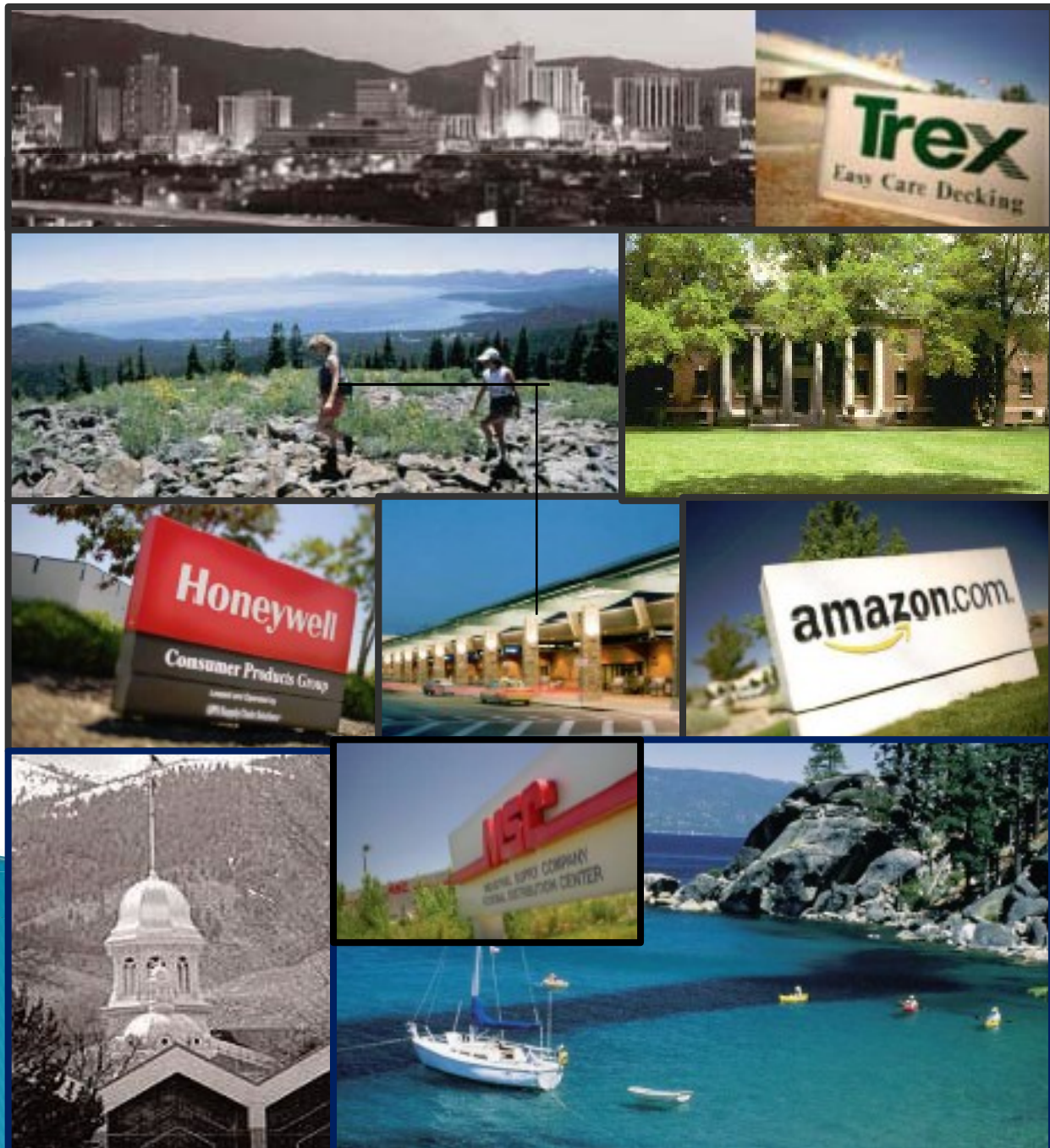


Why Nevada:

Greater Reno- Tahoe Business Advantage



Why Nevada?

Corporate Advantages:

- Nevada has easy access to California's markets, a superior telecommunications structure, and favorable tax structure.
- It is also one of the top states in which to operate because of its well-established reputation for business-friendly laws, an accessible regulatory environment, legal systems that work in favor of business, and economic development incentive programs.

Lifestyle Advantages:

- Fast-paced cities, comfortable, family-based communities, arts, culture, diversity, quality education, dependable public services, recreational opportunities in Nevada are as diverse as the landscape that spans the state.



Leading Edge of Business Opportunity

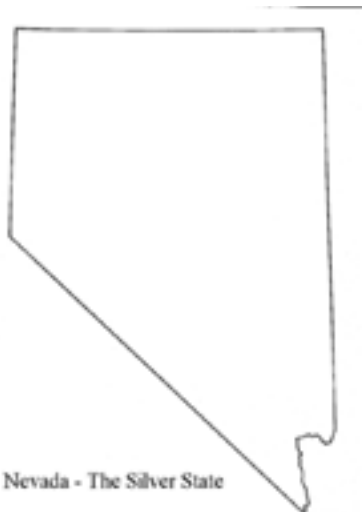
Advantages that make Nevada popular for business opportunity include:

- Low Cost - Nevada is one of the lowest cost states in which to incorporate.
- Nevada's Tax Structure:
 - NO Corporate Income Tax
 - NO Personal Income Tax
 - NO Inventory Tax
 - NO Unitary Tax
 - NO Estate and/or Gift Taxes
 - NO Franchise Tax
 - NO Inheritance Tax
 - NO Special Intangible Tax

U.S. Best & Worst States for Doing Business

Chief Executive's sixth annual survey asked 543 CEOs to grade each state based on the following criteria:

