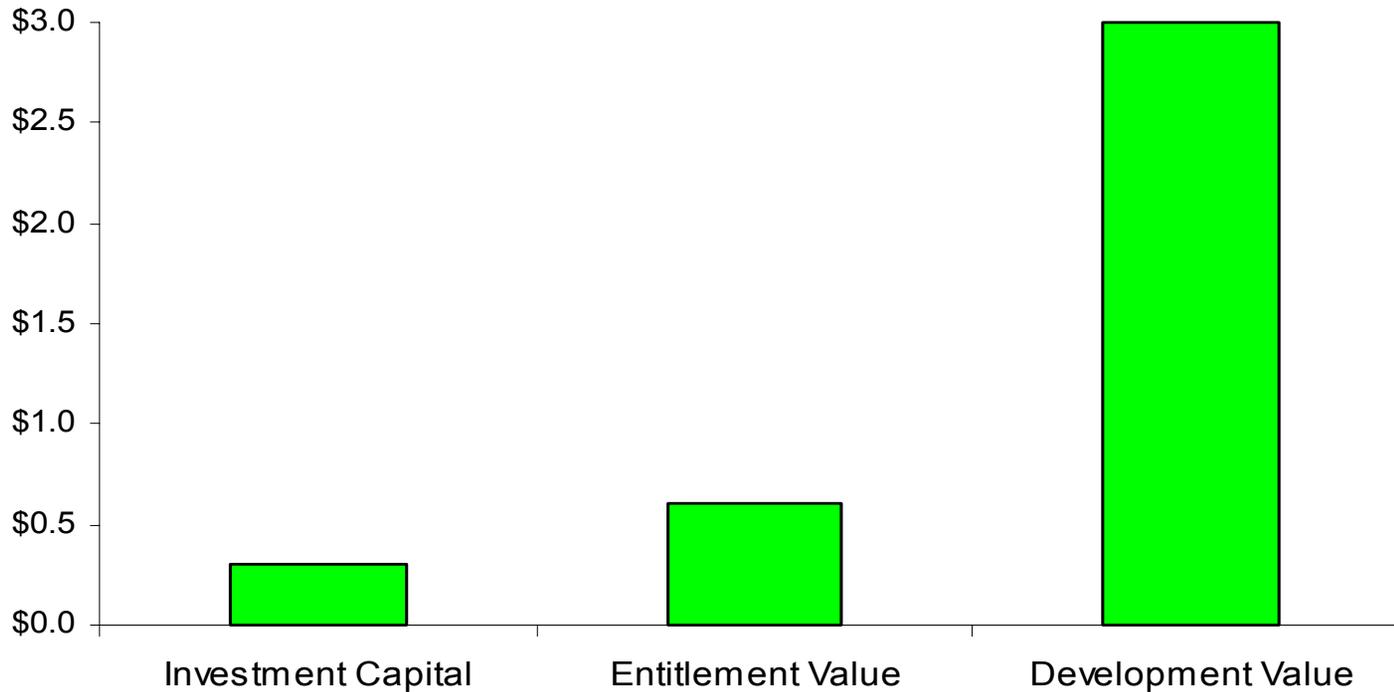
Committed Capital

- **Our capital is committed, primarily from pension funds and endowments.**
 - Available for use at our discretion.
 - Streamlined investment approval.
 - No financing contingencies.
- **Cherokee Investment Partners II, L.P.**
 - \$250 million fund raised in 1998 for North American investments.
 - Fully invested.
- **Cherokee Investment Partners III, L.P.**
 - \$620 million fund with 30% allocation for investments in Western Europe.
 - \$300 million fund level Credit facility.
- **We seek opportunities in which we can invest at least \$10 million of equity, though we can invest significantly more as warranted.**
 - Our equity commitments, with leverage, give us over \$1 billion of new capital to deploy over the next 3 to 5 years.



