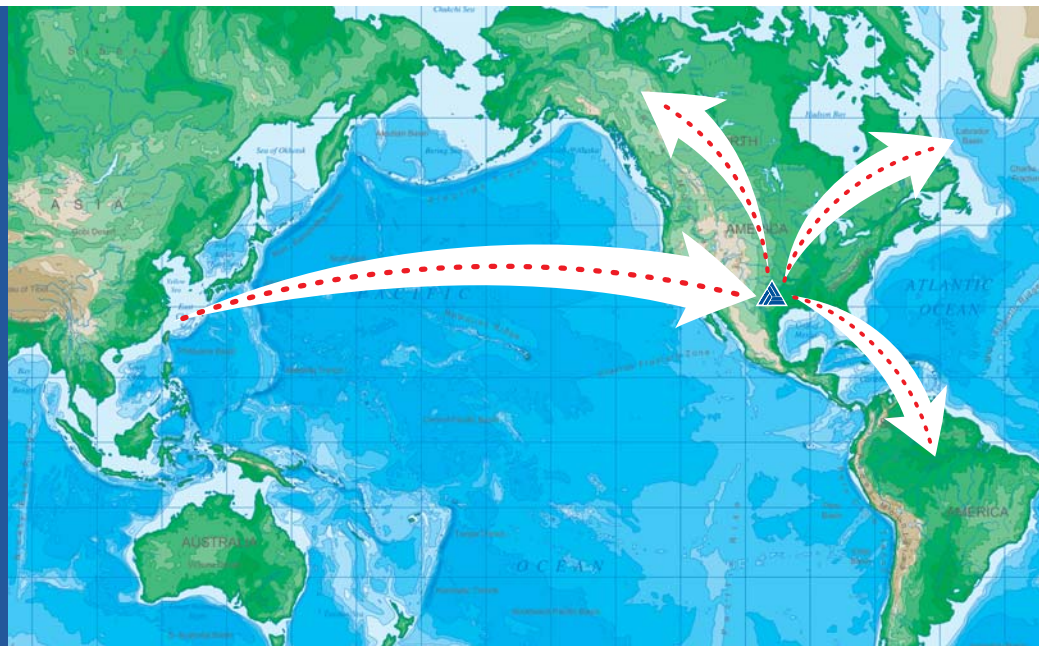
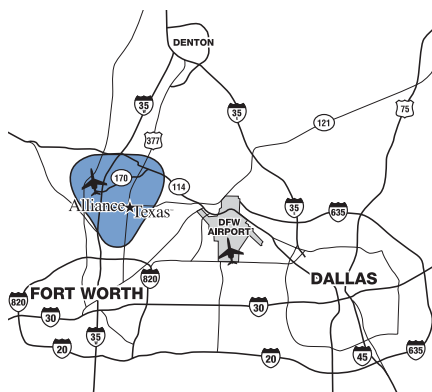


Alliance★Texas®

A DEVELOPMENT OF HILLWOOD
A PEROT COMPANY™



A Foreign-Trade Zone (FTZ) is a secure site within the United States where merchandise is considered to be outside of U.S. Customs territory. FTZ designation enables several economic benefits. Combine these savings with the multi-modal program at Alliance★Texas and corporate residents reduce time and costs in their supply chains.



TOP 10 REASONS TO USE FTZ

- 1. Improve Cash Flow**
Hold merchandise in inventory; transfer it to another FTZ; export or destroy it without paying U.S. Customs duties until the imported merchandise is shipped into U.S. Customs territory.
- 2. Save on inverted U.S. Customs duty**
Elect to pay the duty rate applicable to either component materials or the finished product produced from the component material, whichever is lower. The reduction or elimination of U.S. Customs duties is significant.
- 3. Eliminate export duty**
Exporting from an FTZ eliminates U.S. Customs duties on exported merchandise.
- 4. Reduce costs on defective merchandise**
Reduce or eliminate U.S. Customs duties on merchandise classified as waste, scrap, defective, damaged or obsolescent.
- 5. Eliminate duty on labor, overhead and profit**
Eliminate these costs for production within an FTZ. If the same operations occurred outside the United States, the value of the labor, overhead and profit is subject to U.S. Customs duty.
- 6. Reduce paperwork and expenses**
For manufacturing and distribution, companies may consolidate multiple customs entries into one per week, reducing customs brokerage and merchandise processing fees.
- 7. Reduce inventory tax**
Tangible personal property held in FTZ status is not subject to state and local ad valorem taxes.
- 8. Security**
The top priority of USCBP is security. Activated FTZ's enjoy one of the highest security levels of any importer - superior to C-TPAT.
- 9. Reduce supply chain time**
Eliminate delays related to U.S. Customs clearances. Special direct delivery procedures expedite the receipt of merchandise in company facilities, reducing inventory cycle time.
- 10. Manage U.S. Quota Restrictions**
Most merchandise may be held in an FTZ, even if it is subject to U.S. Quota restriction. When the quota opens, the merchandise may be shipped into U.S. Customs territory. (Voluntary restraint and orderly marketing agreements are not impacted by FTZ use.)

ALLIANCE FOREIGN-TRADE ZONE #196 RANKS NO. 1 AMONG U.S. GENERAL PURPOSE FOREIGN-TRADE ZONES IN FOREIGN MERCHANDISE ADMITTED TO THE ZONE. (2006, 2007 & 2008)