1. Taxation & Regulation
2. Workforce Quality
3. Living Environment.

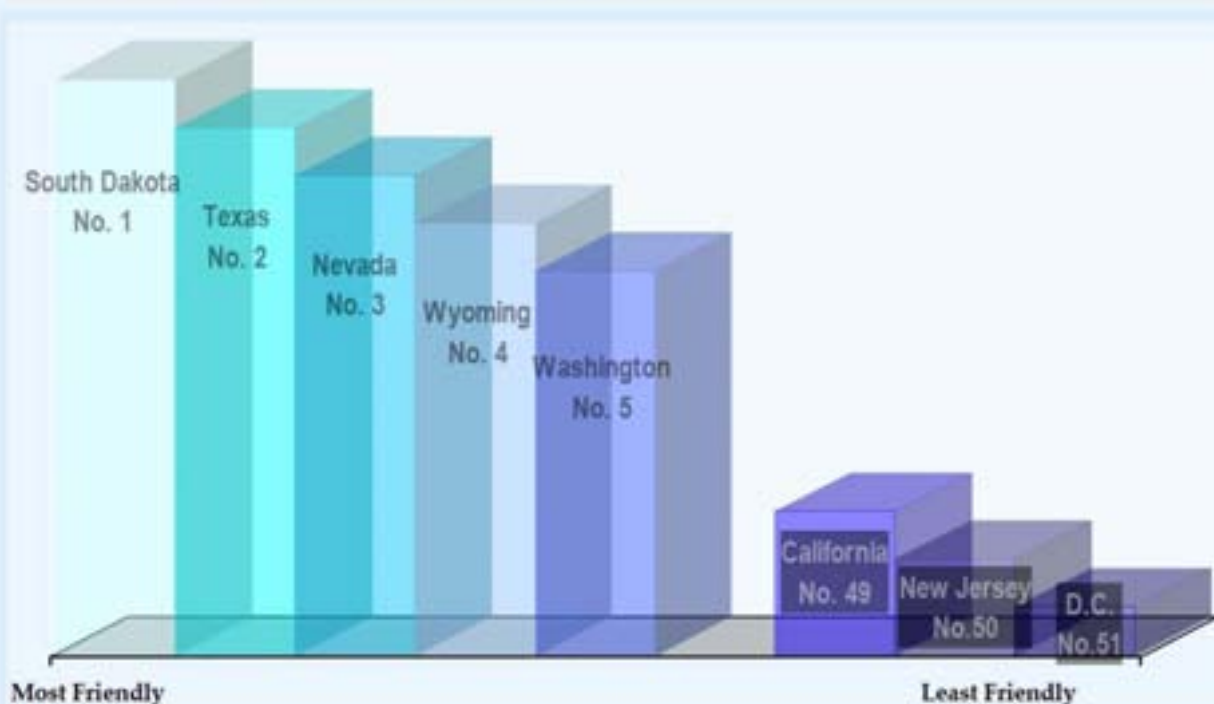


Nevada - The Silver State

Name of State	Nevada
Ranking	5
Gross State Product (\$ per capita)	\$127,213
Civilian Labor Force	1,375
Employment	1196.6
Average Salary	\$37,440
Population Growth Rate	1.04%
Source http://www.chiefexecutive.net/media/usbestandworststates/2010	

Nevada Encourages Entrepreneurship

Entrepreneur Friendly States:



Source: Small Business & Entrepreneurship Council. Factors in ranking included taxes and regulatory cost, government spending, property rights, health cares, energy cost, among others -2010.



Advanced Refining Concepts, LLC



State Incentive Programs:

- **Sales & Use Tax Abatement** –on eligible machinery and equipment; under abatement rate would be 2%
- **Sales Tax Deferral** –setting up interest free payment plan for taxes in the equal monthly payments over 60 months period (5Yrs)
- **Modified Business Tax (Payroll Tax) Abatement**–50% for 4 Yrs on new jobs
- **Personal Property Tax Abatement** –up to 50% abatement of personal property tax for up to 10 years on eligible equipment

In addition to tax incentives, the State of Nevada offers training program incentives:

- **Train Employees Now (TEN)**-training administered and conducted in partnership with Nevada's community colleges
- **On the Job Training** –administered by Nevada Department of Employment Training and Rehabilitation (DETR)
- **Job Placement** -Nevada Job Connect recruitment and employee search/job placement services are available at no cost to the employer

International Service - FTZ:

Allows foreign and domestic merchandise to be admitted for operations such as storage, exhibition, assembly, manufacture and processing, without being subject to formal U.S. Customs entry procedures, duties or excise taxes.

With no inventory, corporate income, or personal income taxes, Reno/Sparks FTZ offers attractive incentives:

- ❖ FTZ No.126 Northern Nevada: - at nearly 7,500 acres is one of the largest in the nation.
- ❖ FTZ No. 89, Southern Nevada: - is one of the most cost-effective and best situated for storing and distributing goods in the West.



Education –Key to Success:

Excellent public & private K-12 education:-include several charter schools such as *Davidson Academy*, and *Carrier Technical Academies* and *Advanced Technologies Academy*

Higher education:—Individuals* who relocate to Nevada for the primary purpose of fulltime employment are eligible for in-state registration fees at the Nevada System of Higher Education:

- University of Nevada, Reno
- University of Nevada, Las Vegas
- College of Southern Nevada
- Nevada State College
- Truckee Meadows Community College
- Western Nevada College
- Sierra Nevada College

Millennium Scholarship Program: Qualifying high school graduates in Nevada are eligible to receive the scholarship towards their cost of education at any Nevada public college or university, as well as certain Nevada not-for-profit universities.

*Spouses and dependent children may be deemed eligible residents for tuition purposes.

World Class Research Institutes:

Nevada has some of the world finest research institutes:

- UNLV Harry Reid Research & Technology Park
- Nevada Cancer Institute
- Cleveland Clinic Lou Ruvo Center for Brain Health
- The Nevada Neuroscience Institute
- Desert Research Institute (DRI)
- Renewable Energy Center –UNR



Why Nevada?

Corporate Advantages:

- ✓ It is one of the top states in which to operate because of its well-established reputation for business-friendly laws and tax structure, an accessible regulatory environment, legal system that works in favor of business, and economic development incentive programs

Geographic Location -Proximity to Major Markets

- ✓ Nevada has easy access to California's markets, a superior infrastructure –logistic & distribution network, telecommunications and utilities.

Lifestyle Advantages:

- ✓ Strong quality educational institutions, available professional and cost-effective workforce.
- ✓ Fast-paced cities, comfortable, family-based communities, arts, culture, dependable public services, and diverse recreational opportunities.

Source: [Nevada Commission on Economic Development](#)
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Nevada Governor's Office of Economic Development

— Empowering Success —

Incentive Programs: Business Location Assistance

The intent is to favorably alter business location decisions by creating tax incentives for companies locating operations in Nevada. Program standards set forth in NRS 360.750

To qualify for incentives, the company must meet two of the three requirements below (Capex, Jobs, Wage)

		Sales & Use Tax Abatement	Sales and Use Tax Deferral	Modified Business Tax Abatement	Personal Property Tax Abatement	Real Property Tax Abatement for	Intellectual Property Development			Train Employees
		NRS 374.357	NRS 372.397	NRS 363B.120	NRS 361.0687	NRS 701A.210	NRS 360.750 (2)(G)			NRS 231.068
		Sales tax abatement on capital equipment purchases - rate reduced to 2%	A sales/use tax deferral on capital equipment	An abatement of 50% of the 1.17% for wages over \$62,500(quarterly) for 4 years	An abatement not to exceed 50% over a maximum of 10 years	Up to 50% abatement for up to 10 years on real and personal property for qualified recycling business	Sales and use tax abatement	Modified business tax abatement	Personal property tax abatement	Training grants with (generally \$1,000 per eligible employee)
Capital Investment	Urban >100,000/60,000	\$1,000,000	Minimum \$100,000 or more capital equipment	\$1,000,000	\$50,000,000 - Industrial \$5,000,000 - other	\$50,000,000 - Industrial \$5,000,000 - other	\$500,000	\$500,000	\$500,000	No min requirement
	Rural <100,000/60,000	\$250,000	Minimum \$100,000 or more capital equipment	\$250,000	\$5,000,000 - Industrial \$500,000 - other					No min requirement
	Expansion	20% of the value of tangible property	Minimum \$100,000 or more capital equipment	20% of the value of tangible property	20% of the value of tangible property	20% of the value of tangible property				No min requirement
Number of Primary Jobs Created	Urban >100,000/60,000	75	10	75	75	75	10	10	10	10
	Rural <100,000/60,000	15	10	15	15					10
	Expansion	10% or 6 whichever is greater	10	10% or 6 whichever is greater	10% or 6 whichever is greater	10% or 6 whichever is greater				
Minimum Hourly Wage Level	Urban >100,000/60,000	\$20.10	\$16.08	\$20.10	\$20.10	\$20.10	\$20.10	\$20.10	\$20.10	\$16.08
	Rural <100,000/60,000	\$20.10	\$16.08	\$20.10	\$20.10					\$16.08
	Expansion	\$20.10	\$16.08	\$20.10	\$20.10	\$20.10				\$16.08