CHEROKEE INVESTMENT PARTNERS III

IMPACT OF INVESTMENT



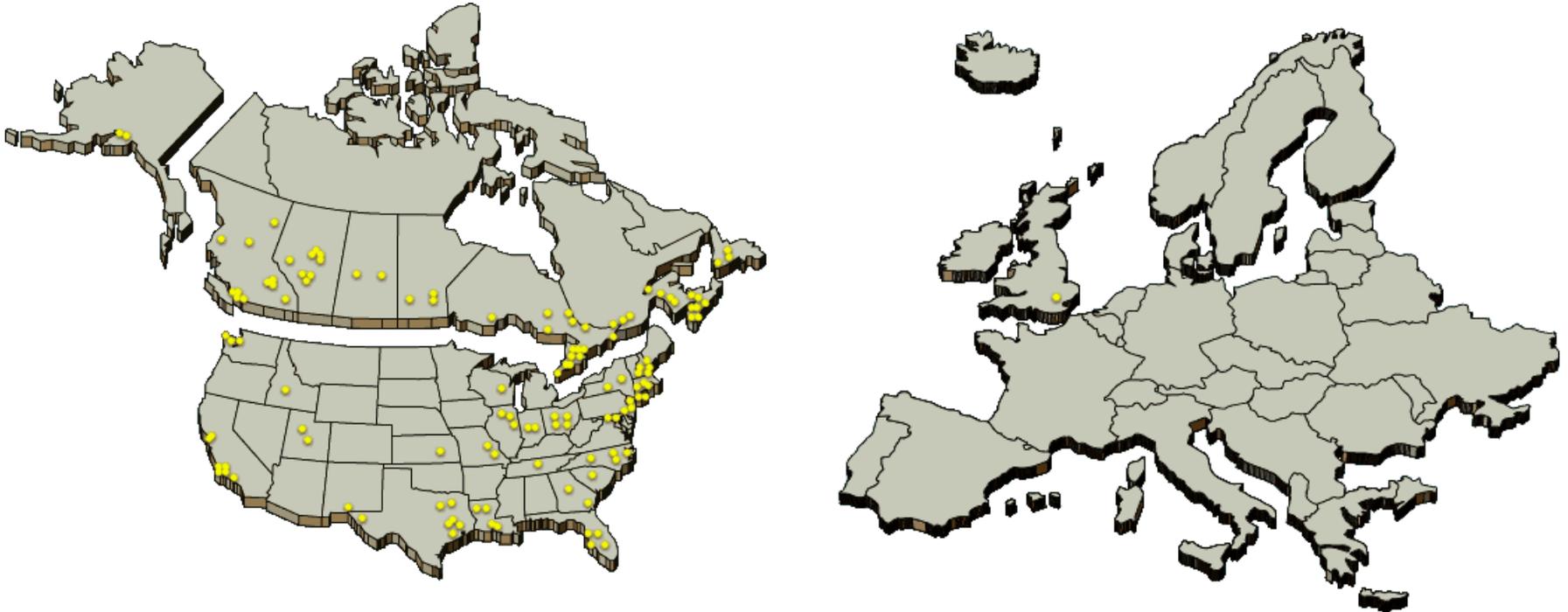


Extensive Experience

- Cherokee began buying contaminated sites in 1990 after a decade of first-hand experience in managing environmental remediation and liability.
- Since 1990, we have acquired over 300 sites across North America and Western Europe and currently retain over \$1 billion million of assets under management.
- Investing capital from institutional investors since mid-1990s.
- Working with all types of contaminants, numerous regulatory authorities and various types of sellers.



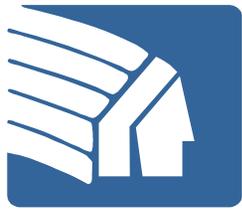
300+ SITES PURCHASED SINCE 1990





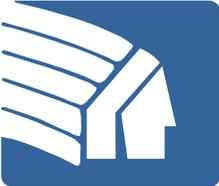
Effective Risk Management

- Nearly 20 years of direct experience in managing environmental remediation and liability, both as owner/operator and investor.
- In-house team includes environmental engineers and attorneys, as well as risk management specialists.
- By virtue of being the new owner and not the polluter, Cherokee can often:
 - Achieve site closure more quickly.
 - Obtain insurance more easily.
 - Trade remediation for entitlements, permits and other value-enhancing incentives.
- ***No seller has incurred environmental costs or liability after transacting with Cherokee, except in cases where the seller retained responsibility.***

