

Land, Air and Sea Access to Markets



The Greenspoint District's proximity to major U.S. freeways and interstates, the Port of Houston and Bush Intercontinental Airport (IAH) makes our location a gateway to the world.

Easy access to five major thoroughfares means that we are strategically positioned to provide companies the ability to connect with more than 60 million people in the mid-southern United States and the northeastern states of Mexico within an 11-hour drive time.

The Port of Houston, the second ranked U.S. port in total tonnage, is also located just 22 miles from the Greenspoint District.

In addition, Bush Intercontinental Airport (IAH) is conveniently located just six miles from the Greenspoint District. The airport has 700 daily departures, both foreign and domestic, which allow for easy transportation of people and cargo. IAH offers nonstop service to 116 U.S. destinations as well as nearly 70 direct and nonstop flights to international destinations, including daily nonstop service to Beijing.

Access to Latin America is also excellent via IAH, which has more daily flights to Mexico than any other U.S. airport. In fact, from IAH, a traveler can be in any Latin America capital in three to eight hours.



Greenspoint Access Within 24 Hours

| CITY | MILES (from Greenspoint) | DRIVE TIME (in hours) |
|-----------------------|-----------------------------|--------------------------|
| Galveston, Gulf Coast | 66 | 1:08 |
| Dallas-Ft Worth | 229 | 3:17 |
| New Orleans | 359 | 5:18 |
| Oklahoma City | 435 | 6:18 |
| Monterrey, Mexico | 498 | 7:37 |
| Memphis | 560 | 8:52 |
| Kansas City | 784 | 11:16 |
| Atlanta | 804 | 11:38 |
| St. Louis | 772 | 12:39 |
| Mexico City, Mexico | 1,057 | 15:56 |
| Chicago | 1,076 | 16:41 |

Manufacturing Report

Houston - Greenspoint District

Rail Lines

Approximately 2,200 trains per week travel within the Houston region's rail network. A Union Pacific rail line traverses the Greenspoint District's eastern boundary.

Typical commodities shipped via rail through Houston include chemicals, plastics, grain, forest products, coal, minerals and steel.



The Houston region has 11 intermodal terminals which can accommodate at least two types of transport. All but two of these terminals have rail service.

Houston Area Intermodal Terminal Facilities

- 1 – Union Pacific Railroad, Houston, Rail-Truck
- 2 – Burlington Northern Santa Fe Railroad, Houston, Rail-Truck
- 3 – Port of Houston Authority, Houston, Truck-Port
- 4 – Union Pacific Railroad, Houston, Truck-Port-Rail
- 5 – Port of Houston – Care Terminal, Houston, Truck-Port-Rail
- 6 – Union Pacific – Barbours Cut Terminal, La Porte, Rail-Truck
- 7 – Burlington Northern Santa Fe Railroad, Houston, Rail-Truck
- 8 – AMCOR Marine Terminal – Port of Texas City, Texas City, Rail-Truck
- 9 – Port of Galveston – AMCOR, Galveston, Truck-Port-Rail
- 10 – Bush Intercontinental Airport, Houston, Air-Truck
- Off Map – Port of Freeport, Freeport, Truck-Port-Rail

Workforce

With over 9.1 million workers, Texas has the nation's second largest civilian labor force, providing businesses an extensive pool of candidates with a full range of education and skill levels. In Houston, the labor force is one of the youngest in the U.S., with a median age of 32.9 years. The U.S. median age for workers is 36.8 years.

Right to Work

Because Texas is a "right to work" state, businesses operating here have a choice among quality union and non-union skilled workers. Texas laws protect employees from threats or coercion because of their decision to participate or not participate in a union. In 2012, 5.7 percent of Texas workers were members of a union. Currently, only 3.4 percent of Houston's private sector workforce is unionized.



Manufacturing in Houston

The Houston Metropolitan Statistical Area is home to nearly 6,000 manufacturing establishments, including 498 chemical manufacturers, 742 machinery manufacturers and 1,688 fabricated metal product manufacturers.

These companies provide 242,212 jobs which, according to a January 2013 Manufacturers' News report, places Houston first on the list of U.S. manufacturing cities. In addition, 5,300 manufacturing jobs have been created in Houston in 2013, according to the Greater Houston Partnership.

Top Manufacturing Companies With Greenspoint District Locations

| Company | National Employees | Local Employees |
|--|--------------------|-----------------|
| Smith International, Inc. | 21,931 | 550 |
| Grant Prideco, LP | 4,857 | 85 |
| MMI Products, Inc. | 1,593 | 75 |
| Trelleborg Offshore US, Inc. | 400 | 40 |
| Atlantic Methanol Production Company LLC | 342 | 342 |
| SOS Cuetara USA Inc. | 250 | 4 |
| Cemex U.S.A., Inc. | 175 | 100 |
| American Rice, Inc. | 160 | 40 |
| Haverhill Chemicals LLC | 140 | 140 |
| Seebridge Media, L.L.C. | 125 | 125 |

**Some companies do not list their total U.S. employment and are not represented on this list*

Education

The U.S. Bureau of Labor Statistics ranks Houston second only to California's Silicon Valley in the number of engineering occupations in the area, perhaps accounting for Monster.com's recent report that Houston has the nation's highest demand for engineering jobs in 2013.