** The applicant will provide a medical insurance plan for all employees including an option for dependent health insurance coverage of which the employer will pay at least 25% of the premium.

** The applicant is expected to register pursuant to the laws of Nevada and to obtain all licenses and permits required by Nevada and the county, city, or town which business operates.

** The applicant commits to maintaining the business in Nevada for 5 years.

TAX CLIMATE

No Corporate Income Tax

No Personal Income Tax

No Franchise Tax on Income

No Inheritance or Gift Tax

No Unitary Tax

No Estate Tax

* Competitive Sales and Property Tax Rates

* Minimal Employer Payroll Tax

Sales and Use Tax Abatement

NRS 360.750, 374.357

Partial sales and use tax abatements are available for purchases of capital equipment. The abatement reduces the applicable tax rate to 2%.

An application for abatement must be made in advance to the Office or, if the purchase has been made, within 60 days after the date on which the tax was due. If the application for abatement is approved, the taxpayer is eligible for a refund of the tax paid (NRS 372.297 (2)).

Eligible Goods are capital goods for which an allowance for depreciation is authorized pursuant to the US Internal

Revenue code, Section 179, as described in Publication 534, Depreciation under "Qualifying Property," and which directly provides jobs within the State of Nevada as a result of the use of the capital goods by the purchaser.

Ineligible Goods are capital goods purchases including, but not limited to: buildings or their structural components, equipment utilized by a public utility, equipment used for medical treatment, and machinery and equipment used in the construction, gaming, and mining industries.

Objectives

The Sales and Use Tax Abatement is consistent with the State Plan for Excellence in Economic Development, which identifies key objectives:

- A clear vision for regional economic development tuned to the State's objectives.
- Building upon the state's historical economic foundations of Tourism, Gaming and Entertainment; and Mining, Materials and Manufacturing with a strategic focus on Aerospace & Defense; Business IT Ecosystems; Clean Energy; Health & Medical Services; and Logistics & Operations.
- The attraction of businesses that lay the foundation for the development and expansion of the key sectors.
- The expansion of businesses and industries that contribute to the vibrancy of Nevada's economy.

The Company's Responsibilities

The company receiving this abatement will provide a medical insurance plan for all employees including an option for dependent health insurance coverage. The company will also pay at least 25% of the employee premium cost.

The business is expected to register pursuant to the laws of Nevada and to obtain all licenses and permits required by Nevada and the county, city or town in which the business operates,

The applicant commits to maintaining the business in Nevada for 5 years. Abatement is voidable if the business fails to comply with any terms of the agreement. Audits will be done by the Nevada Department of Taxation after 2 and 5 years to ensure compliance.

Eligibility

The Governor's Office of Economic Development will look for the following criteria when reviewing an applicant's eligibility for abatement. Two of the following three must be met:

Wage Requirement The company's average hourly wage at the Nevada facility must equal or exceed 100% of the county average hourly wage or statewide average hourly wage, whichever is less. For new businesses, compliance with this criteria is required. The statewide average hourly wage established for FY 2011 is \$19.93. The FY 2011 county-wide average wages are available in a separate document.

Number of Jobs Required For counties or cities with a population of more than 100,000 or 60,000, respectively, requires a minimum of 75 full-time permanent jobs in Nevada by the fourth quarter of operation and continue to employ at least the minimum. For counties or cities with populations

of less than 100,000 or 60,000, respectively, requires a minimum of 15 full-time permanent jobs in Nevada by the fourth quarter of operation and must continue to employ at least the minimum. For an expansion, the company must increase the number of employees on the payroll by 10% or six employees, whichever is greater.

Capital Investment Requirement For counties or cities with a population of more than 100,000 or 60,000, respectively, a capital investment of \$1 million is required.

For counties or cities with a population of less than 100,000 or 60,000, respectively, a capital investment of \$250,000 is required.

As a condition of approval, applicant agrees in writing to supply upon request copies of all necessary records for the Office's director to verify the applicant meets all requirements.

The Governor's Office of Economic Development reserves the right to grant or deny certification on a case-by-case basis.

If an applicant is approved, the taxpayer is eligible for tax abatements for four years. The start date begins when the first qualified employee is hired at the designated facility.

If a business is not maintained at the approved level in Nevada for 5 years after tax abatement approval, the company will repay to the Department of Taxation the amount of the abatement allowed before the failure to comply. Interest will be repaid on the amount due at the rate most recently established pursuant to NRS 99.040, or portion thereof, from the last day of the month following the period payment would have been made had the abatement not been granted, until the date of the actual tax payment. The Nevada Department of Taxation will determine if the business has substantially complied with the requirements.

Applicants should allow a minimum of 30 working days prior to the next regularly scheduled Office meeting for application processing. Those requiring special review and consideration may require a longer period of time to complete the certification process.

The applicant will register with the Department of Taxation on a separate form if an account has not been established.

Upon certification, the Office will immediately forward the application for abatement to the Nevada Department of Taxation—the administrator for tax abatements. The Tax Department's Revenue Division will determine what purchases qualify for abatement; verify the sale, the price paid, and the date of sale.

Mission:

High-quality jobs for Nevadans.

Vision:

A vibrant, innovative and sustainable economy.

www.DiversifyNevada.com



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Sales and Use Tax Deferral

NRS 360.750, 372.397 *Sales and use tax deferrals are available for purchases of capital equipment.*

An application for abatement must be made in advance to the Office or, if the purchase has been made, within 60 days after the date on which the tax was due. If the application for abatement is approved, the taxpayer is eligible for a refund of the tax paid (NRS 372.297 (2)).

Eligible Goods are capital goods that an allowance for depreciation is authorized pursuant to the US Internal Revenue code, Section 179, as described in Publication 534, Depreciation under "Qualifying Property," and will directly provide jobs within the State of Nevada as a result of the use of the capital goods by the purchaser.