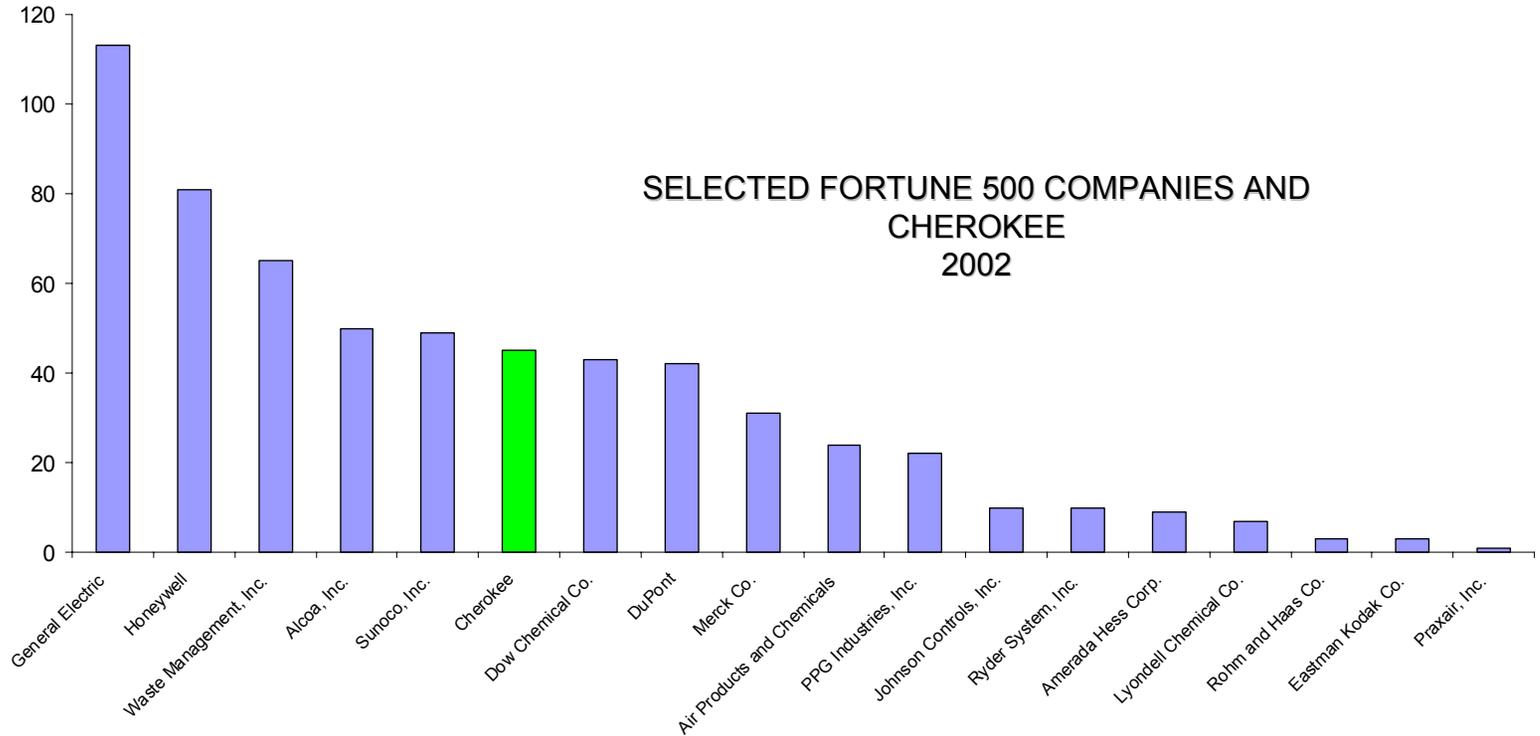


CHEROKEE INVESTMENT PARTNERS III **“BEING GREEN”**

- **Our investments generate positive returns beyond the economics**
 - Immense impact on environment and property reuse
 - Win-win outcomes for communities and other stakeholders
 - (economic development, jobs, tax revenues, etc.)
- **Many positive effects are by-products of our investment charter, while others are more deliberate and/or expansive**
 - Scrap and equipment recycling at old industrial sites
 - Methane gas analysis and recapture at landfills
- **We strive to be innovative in exploring new ways to be more “green,” while enhancing deal economics**
 - “Smart” construction
 - Sensible urban planning – mixed use, rail transit, etc.
- **Important to our culture, but also to our community credibility**



