

Greater Reno-Tahoe Business Advantage: Strategic Location

Greater Reno-Tahoe enjoys a strategic location as a hub for distribution materials throughout the Western United States. With direct access to 1-80 East-West and US 395 North-South, the region lies amid an extensive transportation network, reaching a large percentage of the Western population within a day to two day period. Greater Reno-Tahoe's strategic location and proximity to 10 large metros within two days drive allows for cost and time savings for your company.

Logistics Advantages of Greater Reno-Tahoe

Over 65 trucking companies provide overnight delivery to 80% of the eleven contiguous Western states. The remaining 20% can be reached second day.

The Reno-Tahoe International Airport provides air cargo service from Capital Cargo, DHL and daily from FedEx and UPS to their respective hubs for distribution both domestic and international.

Union Pacific Railroad links 23 states, plus every major west coast and Gulf Coast port and provides service to the east through its major gateways in Chicago, St. Louis, Memphis and New Orleans . UP also operates north/south corridors to serve all six gateways to Mexico.

State regulation of trucking allows "Triples" or three trailers per cab across much of West, with the exception of California, making Reno a convenient location for assembly/ disassembly of loads headed both East and West.

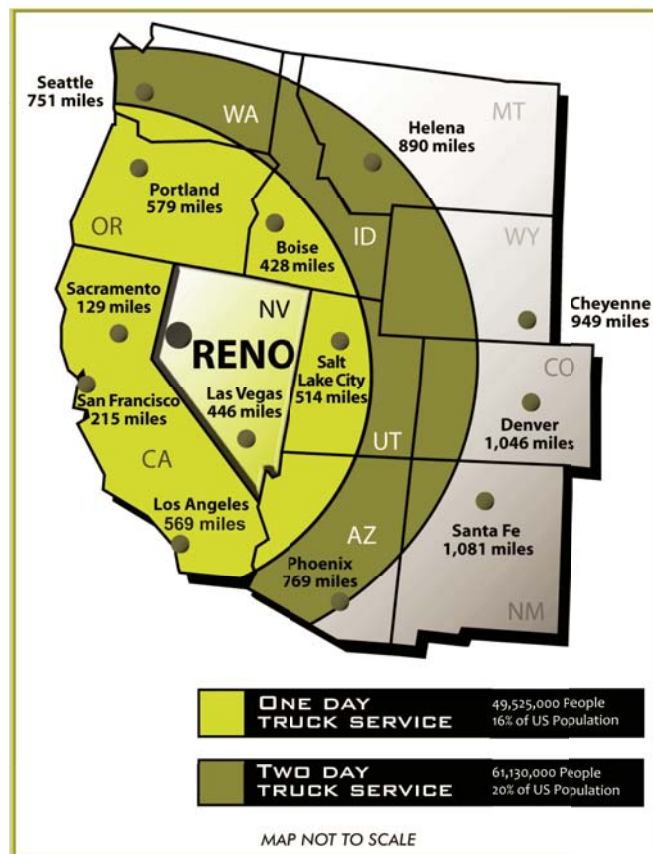
**Regional Distribution Map:
Percentage of U.S. Population Within 500 Miles**



Next Day *LTL Transit Time		
City	Highway Miles	Air Time
Las Vegas	441	1:00
Los Angeles	475	1:06
Portland	586	1:30
Sacramento	135	0:25
Salt Lake City	526	1:00
San Diego	575	1:30
San Francisco	231	0:50

Second Day *LTL Transit Time		
City	Highway Miles	Air Time
Denver	1,044	2:30
Phoenix	753	2:00
Seattle	721	1:41