Ineligible Goods are capital goods purchases including, but not limited to: buildings or their structural components, equipment utilized by a public utility, equipment used for medical treatment, and machinery and equipment used in gaming or mining.

Objectives

The Sales and Use Tax Deferral is consistent with the State Plan for Excellence in Economic Development, which identifies key objectives:

- A clear vision for regional economic development tuned to the State's objectives.
- Building upon the state's historical economic foundations of Tourism, Gaming and Entertainment; and Mining, Materials and Manufacturing with a strategic focus on Aerospace & Defense; Business IT Ecosystems; Clean Energy; Health & Medical Services; and Logistics & Operations.
- The attraction of businesses that lay the foundation for the development and expansion of the key sectors.
- The expansion of businesses and industries that contribute to the vibrancy of Nevada's economy.

The Company's Responsibilities

The company will provide a medical insurance plan for all employees including an option for dependent health insurance coverage. The company will also pay at least 25% of the employee premium cost.

The business is expected to register pursuant to the laws of Nevada and to obtain all licenses and permits required by Nevada and the county, city or town in which the business operates.

The applicant commits to maintaining the business in Nevada for 5 years. Abatement is voidable if business fails to comply with any of the terms of the agreement. Audits will

be done by the Nevada Department of Taxation after 2 and 5 years to ensure compliance.

Eligibility

The Governor's Office of Economic Development shall certify the applicant's eligibility for deferment if:

Number of Jobs Required The purchase will provide a minimum of 10 permanent jobs in Nevada.

Wage Requirement The company's average hourly wage for employees at the Nevada facility will equal or exceed 80% of the average statewide hourly wage established by the Nevada Department of Employment, Training and

Rehabilitation. The average hourly wage established for FY 2011 is \$19.93 and 80% is \$15.94.

Minimum Purchase. A minimum of \$100,000 capital equipment purchase is required for a tax deferral.

If the sales price is:

- At least \$100,000 but less than \$350,000, the tax must be paid within 12 months
- At least \$350,000 but less than \$600,000, the tax must be paid within 24 months
- At least \$600,000 but less than \$850,000, the tax must be paid within 36 months
- At least \$850,000 but less than 1,000,000, the tax must be paid within 48 months
- \$1,000,000 or more, the tax must be paid within 60 months

The Governor's Office of Economic Development reserves the right to grant or deny certification on a case-by-case basis.

Applicant should allow a minimum of 30 working days prior to the next regularly scheduled Office meeting for application processing. Those requiring special review and consideration may require a longer period of time to complete the certification process.

Upon certification, the GOED Board will immediately forward the application for deferment to the Nevada Department

of Taxation – the administrator for tax deferrals. The Tax Department's Revenue Division will determine what purchases qualify for deferral, verify the sale, the price

paid, the date of sale, and assign the applicable period for payment of the deferred tax. A security bond equal to the tax deferred is required.

The applicant will register with the Department of Taxation on a separate form if an account has not been established.

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Vision:

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Modified Business Tax Abatement

NRS 363B.120

A modified business tax is imposed on each employer at the rate of 0.5% on wages less than \$62,500 per quarter and 1.17% on wages over \$62,500 per quarter. Wages are as defined in NRS 612.190, paid by the employer during a calendar quarter with respect to employment.

A partial abatement of the tax during the initial period of operation is available. Qualifying employers may apply for an abatement of 50 percent of the tax otherwise due during the first four years of its operations.

Objectives

The Modified Business Tax Abatement is consistent with the State Plan for Excellence in Economic Development, which identifies key objectives:

- A clear vision for regional economic development tuned to the State's objectives.
- Building upon the state's historical economic foundations of Tourism, Gaming and Entertainment; and Mining, Materials and Manufacturing with a strategic focus on Aerospace & Defense; Business IT Ecosystems; Clean Energy; Health & Medical Services; and Logistics & Operations.
- The attraction of businesses that lay the foundation for the development and expansion of the key sectors.
- The expansion of businesses and industries that contribute to the vibrancy of Nevada's economy.

The Company's Responsibilities

The company will provide a medical insurance plan for all employees including an option for dependent health

insurance coverage. The company will also pay at least 25% of the employee premium cost.

The business is expected to register pursuant to the laws of Nevada and to obtain all licenses and permits required by Nevada and the county, city or town in which the business operates,

The applicant commits to maintaining the business in Nevada for 5 years. Abatement is voidable if business fails to comply with any of the terms of the agreement. Audits will

be done by the Nevada Department of Taxation after 2 and 5 years to ensure compliance.

Eligibility

The Governor's Office of Economic Development will look for the following criteria when reviewing applicant's eligibility for abatement. Two of the following three must be met:

Wage Requirement

The company's average hourly wage at the Nevada facility must equal or exceeds 100% of the county average hourly wage or statewide average hourly wage, whichever is less. For new businesses, compliance with this criteria is required. The statewide average hourly wage established for FY 2011 is \$19.93. The FY 2011 county-wide average wages are available in a separate document.

Number of Jobs Required

For counties or cities with a population of more than 100,000 or 60,000, respectively, requires a minimum of 75 full-time permanent jobs in Nevada by the fourth quarter of operation and continue to employ at least the minimum. For counties or cities with a population

of less than 100,000 or 60,000, respectively, requires a minimum of 15 full-time permanent jobs in Nevada by the fourth quarter of operation and continue to employ at least the minimum. For an expansion, the company must increase the number of employees on the payroll by 10% or six employees, whichever is greater.

Capital Investment Requirement

For counties or cities with a population of more than 100,000 or 60,000, respectively, a capital investment of \$1 million is required.

For counties or cities with a population of less than 100,000 or 60,000, respectively, a capital investment of \$250,000 is required.

As a condition of approval, applicant agrees in writing to supply upon request copies of all necessary records for the Office's director to verify the applicant meets all requirements.

The Governor's Office of Economic Development reserves the right to grant or deny certification on a case-by-case basis.

If an applicant is approved, the taxpayer is eligible for tax abatements for four years. The start date begins when the first qualified employee is hired at the designated facility.

If a business is not maintained at the approved level in this state for 5 years after tax abatement approval, the company will repay to the Department of Taxation the amount of the abatement allowed before the failure to comply. Interest

will be repaid on the amount due at the rate most recently established pursuant to NRS 99.040, or portion thereof, from the last day of the month following the period payment would have been made had the abatement not been granted, until the date of the actual tax payment. The Nevada Department of Taxation will determine if the business has substantially complied with the requirements.

Applicant should allow a minimum of 30 working days prior to the next regularly scheduled GOED Board meeting for the processing of an application. Those requiring special review and consideration may require a longer period of time to complete the certification process.

The applicant will register with the Department of Taxation on a separate form if an account has not been established.

Upon certification, the Office will immediately forward the application for abatement to the Nevada Department of Taxation—the administrator for tax abatements.