CHEROKEE INVESTMENT PARTNERS III ANNUAL REMEDIATION EXPENDITURES





Completed Transactions

Sellers include a wide variety of owners:

- Multinational corporations
- Financial institutions
- Private equity funds
- Government agencies
- Utilities
- Private owners



American Airlines®



Tomkins

burlington



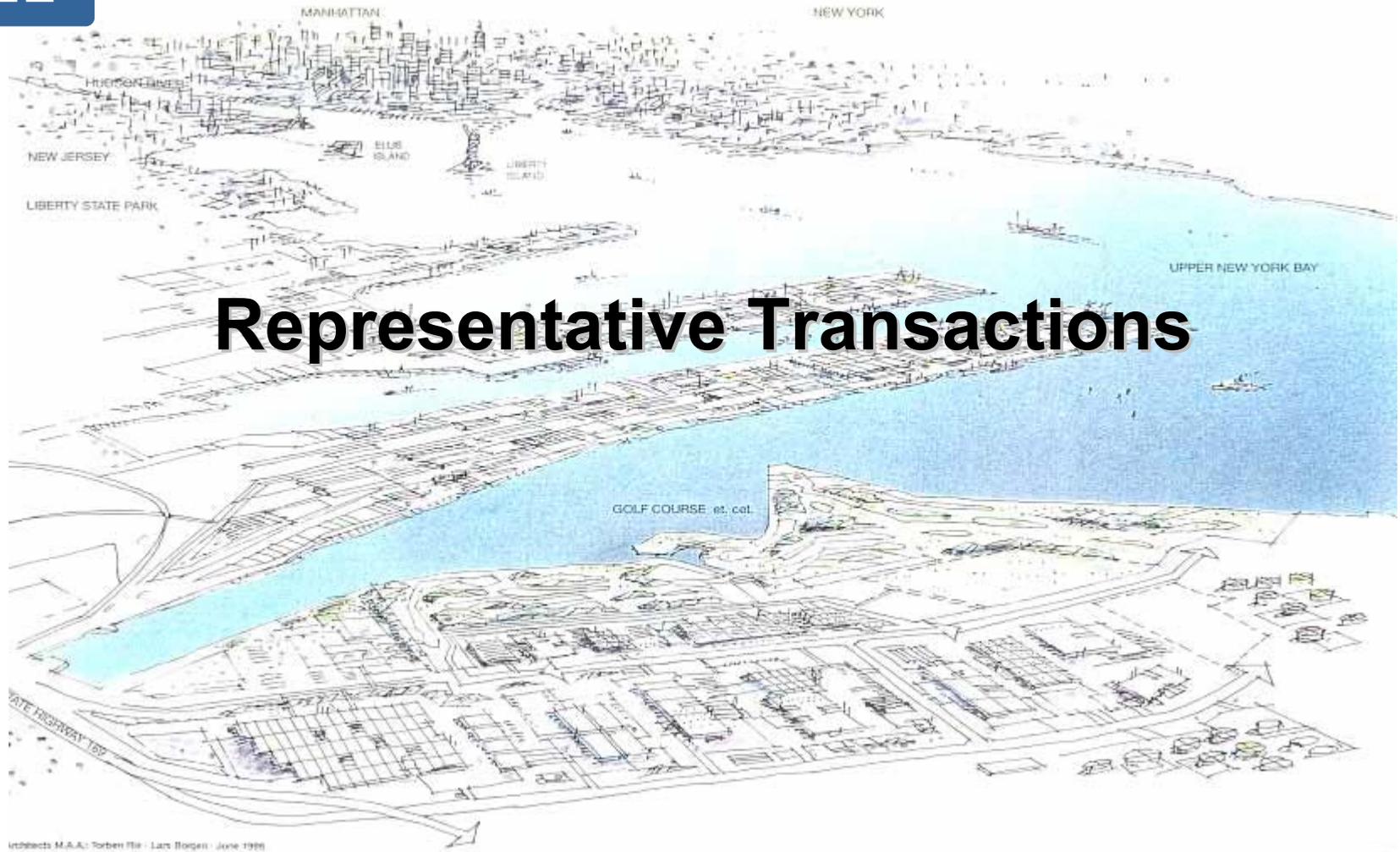
HALLIBURTON



United Technologies

stelco

EQUILON
ENTERPRISES LLC



Representative Transactions