To fill that demand and sustain its position as the world energy hub, Houston has created a workforce

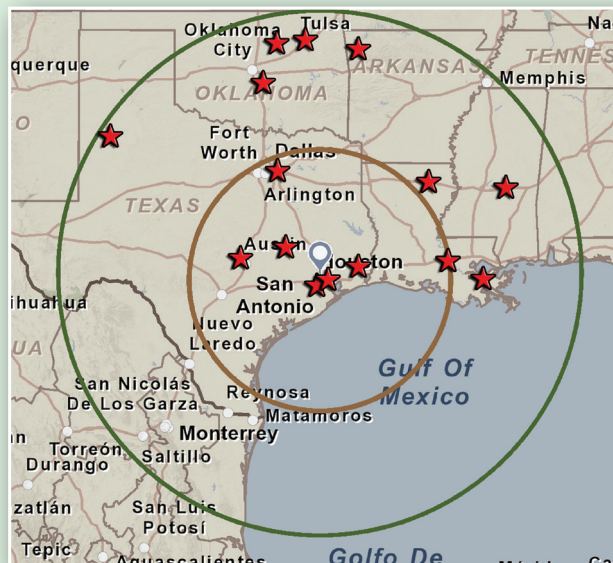
development pipeline with a strategic focus on K-16 education — especially in the areas of science, technology, engineering and math. Proactive collaborative research development programs have been established with the area's more than 42 colleges, universities and other degree-granting institutions.

Fifteen major universities within a 500-mile radius of Houston offer engineering degrees. Those universities have 42,800 students enrolled in undergraduate engineering programs with another 2,296 students enrolled in graduate level programs.

Furthermore, in 2012, these engineering programs awarded bachelor's degrees to over 6,000 students and post-graduate degrees to another 3,600 students.

Lone Star College, in north Houston, is the largest higher education institution in the Houston region. Through its Corporate College, Lone Star College partners with companies to provide customized education and training, and often utilizes the Skills Development Fund, Texas' premier workforce development incentive.

Engineering Programs Within 500 Miles



EPA Regulations For Manufacturing

The U.S. Environmental Protection Agency (EPA) has numerous regulations that apply to manufacturing in the United States. Comprehensive information on these regulations can be found at <http://www2.epa.gov/regulatory-information-sector>.



While most of the regulations are specific to individual manufacturing sectors, all sectors must comply with the following two EPA programs:

- ◆ Greenhouse Gas Reporting Program
- ◆ National Emissions Standards for Hazardous Air Pollutants (pollutants are based on the individual sectors)

Additional regulations are listed below for several common manufacturing sectors.

Food Processing

- ◆ Implementation of Requirements Under the Food Quality Protection Act Regarding Pesticides
- ◆ Pesticide Tolerances
- ◆ Tolerances and Exemptions for Pesticide Chemical Residues in Food
- ◆ Wastewater Standards for Meat and Poultry Product Processing Facilities

Furniture Manufacturing

- ◆ Standards Regarding Formaldehyde Emissions From Pressed Wood Products

Petroleum

- ◆ Discharge of Oil Regulation
- ◆ Oil Pollution Act
- ◆ Oil Pollution Prevention Regulation
- ◆ Spill Prevention, Control and Countermeasure Rule
- ◆ Regulations regarding wastewater from field exploration, drilling, production, well treatment and well completion activities

Pharmaceutical and Medicine Manufacturing

- ◆ Application process for companies which seek allowances to produce or import CFC's for use as propellant in metered-dose inhalers
- ◆ Regulations Regarding the Emission of Refrigerants
- ◆ Regulations Regarding the Management and Disposal of Hazardous Waste Pharmaceuticals Generated by Healthcare Facilities
- ◆ Regulations Regarding the Discharge of Pollutants into Navigable Waters and into Wastewater Treatment Plants by Existing and New Pharmaceutical Manufacturing Facilities

Wood Product/Paper Manufacturing

- ◆ Standards Regarding Formaldehyde Emissions From Pressed Wood Products
- ◆ Regulations Regarding Releases of Toxic Pollutants From Pulp, Paper and Paperboard Mills

Other General Regulations

The Clean Air Act instituted by the EPA has identified six common air pollutants that are found frequently in the United States. These pollutants can be harmful to the health of individuals, harm the environment and cause damage to property. The agency has developed criteria based on scientific research to set permissible levels of these pollutants in the environment. Ozone is one of the six identified pollutants.

Areas that do not meet the national standards for the levels of pollutants present in the air are called nonattainment areas.

The Houston area is designated as an 8-hour ozone nonattainment zone by the EPA. This means that the Texas state government must follow State Implementation Plans (SIPs) to reduce pollution which leads to the formation of ozone. SIPs outline the measures that the state will take to improve air quality in nonattainment zones.

For information on the Houston area SIP, visit www.tceq.texas.gov/airquality/sip/hgb/sip-hgb.