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Personal Property Tax Abatement

NRS 360.750, 361.0687

Partial abatement from personal property taxes are available to companies that locate or expand their businesses in Nevada. The abatement can be up to 50% of the taxes due for up to 10 years. The applicant must apply for abatement not more than one year before the business begins to develop for expansion or operation in Nevada. Applications are due at least 30 working days prior to a GOED Board meeting.

Objectives

The Personal Property Tax Abatement is consistent with the State Plan for Excellence in Economic Development, which identifies key objectives:

- A clear vision for regional economic development tuned to the State's objectives.
- Building upon the state's historical economic foundations of Tourism, Gaming and Entertainment; and Mining, Materials and Manufacturing with a strategic focus on Aerospace & Defense; Business IT Ecosystems; Clean Energy; Health & Medical Services; and Logistics & Operations.
- The attraction of businesses that lay the foundation for the development and expansion of the key sectors.
- The expansion of businesses and industries that contribute to the vibrancy of Nevada's economy.

Eligible Goods are capital goods which an allowance for depreciation is authorized pursuant to the US Internal

Revenue code, Section 179, as described in Publication 534, Depreciation under "Qualifying Property," and which directly provides jobs within the State of Nevada as a result of the use of the capital goods by the purchaser.

Ineligible Goods are capital goods purchases including, but not limited to: buildings or their structural components, equipment utilized by a public utility, equipment used for medical treatment, and machinery and equipment used in construction, gaming, and mining industries.

The Company's Responsibilities

The company will provide a medical insurance plan for all employees including an option for dependent health insurance coverage. The company will also pay at least 25% of the employee premium cost.

The business is expected to register pursuant to the laws of

Nevada and to obtain all licenses and permits required by Nevada and the county, city or town in which the business operates,

The applicant commits to maintaining the business in Nevada for 5 years. Abatement is voidable if the business fails to comply with any of the terms of the agreement. Audits will be done by the Nevada Department of Taxation after 2 and 5 years to ensure compliance.

Eligibility

The Governor's Office of Economic Development will look for the following criteria when reviewing applicant's eligibility for abatement. Two of the following three must be met:

Wage Requirement The company's average hourly wage at the Nevada facility must equal or exceeds 100% of the county average hourly wage or statewide average hourly wage, whichever is less. For new businesses, compliance with this criteria is required. The statewide average hourly wage established for FY 2011 is \$19.93. The FY 2011 county-wide average wages are available in a separate document.

Number of Jobs Required For counties or cities with a population of more than 100,000 or 60,000, respectively, requires a minimum of 75 full-time permanent jobs in Nevada by the fourth quarter of operation and continue to employ at least the minimum. For counties or cities with a population

of less than 100,000 or 60,000, respectively, requires a minimum of 15 full-time permanent jobs in Nevada by the fourth quarter of operation and continue to employ at least the minimum. For an expansion, the company must increase the number of employees on the payroll by 10% or six employees, whichever is greater.

Capital Investment Requirement For counties/cities with a population of more than 100,000/60,000, the business will make a capital investment of \$50 million if the business is an industrial or manufacturing business or at least \$5 million if the business is not an industrial or manufacturing business. For counties/cities with a population of less than

100,000/60,000, the business will make a capital investment of \$5 million if the business is an industrial or manufacturing business or at least \$500,000 if the business is not an industrial or manufacturing business. For new businesses, the parameter is required. In cases of expansion, the capital investment must equal at least 20% of the value of tangible property possessed by the business.

If a business is not maintained at the approved level in Nevada for 5 years after tax abatement approval, the company will repay to the Department of Taxation the amount of the abatement allowed before the failure to comply. Interest will be repaid on the amount due at the rate most recently established pursuant to NRS 99.040, or portion thereof, from the last day of the month following the period payment would have been made had the abatement not been granted, until the date of the actual tax payment. The Nevada Department of Taxation will determine if the business has substantially complied with the requirements.

As a condition of approval, applicant agrees in writing to supply upon request copies of all necessary records for the Office's director to verify the applicant meets all requirements.

The Governor's Office of Economic Development reserves the right to grant or deny certification on a case-by-case basis.

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Property Tax Abatement for Recycling

NRS 701A.210

Partial abatement of real and personal property taxes for recycling is available to companies that locate or expand their business in Nevada. The abatement can be up to 50% of the tax due up to 10 years. The applicant must apply

for abatement not more than one year before the business begins to develop for expansion or operation in Nevada. Applications are due at least 30 working days prior to the GOED Board meeting.

The business must either recycle at least 50% of the product onsite or primarily generate electricity from recycled material. Recycled material includes industrial, domestic, agricultural or municipal waste as defined by NRS 701A.210(4). The primary purpose must be for the conservation of energy or the substitution of other sources of energy for fossil fuel.

Objectives

The Property Tax Abatement for Recycling is consistent with the State Plan for Excellence in Economic Development, which identifies key objectives:

- A clear vision for regional economic development tuned to the State's objectives.
- Building upon the state's historical economic foundations of Tourism, Gaming and Entertainment; and Mining, Materials and Manufacturing with a strategic focus on Aerospace & Defense; Business IT Ecosystems; Clean Energy; Health & Medical Services; and Logistics & Operations.
- The attraction of businesses that lay the foundation for the development and expansion of the key sectors.
- The expansion of businesses and industries that contribute to the vibrancy of Nevada's economy.

The Company's Responsibilities

The company receiving this abatement will provide a medical insurance plan for all employees including an option for dependent health insurance coverage. The company will also pay at least 25% of the employee premium cost.

The business is expected to register pursuant to the laws of Nevada and to obtain all licenses and permits required by Nevada and the county, city or town in which the business operates,

The applicant commits to maintaining the business in Nevada for 5 years. This abatement is voidable if the benefitting business fails to comply with any terms of the agreement. Audits will be

done by the Nevada Department of Taxation after 2 and 5 years to ensure compliance.

Eligibility

The Governor's Office of Economic Development will look for the following criteria when reviewing an applicant's eligibility for abatement. Two of the following three must be met:

Wage Requirement The company's average hourly wage at the Nevada facility must equal or exceed 100% of the county average hourly wage or statewide average hourly wage, whichever is less. For new businesses, compliance with this criteria is required. The statewide average hourly wage established for FY 2011 is \$19.93. The FY 2011 county-wide average wages are available in a separate document.

Number of Jobs Required For counties or cities with a population of more than 100,000 or 60,000, respectively, requires a minimum of 75 full-time permanent jobs in Nevada by the fourth quarter of operation and continue to employ at least the minimum. For counties or cities with a population

of less than 100,000 or 60,000, respectively, requires a minimum of 15 full-time permanent jobs in Nevada by the fourth quarter of operation and continue to employ at least the minimum. For an expansion, the company must increase the number of employees on the payroll by 10% or six employees, whichever is greater.