Architects M.A.A.: Torben Pile - Lars Borgen - June 1998



Carrier Building City of Industry, CA

BEFORE

- **Federal Superfund site.**
- **Substantial soil and groundwater contamination.**
- **Uncertainty of costs and concern over liability.**

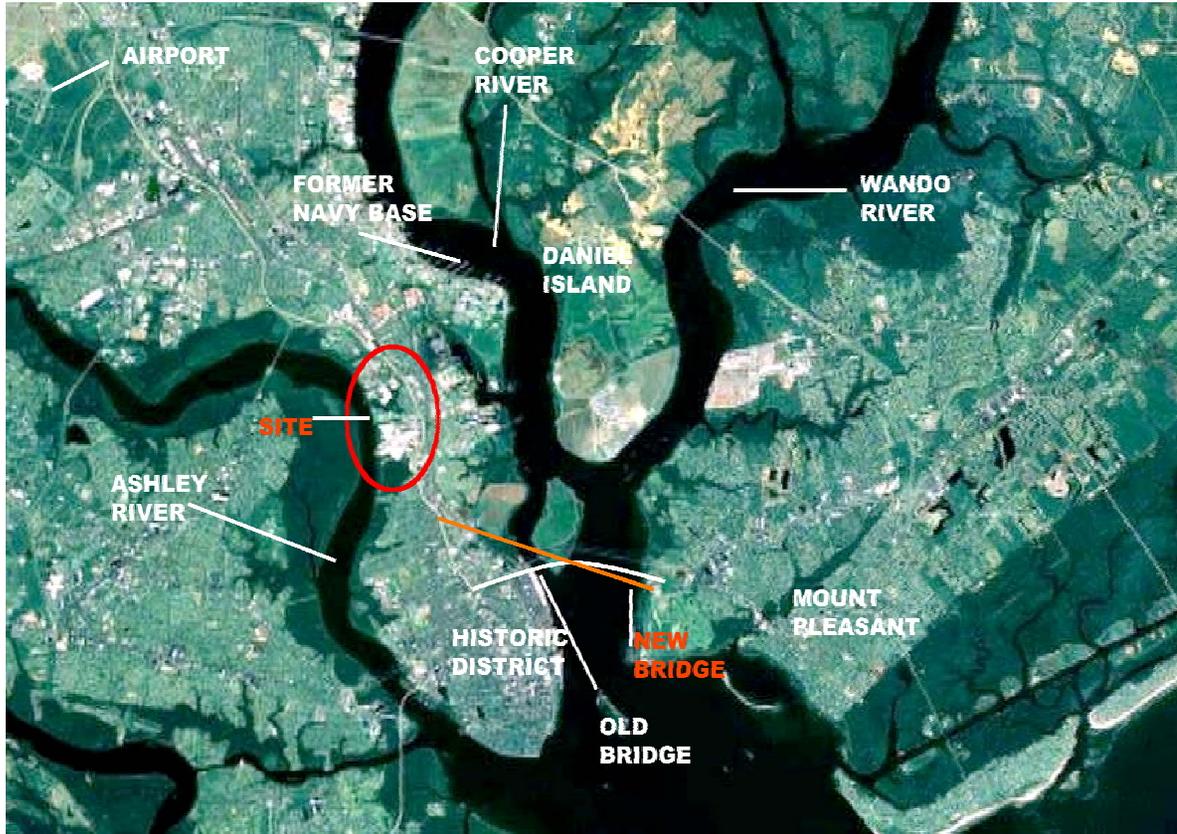


AFTER

- **\$12 million of cash at close from Cherokee.**
- **Liability indemnification.**
- **Divestiture of non-core asset.**
- **Avoidance of litigation.**



