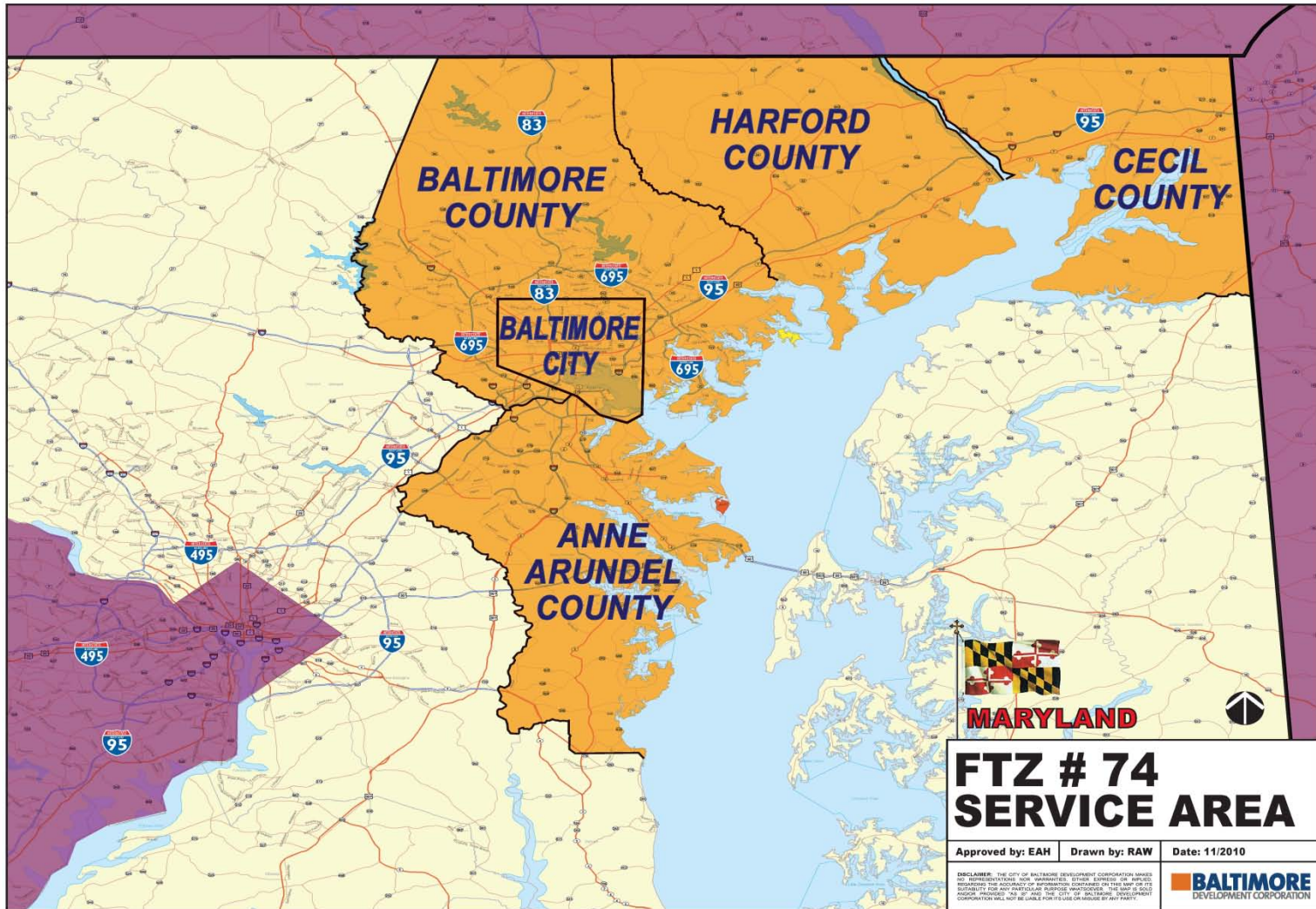


Baltimore Development Corporation

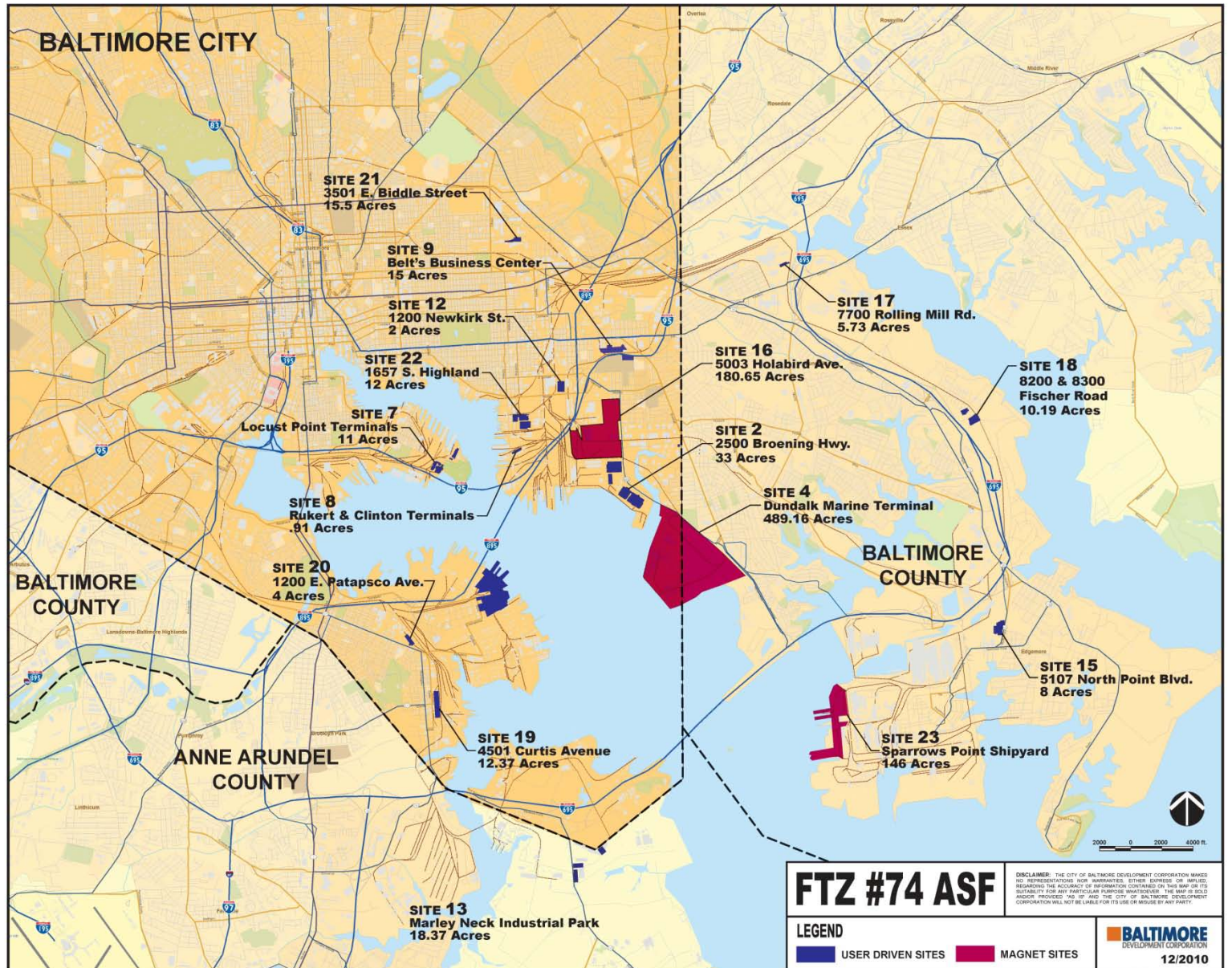
Foreign-Trade Zone #74



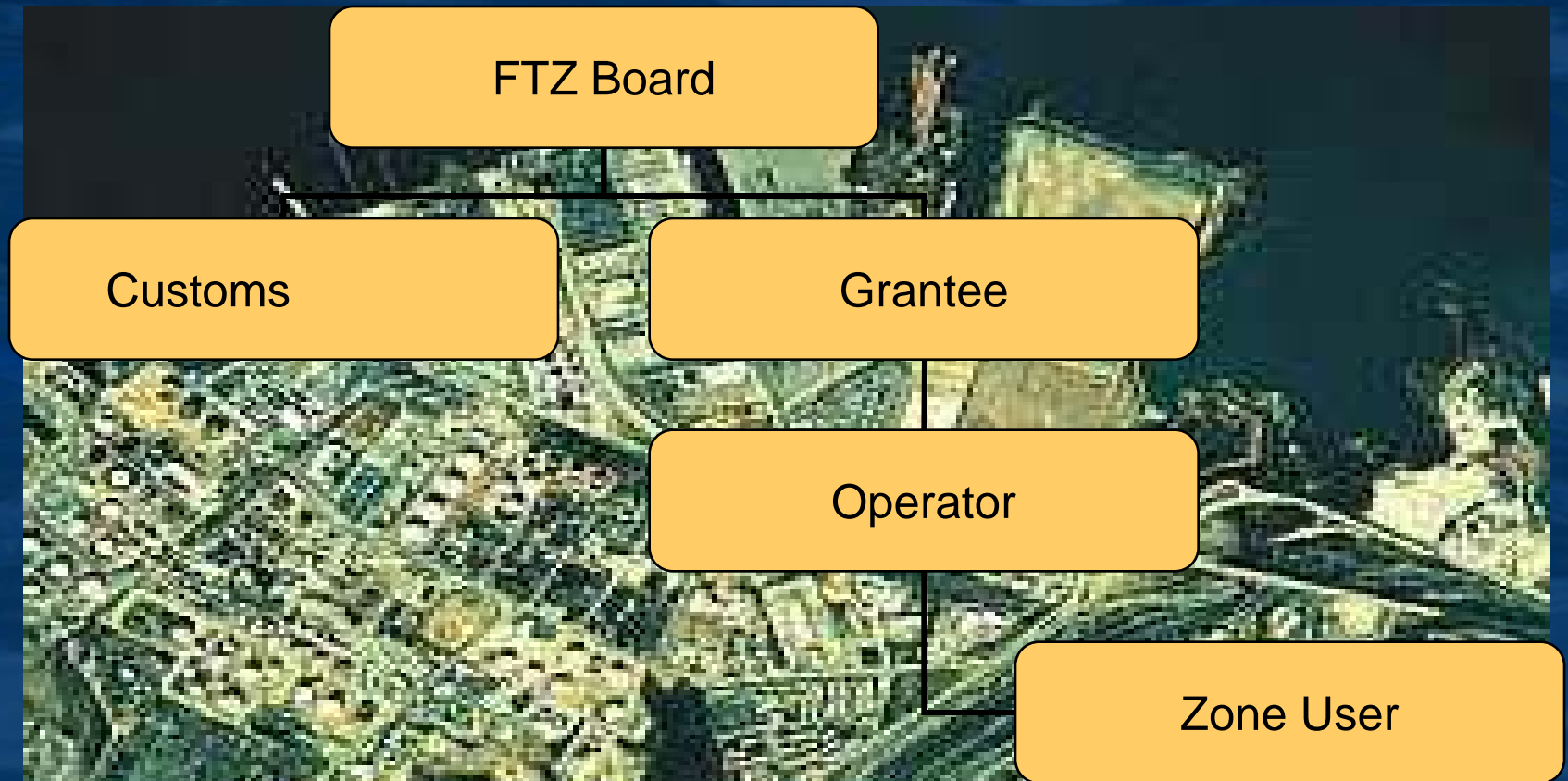
Foreign Trade Zone #74 Service Area Map



FTZ #74 Current Zone sites



Federal and Local Interaction



Benefits of FTZ's

- Cash Flow
- Export or Re-export Opportunities
- Quotas
- Accountable Losses
- Inverted Tariff Opportunities
- Quality Control
- Marking/Labeling
- Merchandise Processing Fee
- Exhibition
- Zone to Zone Transfer
- Simplification of Import/Export Procedures