Capital Investment Requirement For counties/cities with a population of more than 100,000/60,000, the business will make a capital investment of \$50 million if the business is an industrial or manufacturing business or at least \$5 million if the business is not an industrial or manufacturing business. For counties/cities with a population of less than

100,000/60,000, the business will make a capital investment of \$5 million if the business is an industrial or manufacturing business or at least \$500,000 if the business is not an industrial or manufacturing business. For new businesses, compliance with this criteria is required. In cases of expansion, the capital investment must equal at least 20% of the value of tangible property possessed by the business.

If a business is not maintained at the approved level in this state for 5 years after tax abatement approval, the company will repay to the Department of Taxation the amount of the abatement allowed before the failure to comply. Interest will be repaid on the amount due at the rate most recently established pursuant to NRS 99.040, or portion thereof, from the last day of the month following the period that payment would have been made had the abatement not been granted, until the date of the actual tax payment. The Nevada Department of Taxation will determine if the business has substantially complied with the requirements.

As a condition of approval, the applicant agrees in writing to supply upon request copies of all necessary records for the Office's director to verify the applicant meets all requirements.

The Governor's Office of Economic Development reserves the right to grant or deny certification on a case-by-case basis.

The applicant will register with the Department of Taxation on a separate form if an account has not been established.

Upon certification, the GOED Board will immediately forward the application for abatement to the Nevada Department of Taxation – the administrator for tax abatements.

Mission:

High-quality jobs for Nevadans.

Vision:

A vibrant, innovative and sustainable economy.

www.DiversifyNevada.com



808 West Nye Lane

Carson City, Nevada 89703

Main Office and TDD: (775) 687-9900

Fax: (775) 687-9924

555 East Washington Avenue, Suite 5400 Las Vegas,
Nevada 89101

Phone: (702) 486-2700

Fax: (702) 486-2701

favera@diversifynevada.com

Intellectual Property Development

NRS 360.750(2)(G)

Partial abatement of sales tax, modified business tax and personal property tax is available to intellectual property development companies that locate or expand their business in Nevada.

The applicant must apply for abatement not more than one year before the business begins to develop for expansion or operation in Nevada.

The business must further the development and refinement of intellectual property, a patent or copyright into a commercial product.

Objectives

The Intellectual Property Development Tax Abatement is consistent with the State Plan for Excellence in Economic Development, which identifies key objectives:

- A clear vision for regional economic development tuned to the State's objectives.
- Building upon the state's historical economic foundations of Tourism, Gaming and Entertainment; and Mining, Materials and Manufacturing with a strategic focus on Aerospace & Defense; Business IT Ecosystems; Clean Energy; Health & Medical Services; and Logistics & Operations.
- The attraction of businesses that lay the foundation for the development and expansion of the key sectors.
- The expansion of businesses and industries that contribute to the vibrancy of Nevada's economy.

The Company's Responsibilities

The company receiving this abatement will provide a medical insurance plan for all employees including an option for dependent health insurance coverage. The company will also pay at least 25% of the employee premium cost.

The business is expected to register pursuant to the laws of Nevada and to obtain all licenses and permits required by Nevada and the county, city or town in which the business operates.

The applicant commits to maintaining the business in Nevada for 5 years. This abatement is voidable if the benefitting business fails to comply with any of the terms of the agreement. Audits will be done by the Nevada Department of Taxation after 2 and 5 years to ensure compliance.

Eligibility

The Governor's Office of Economic Development will look for the following criteria when reviewing an applicant's eligibility for abatement. Two of the following three must be met:

Wage Requirement The company's average hourly wage at the Nevada facility must equal or exceed 100% of the county average hourly wage or statewide average hourly wage, whichever is less. For new businesses, compliance with this criteria is required. The statewide average hourly wage established for FY 2011 is \$19.93. The FY 2011 county-wide average wages are available in a separate document.

Number of Jobs Required The benefitting business must maintain a minimum of 10 full-time permanent jobs in Nevada by the fourth quarter of operation and continue to employ at least the minimum.

Capital Investment Requirement The benefitting business will make a capital investment of \$500,000.

If a business is not maintained at the approved level in this state for 5 years after tax abatement approval, the company will repay to the Department of Taxation the amount of the abatement allowed before the failure to comply. Interest

will be repaid on the amount due at the rate most recently established pursuant to NRS 99.040, or portion thereof, from the last day of the month following the period payment would have been made had the abatement not been granted, until the date of the actual tax payment. The Nevada Department of Taxation will determine if the business has substantially complied with the requirements.

As a condition of approval, an applicant agrees in writing to supply upon request copies of all necessary records for the Office's director to verify the applicant meets all requirements.

The Governor's Office of Economic Development reserves the right to grant or deny certification on a case-by-case basis.

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Nevada Governor's Office of
Economic Development
— Empowering Success —

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Train Employees Now

NRS 231.068, 231.147

The Nevada Train Employees Now Program provides short-term, skills-based intensive job training to assist new and expanding firms to reach productivity quickly. A customized program is designed covering recruitment, hiring and job training for Nevada residents.

Each training program is designed jointly by the firm and state agencies. Major elements of the program include the development of a job applicant list, programming, materials, and classroom training. State agencies involved are the Governor's Office of Economic Development, Department of Employment, Training and Rehabilitation (DETR) and the Nevada System of Higher Education. Training providers include local community colleges, private postsecondary institutions, or others identified by the applicant.

Program Benefits

1. Assistance with employee screening;
2. The employer determines the goals and objectives of the training;
3. Most direct training costs are eligible for reimbursement, including:
 - Consumable materials and equipment;
 - Rental of tools and equipment;
 - Rental of training site;
 - Instructor salaries and benefits;
 - Travel and per diem for limited number of instructors and trainees (if applicable).

Eligibility

- Businesses must hire a minimum of 10 trainees to participate. Trainees must be Nevada residents. Generally the ceiling expenditure per trainee is \$1,000.
- Wages for jobs considered for training must exceed 80% of the statewide average annual hourly wage (Current statewide average hourly wage is \$19.93 and 80% equals \$15.94)
- Businesses must provide health insurance with option for dependents.
- Training is provided only for full-time, primary jobs created by companies locating or undertaking a significant expansion in Nevada.

- Existing businesses must prove growth by significantly increased employment or other factors indicating new investment and job creation.
- Grants are available for short-term customized training for new employees.
- Classroom training is limited to 30 days of training, with the exception of published community college courses, and must be completed within a ISO-day period.
- Training must commence within the first 90 days after approval by the Office, with a written request to the executive director, an extension maybe granted up to an additional 90 days. If the deadline is not met, the Office, after review and reconsideration, may reallocate the monies to other companies seeking funding during the fiscal year.
- The program can fund up to 75% of total eligible costs. The company is required to contribute at least 25% of total eligible costs.
- Businesses must attempt to leverage other state and federal training resources wherever feasible.
- Businesses (or parent company) must have a proven business history.
- Businesses must commit to Nevada for five years. Businesses that fail to meet program criteria as set out in their application, may be required to return all or a portion of the funds.
- Companies that receive Train Employees Now funding are required to provide to the Office a report regarding the employees trained with these funds. (Current work status, "trainees" hourly wage and company employment counts.)
- Training providers that receive Train Employees Now funding will provide to Office staff and the Office a report of all companies and their funding and training status on a quarterly basis during the training period. Records must be maintained for possible Legislative review.
- Payment will be made incrementally to the community college as training progresses.
- An audit of completion shall be submitted to the Office by the community college within 90 days of the completion of training.
- Detailed course descriptions of the training program as well as other information such as the number of trainees, training days and hours of instruction will be included in the Train Employees Now application.