Cherokee Ashley Charleston, SC



Charleston, SC Area and Target Sites

- Partnership with the City of Charleston to redevelop 300+ acres in the industrial neck of Charleston
- Redevelopment will transform 100 year old industrial property into mixed-use, mixed density urban focal point
- Accumulation of 31 separately owned parcels
- Redevelopment plan includes realignment of Interstate 26



Cherokee Ashley

- Located in a Renewal Community and includes 5 historically disadvantaged neighborhoods
- Community support is key; public process has included multiple charrettes and community planning meetings
- Redevelopment plan has potential for saving thousands of acres from urban sprawl, becoming a catalyst for better public transportation (including light rail) and providing job opportunities and affordable housing
- Former industrial area will be transformed into mixed-use, mixed-income redevelopment area



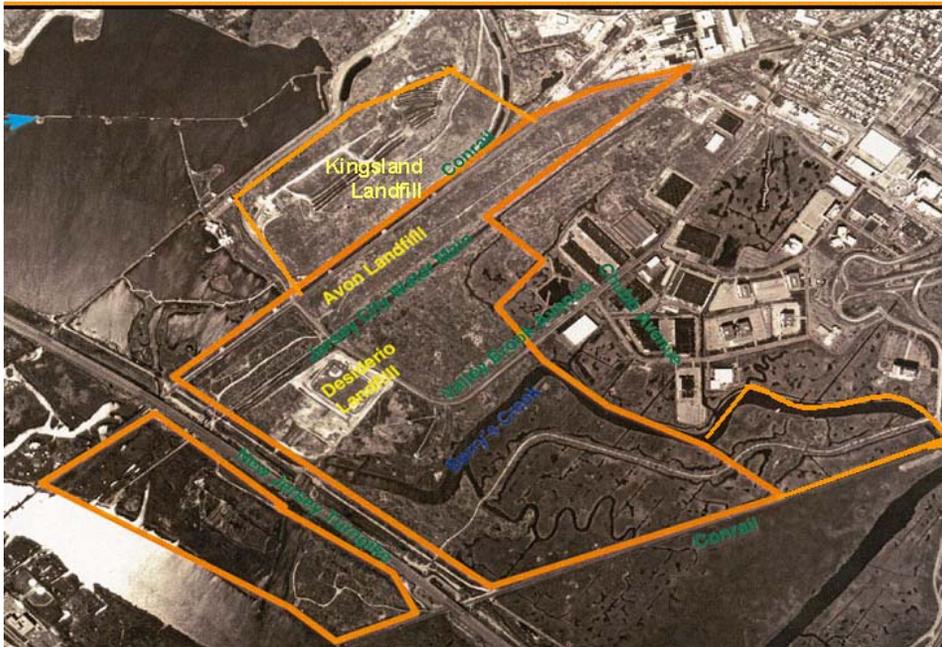
Cherokee Ashley Assemblage
Charleston, SC
Keys to Success

- 250 Acre assemblage
- \$10-\$12 Million Tax Increment Financing
- 13 Month Public Participation Charette
- Significant Municipal Support Entitlement Changes
- Mayor and City Council Support



NJ Meadowlands Rutherford, NJ

- 450 acres, of which roughly 20 are wetlands, located in the Meadowlands, along the Hackensack River; may acquire 80 more.
- Four former landfills located on the site with widespread contamination of soil and groundwater.



- Project under the New Jersey Brownfield Reimbursement Act.
- \$145 million in tax-exempt bonds have been issued; majority of the proceeds will be used to fund remediation.
- State seeking landfill closure and economic development of the area; selected Cherokee as buyer because of track record and ability to execute.



NJ Meadowlands Rutherford, NJ

- Permits for landfill closures secured and entitlements obtained for:
 - 1,400 residential units
 - 1.2 million s.f. of office space
 - 650 hotel rooms
 - 100,000 s.f. of retail space
 - 36 holes of golf
 - Marina contiguous to river



- Cherokee will eventually sell to developer(s) of the site.