*LTL - Less-Than-Truckload

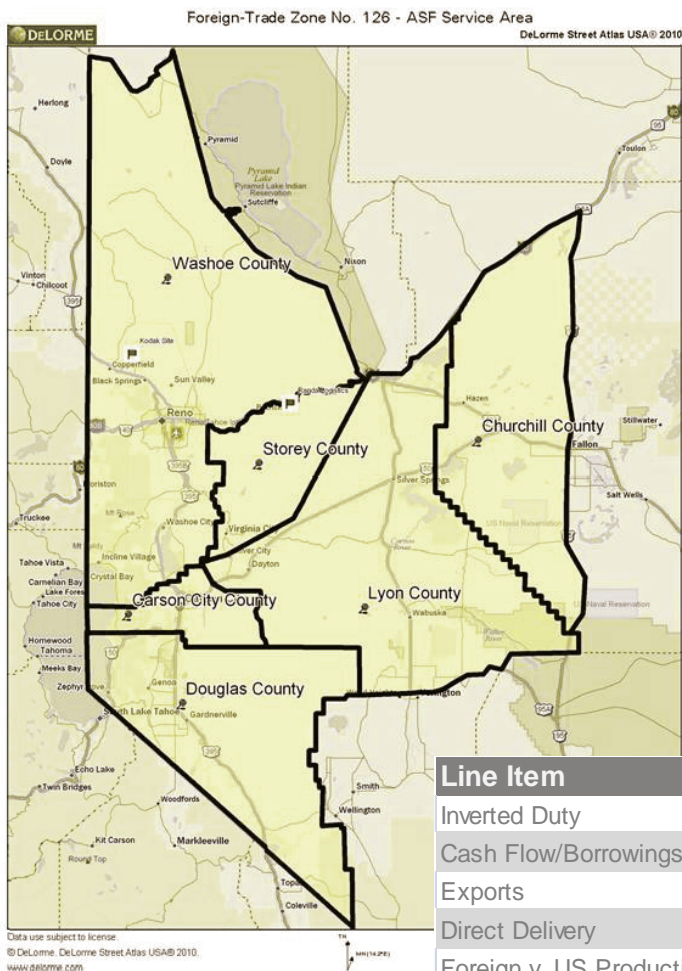


Greater Reno-Tahoe Business Advantage: Strategic Location

Foreign Trade Zone and Alternative Site Framework (ASF) Plan

The Economic Development Authority of Western Nevada (EDAWN) is the Grantee Sponsor of Foreign-Trade Zone (FTZ) No. 126 in the State of Nevada. Companies that operate in a foreign-trade zone can defer, reduce, or eliminate Customs duties, entry procedures and federal excise taxes on foreign products admitted into zones for storage, exhibition, assembly, manufacture and processing. FTZ 126, at nearly 7,500 acres, is one of the largest in the nation, and provides attractive incentives for international.

In 2010, Northern Nevada was approved for an Alternative Site Framework (ASF) plan. The ASF provides foreign-trade zone grantees with greater flexibility to meet specific requests for zone status by utilizing the minor boundary modification process. ASF can make application for FTZ easier and less expensive, offering benefits such as: Manufacturing and Warehousing within 30 days, Manufacturing under a Temporary/Interim (T/IM) in 75 days, No Filing Fee, Possible Production Equipment Benefit, and lower cost entry for companies.



Some Advantages of Operating in a Foreign-Trade Zone

- Cash Flow
- Exports
- Waste/Scraps/Defects/Damage Obsolescence
- Inverted U.S. Customs Duty Savings
- Nondutiability of labor, overhead and profit
- Reduced cycle time
- Weekly Entries
- Harbor Maintenance Fee
- Taxation
- Production Machinery
- International Returns
- Country-of-origin marking/labeling
- Security
- Anti-dumping/countervailing duties
- Quality Control
- Inventory Control
- Insurance Costs

Line Item	Potential Savings
Inverted Duty	\$1,100,000
Cash Flow/Borrowings Reduction	\$1,500,000
Exports	\$980,000
Direct Delivery	\$273,973
Foreign v. US Production	\$4,900,000
Scrap/Waste/Obsolete/Surplus	\$180,000
Merchandise Processing Fee (Monthly Entry)	\$703,250
Customs Broker Entry Fee (Monthly Entry)	\$145,200
State & Local Ad Valorem Tax	\$250,000
Total Potential Savings:	\$10,032,423