Note: Applications for program development and related costs will be evaluated by a local post-secondary educational institution before final payment is rendered. If approved, these training monies will be granted to the appropriate educational institution, NOT to the business.

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Workforce & Employment:

Nevada is a Right to Work State:

Right to Work Law secures the right of employees to decide for themselves whether or not to join or financially support a union. However, employees who work in the railway or airline industries are not protected by a Right to Work law, and employees who work on a federal enclave may not be.

- Policy on Union Membership, Organization, etc.
 - No person shall be denied the opportunity to obtain or retain employment because of non-membership in a labor organization.
- Prohibited Activity
 - Agreements prohibiting employment because of non-membership in labor organization; strike or picketing to force or induce employer to make agreement; compelling person to join labor organization, strike, or leave employment; conspiracy to cause discharge or denial of employment or to induce refusal of work on basis of membership

Workers' Compensation:

Nevada law requires all business owners to obtain and maintain workers' compensation coverage:

- Employers may obtain workers' compensation insurance from a private insurance company authorized to provide workers' compensation in Nevada by the Division of Insurance (DOI).
- If qualified, an employer may be self-insured through an approval process overseen by the DOI.
- For smaller businesses there are associations of self-insured employers - groups of employers (generally in the same type of business) which are members of the association.



A proud member of America's
Workforce Network.

Business Services Offered At Our Career Centers:

- Customized Recruitment and Staffing (No Fee)
- Nevada's Largest Pool of Available Workers
- Silver State Works
(Subsidized New-Hire Training; Retention Incentives up to \$2000 per employee hired through JobConnect)
- Labor Market Information
- Interview and Conference Space

[Online Recruitment](#)

[List Job Openings](#)

[Business Resources](#)

Nevada JobConnect serves as the first stop for employment in Nevada. We offer businesses a wide array of services to simplify staffing needs. We are dedicated to serving the needs of Nevada businesses.

- ✓ Post job openings on line at JobCentral Job Bank
- ✓ Receive expert advice from our Business Representatives
- ✓ Create your own Hiring Event
- ✓ Use our Conference Rooms and Interview Offices
- ✓ Obtain labor market information
- ✓ All services at no cost to you!

Find out how Nevada JobConnect can simplify your employment needs.

Reno Job Connect
4001 S Virginia St Reno,
NV 89502
(775) 834-1970

Sparks Job Connect
1675 E Prater Way
Sparks, NV 89434
(775) 336-5400

Carson City Job Connect
1929 N Carson St Carson
City, NV 89701
(775) 684-0400

www.NevadaJobConnect.com



How it Works

For an employer to be eligible to participate, the employer must have an established, verified, paid-to-date Unemployment Insurance (UI) account, as well as a valid business license if required by the city or county in which the employer conducts business.

Choose Your Option:

To ensure employers have the broadest range of choices, the selection of one of three options is available:

- 1 Employer-Based Training
- 2 Employer Incentive Job Program
- 3 Incentive-Based Employment

1. Employer Based Training	2. Employer Incentive Job Program	3. Incentive Based Employment
<p>This component allows laid-off workers who qualify for UI benefits to simultaneously receive on-site workplace training and regular UI benefits. This component is also available to other targeted populations. It provides a special training allowance of \$200 every two weeks for a maximum of \$599. Job seekers would be required to train 24 hours per week up to six weeks while continuing regular work search. Business Services Representatives in the Nevada JobConnect offices will be responsible for developing training sites and completion of all the forms for the employer and the participant. There is no cost to the employer.</p>	<p>Under this component, employers enter into a contract that establishes the agreed upon wage, number of hours to master the tasks, and the maximum amount of reimbursement based on the wage paid. Employers will be reimbursed up to a maximum of 50 percent of the participant's initial agreed upon gross wage for the contract period and a maximum of 40 hours per week. Contract length will be based on the time estimated to complete the needed training. Employers will submit a timesheet/ invoice/ progress report on a monthly basis to receive reimbursement.</p>	<p>This component supports employers who hire and retain eligible individuals in full-time employment (30 hours or more per week) by providing a wage and training subsidy based on the total amount of time the qualified individual remains actively employed. Upon completion and satisfaction of certain requirements, the employer may receive a wage retention supplement – on average up to \$2,000 – payable in four equal increments of \$500 after each 30 days of successful employment, up to 120 days. The Employer Agreement outlines the role and responsibility of the employer to the employee and is signed by both the employer and the agency representative.</p>

EMPLOYMENT SECURITY DIVISION



DETR

Nevada Department of Employment,
Training and Rehabilitation

BRIAN SANDOVAL
Governor

CYNTHIA A. JONES
Administrator

Dear Business Partner,

There are many reasons for you to consider making Nevada JobConnect your exclusive recruiting source. Current updated service enhancements make us a better value than ever before!

Our exclusive business partners have the following advantages:

- 1) Assistance with the wording of your job description as needed, to help attract the best applicants to meet your needs. Your job listing directs applicants to JobConnect offices for initial prescreening.
- 2) We provide an initial prescreening and only qualified applicants are referred for you, assuring applicants are targeted to your needs and your time interviewing is much more productive.
- 3) We search our large state database of registered job seekers and unemployment claimants for client profiles that match your hiring criteria and then contact them about your job listing.
- 4) We control the number of people responding with a number that is comfortable for you, typically a six to one ratio, keeping you from being barraged with too many applicants, minimizing the work of selecting a final candidate.
- 5) Skills testing and certification, including various software programs, typing and data entry speed, math, customer service aptitude, and many others are available.
- 6) An office away from your business, from conference room size for group presentations, to small offices for you to interview selected applicants, and we can help with the scheduling of interviews.
- 7) We can advertise your recruitment and create Hiring Events or Job Fairs at our office or yours, and have interested applicants fill out applications and meet with you for interviews. All JobConnect offices have a large number of public computers for applicant access to on-line applications.
- 8) Employer Incentive Programs offer an employer who provides on the job training or who hires qualified candidates a substantial financial reimbursement. Visit <http://www.silverstateworks.com> for more details about hiring and training incentive programs.

All this at no cost!

If you are listing your job openings elsewhere and we are not your exclusive recruitment source, you can still list the openings at NO COST by contacting us at 775-284-9660 or on our web site at:

<http://www.jobcentral.com/nv>.