NJ Meadowlands
Rutherford, NJ
Keys to Success

- Project perfected under the New Jersey Brownfield Reimbursement Act.
- \$145 Million in Tax-Exempt Bonds
- Risk Based Clean Up Standards
- Significant Public Support for Entitlement Changes

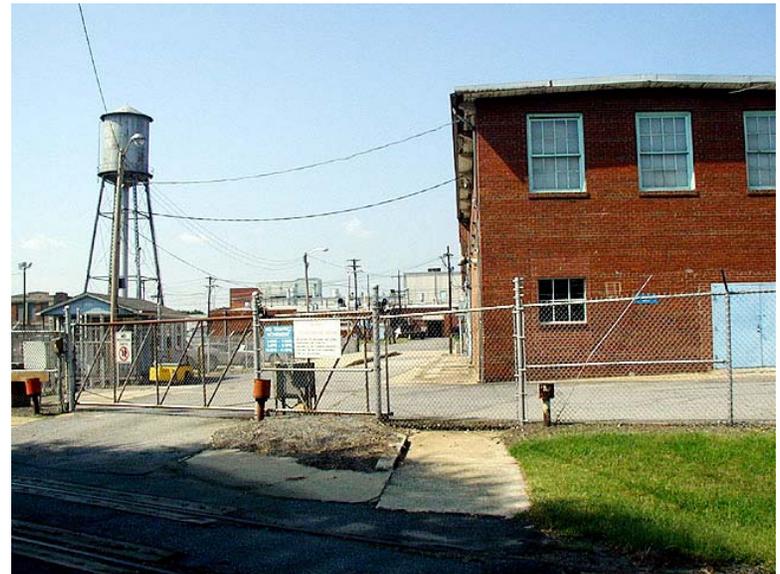


Burlington Industries, Inc. Mooresville, NC



**CLEAN-UP AND
REDEVELOPMENT
UNDERWAY**

- 100-year-old former textile manufacturing plant on 39 acres.
- More than a dozen buildings with 1.3 million s.f. of industrial, warehouse and office space.



Burlington Industries, Inc.
Mooreville, NC

- Brownfield Tax Credits
- Risk Based Clean Up Standards
- Public Support for Entitlement Changes
- Economic Development Support for Development and Marketing Plan



Gates Rubber Manufacturing

Denver, CO



- Major brownfield adjacent to the central business district of Denver consisting of 50 acres & 2.3 million square feet of improvements.
- Significant contamination from manufacture of cord, rubber and power transmission belts.
- Located within path of the Denver Interstate Highway redevelopment project and will be a major stop on the new light rail system.
- Development will include affordable and market rate housing, office, and retail space.

Gates Rubber Manufacturing

Denver, CO

Keys to Success

Completed an unprecedented public outreach program that included:

- 19 Neighborhood meetings
- 33, 345 Piece Public Information Mailing
- 6 Open House events
- 12,000 Piece Public Information Mailing
- Created Cherokee Denver Redevelopment Advisory Committee Which Included Neighborhood Stakeholders
- Created a standing meeting with Planning and Development Department



Cranleigh Brick & Tile England (30 miles south of London)



- Former brick manufacturing plant on 44 acres.
- Previously used for chemical manufacturing.
- Heavily contaminated, high-profile site within United Kingdom.

Cranleigh , United Kingdom “Hurdles”

- Inefficient Real Estate System
- Protracted Permit Process
- Multiple Layers of Government
- Multiple Appeals for Entitlement Changes
- Badgers and Newts
- Profit Ceilings & Profit Participation

Keys to Success

- Identify markets that need change, brownfields do not end at the property line
- Determine first if your project is a realistic real estate deal
- Identify and then use all of your resources
- Save your brownfield money and put it to use where it really counts, planning, economic due diligence, and marketing

Keys to Success

- Build a team of that includes:
 - Local Government
 - Regulatory Agencies
 - Planning (municipal and commercial)
 - Capital Sources
 - Insurance
 - Real Estate
 - Neighborhood Stakeholders
 - Developers
 - Economic Development Authorities
 - *There are others that will be dictated by your location, economy, resource base, and real estate market, use them all.*

Summary

- Think Outside the Box
- Build Teams
- Remember “Real Estate 101”
- If your brownfield site has limited clean value, contamination will not create an opportunity.