Sample Company FTZ Savings and Start-Up Costs

Item	Savings Category	Amount	Comments
1	<i>Estimated Number of Entries</i>	<i>2,000</i>	
2	<i>Number of Containers per year</i>	<i>2,500</i>	
3	Potential MPF @\$485 on Number of Entries	\$970,000	MPF= Merchandise Processing Fee
4	Actual MPF Paid (52 @ \$485)	(\$25,220)	MPF= Merchandise Processing Fee
	Merchandise Processing Fee Savings	\$944,780	
5	Export Duty Free Savings	\$19,000	Is there a duty on Drawback process currently in place?
6	Estimated Drawback Savings	\$50,000	3rd Party drawback filer fees
7	Scrap Duty Savings	\$6,000	Defective product disposed of
8	Duty Deferral on Average Annual Duty Rate (6%)	\$336,000	Opportunity cost of capital
9	Duty on Cycle Counts	(\$36,000)	Could be substantial. Netting vs. Offsetting
10	Truckers Bonded Container Delivery Charge (\$10)	(\$25,000)	Truckers Port to Zone bonded movement charge
	Total Net Variable Savings	\$1,294,780	

Examples of FTZ Businesses

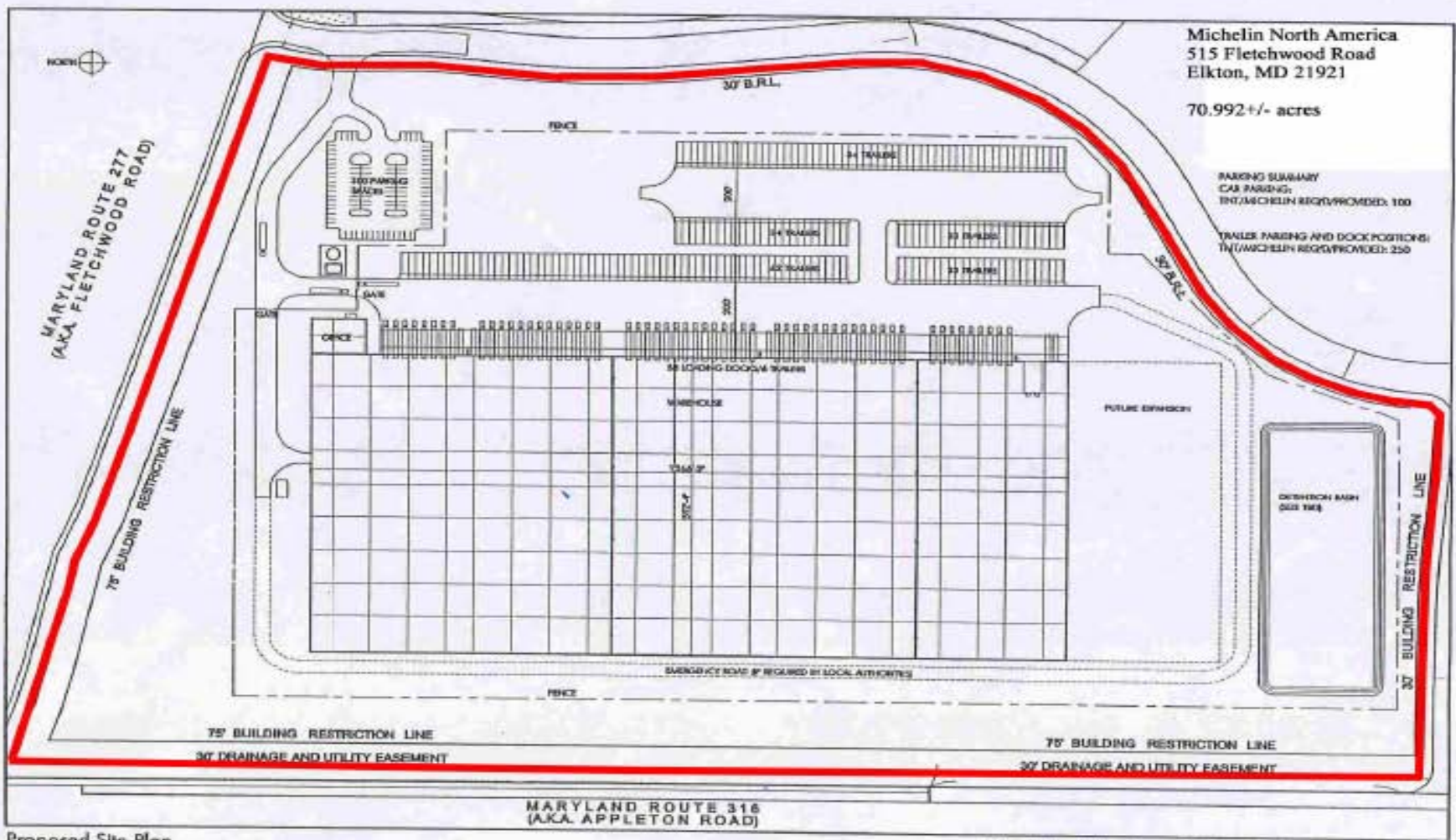


- Automobiles
- Pharmaceuticals
- Shipbuilding & repair
- London Metal Exchange
- Scarves
- Gift Sets
- Space Industry
- Oil Industry
- Distribution Centers
- Robotics