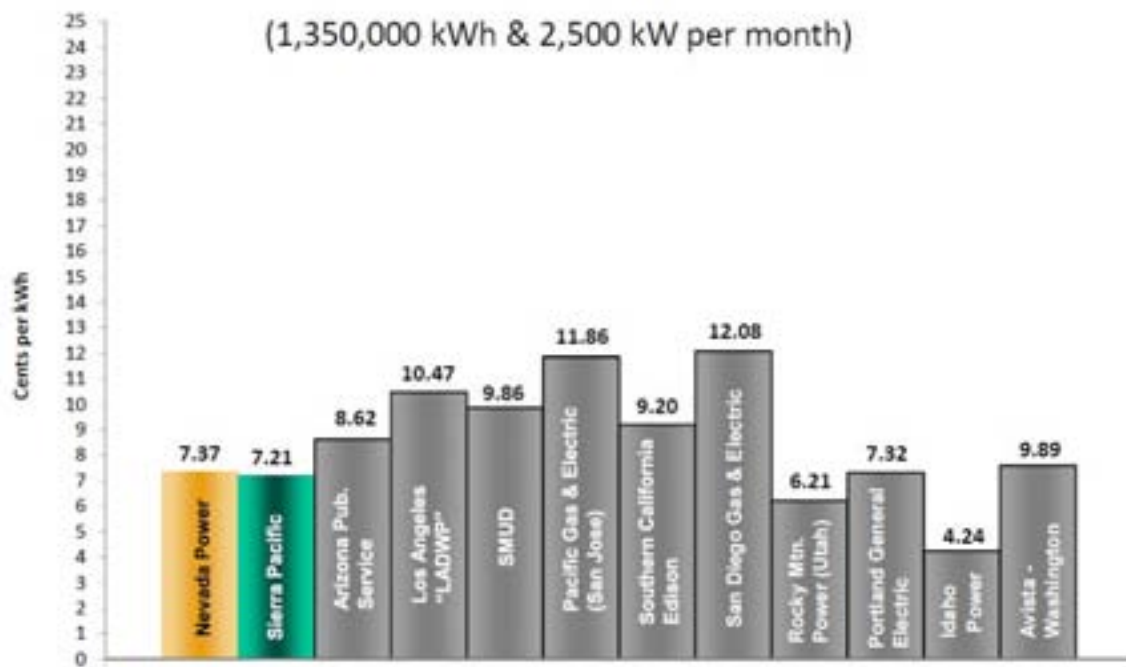
We look forward to hearing from you and being your **BEST** recruitment source.

Utility Savings

Large Commercial Rates

Compared to Other Utilities

(1,350,000 kWh & 2,500 kW per month)



Assumptions:

Annualized rate taking into account summer and winter usage.

Bundled Rates

Monthly customer/meter charge included.

All rates effective 1-1-12 with the following exceptions:

Arizona Public Service – Rates Effective 1-1-10

So. Cal Edison – Rates Effective 2-1-12

Rocky Mountain Power (Utah) – Rates Effective 2-1-12

Revised 2/7/12 by Rates and Regulatory Affairs Department



We're Serious about Manufacturing!

Industry Overview

Manufacturing is a significant part of Greater Reno-Tahoe's diverse economy. It contributed \$5.1 billion to Nevada's gross state product in 2008 and 87% to Nevada's manufactured exports.

Manufacturing Opportunities

Manufacturing companies in Greater Reno-Tahoe gain a Competitive edge thanks to the vast resources available including:

- **Buildings and Sites** – with an inventory of approximately 73.5 million sq. ft., the average purchase price of industrial real estate is \$46.03 per sq. ft., with leases averaging \$0.33 per sq. ft.
- **Logistics** – Reno-Tahoe is a hub for the 11 western states and is served by the I-80 Interstate, a strong international airport, air cargo with competitive rates, an extensive rail system with double stack trains, 24-hour customs, and access to 50 million people within a day's drive.
- **Foreign Trade Zone** – Greater Reno-Tahoe has nearly 7,500 acres — one of the largest in the nation. We can customize FTZ to your needs including manufacturing subzone boundary modifications
- **Work Force** – The region is dedicated to education that will benefit your manufacturing company with a skilled workforce. The University of Nevada, Reno offers degree programs in both electrical and mechanical engineering. Truckee Meadows Community College and Western Nevada College offer two-year degree programs in manufacturing technology including; fabrication, machining and production systems and machine tool technology. Additionally, Nevada companies have access to \$23 million in training funds available to develop customized training programs for your company.
- **Employer-Friendly State** - Union representation continues to be low at approximately 3% for regional manufacturers. Effective March 1, 2010, the Nevada Insurance Commissioner approved a filing for an average decrease of 7.6% for workers' compensation insurance voluntary loss costs and a 3.7% average decrease for workers' compensation assigned risk rates.



Greater Reno-Tahoe Tax Advantages

- Consistent tax and business policies No corporate income tax
- No personal income tax
- No unitary tax
- No franchise tax
- No inventory tax
- No inheritance tax
- No estate or gift tax
- No special intangible tax

Leading Manufacturers in Greater Reno-Tahoe

Agru America	agruamerica.com
Cooper B-Line, Inc.	cooperblin.com
Ebara International Corp	ebaraintl.com
EETechnologies, Inc.	eetechinc.com
Hamilton Company	hamiltoncompany.com
Haws Corporation	hawsc.com
Hidden Valley Manufacturing Company	hiddenvally.com
International Game Technology	IGT.com
James Hardie Building Products	jameshardie.com
Quad Graphics	qg.com
Quebecor	quebecorworld.com
Ralston Food Products	ralstonfoods.com
RR Donnelly & Sons	rrd.com
Sierra Nevada Corp.	sncorp.com
TREX Company, Inc.	trex.com
Tyco Valves & Controls	tycovalves.com

Incentives

- Sales tax deferral: a five-year interest-free payment plan on the 2% sales tax companies pay.
- Sales tax abatement: pay only 2% sales tax on all qualifying equipment purchases.
- Modified business (payroll) tax abatement: reduce your already minimal modified business tax in half for four years for new employees.
- Personal property tax abatement: reduce your personal property tax bill by up to 50% for up to 10 years on new equipment if qualified.



A region that works for business

Greater Reno-Tahoe is centrally located to major western cities including San Francisco, Portland, Salt Lake City, Las Vegas and Los Angeles all within a day's drive.

A diverse eight-county region, Greater Reno-Tahoe provides companies with vast business and lifestyle options. With Reno/Sparks to the north, Fernley to the east, Dayton to the southeast, and Carson City to the south, each offers its own unique benefits for your business and employees.

For businesses looking for an emerging business climate with a balanced life pace, four vibrant seasons of recreation, arts and culture, and an attractive place to build or locate a workforce, Greater Reno-Tahoe is for you!

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: Percentage of U.S. Population Within 500 Miles



One Day Truck Service - 56,215,876 People (18% of US pop)
Two Day Truck Service - 63,930,000 People (21% of US pop)

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
- ✓ Non-dutiability 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/ Borrowing 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



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- Two Day Truck Service - 63,930,000 People (21% of US pop)

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