- Warehousing

FTZ #74 Expansion Options

- Expand: Enlarge the physical dimensions of the Zone
- Modify: Minor changes to the Zone
- Temporary: Temporary Zone Site
- Subzone: For activities that cannot be accomplished within Zone site

Michelin North America Site



Proposed Site Plan

Broadlands Business Park - Cecil County, Maryland

TRE
18 April 2005

Panattoni

ESS Architects
337 Witherspoon Street
Princeton, New Jersey 08542
609-921-1131



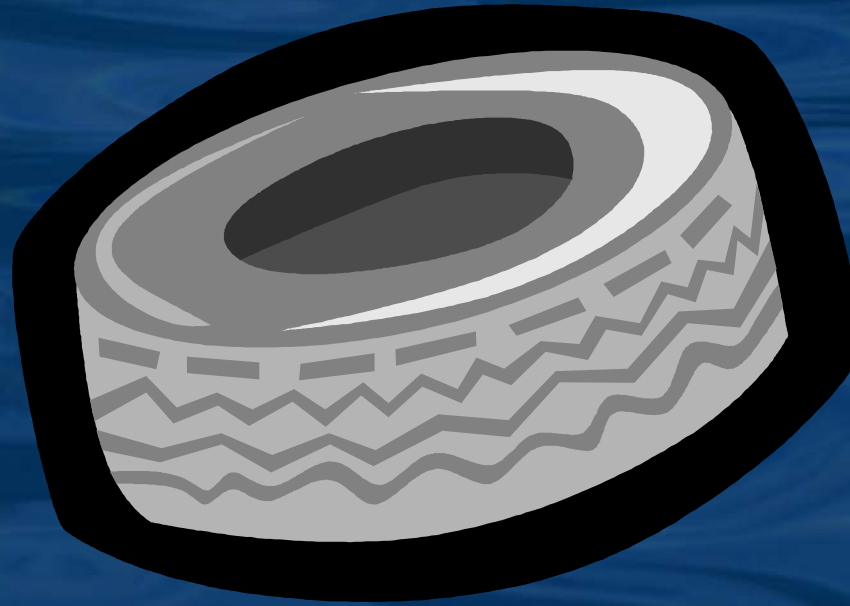
Michelin Site

Address: 515 Fletchwood Road,
Elkton, MD

Square Feet: 756,600

Sub-Zone Site Usage:

- Warehousing and Distribution of Tires



FTZ Advantages for Michelin Site

- Zone-to-Zone Transfers
- Duty Deferral (Cash-Flow savings)
- Weekly Filling
- Enhanced Customs procedures
- Direct Delivery
- Export Duty-Drawback

FTZ Advantages Continued

- Michelin North America expects to save \$300,000 to \$400,000 annually.



Michelin's Other FTZ Sites

- San Bernardino, California (in process)
- Chicago, Illinois (in process)
- Laurens, South Carolina
- Temperance, Michigan
- Reno, Nevada
- Houston, Texas
- Ontario, California



Michelin Employment

- Currently 130-150 employees