

Tijuana Air Cargo & Logistics Park

“Mexico and Latin America’s Gateway to Asia Pacific”

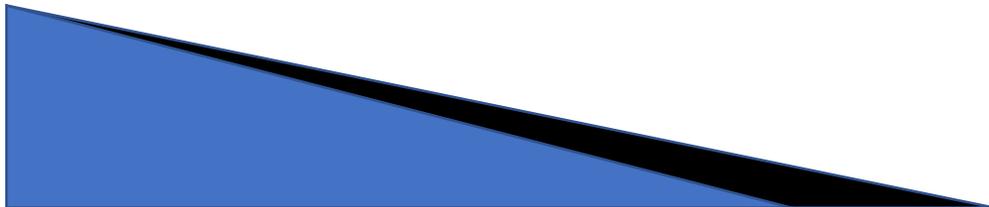
Prepared for Smart Border Coalition Stakeholders Working Committee
San Diego Foundation, 2508 Historic Decatur Rd., Ste 200

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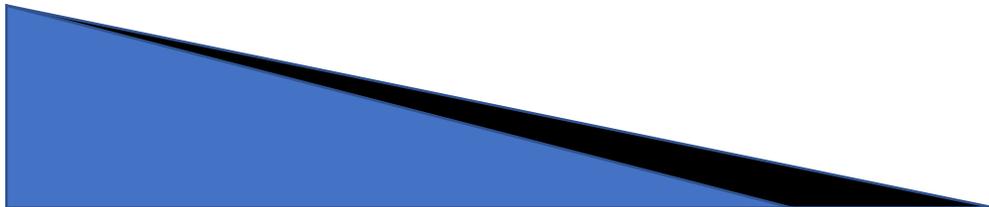
Overview

- The Air Cargo and Logistics Park in Tijuana (“TJ-Park”) is the air cargo facility at the Tijuana International Airport (“TIJ”).
- TJ-Park will become a strategic hub in support of trade and the movement of goods among Mexico, Latin America, Asia-Pacific, and Southern California.
- It is envisioned that the facility will be a driver of economic growth and binational cooperation for Baja California and Southern California.



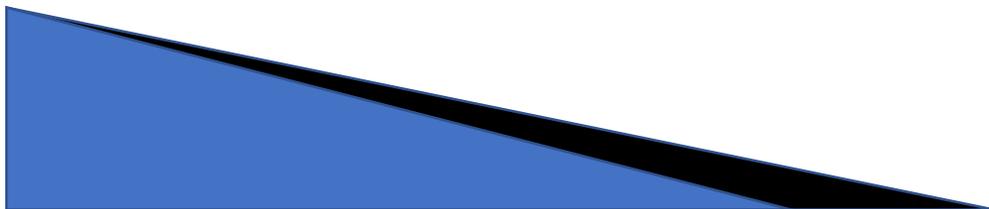
Strategic Opportunity

- Mexico's air cargo industry is underdeveloped and geographically centralized, with very low air cargo volumes compared to the size of its economy. In general, the country lacks air cargo infrastructure.
- Air cargo between Mexico and the United States is similarly stunted, with goods either crossing the border by truck or being flown to central locations such as Guadalajara and then driven to destinations like Tijuana.
- TIJ's runway is 9,777 feet at sea level enabling all types of aircraft to depart with 90% maximum takeoff weight loads.
- TIJ is the closest point in Mexico to Asia, and its geographical location and airport facilities allow direct flights to multiple Asian destinations. This allows TJ-Park to become the gateway to Asia for Mexico, Latin America and Southern California.



The Project

- TJ-Park comprises approximately 64 acres at TIJ with direct access to the airport's ramp and runway, and the capability to accommodate all sizes of cargo planes.
- The facility will be a state-of-the-art cargo processing center to service clients such as FedEx, UPS, DHL, Estafeta, Aeromexico, Volaris Cargo, and others.
- The air cargo terminal will be a Bonded Warehouse in accordance with the Mexican Tax Administration Service (SAT) rules and regulations.
- Air cargo operations will service Mexico, Latin America, Asia-Pacific, and the United States.
- The project has received important support from the Mexican Federal Government.

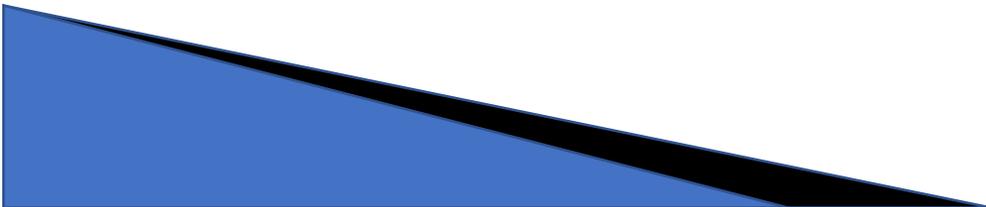


Customs Authorities

- The project will include on-site Mexican customs authorities, a bonded warehouse, office space for freight forwarders, customs agents, banking services, food concessions, Mexican Postal Service and other complementary services to carry out logistics operations in an effective and efficient way.
- TJ-Park is actively exploring placement of a U.S. Customs preinspection operation at the facility to create a binational hub.
- A joint customs presence will allow air cargo carriers to deliver products through the USA and Mexico without further customs processing, allowing air carrier to more quickly and efficiently deliver shipments.
- There are two innovative cross-border operations in the region that support this binational approach:
 - Cross Border Express
 - CBP preinspection of agricultural products at Otay Mesa

Driving Regional Growth (1)

- A world-class air cargo facility at TIJ will be a driver of economic growth for the entire region.
- San Diego and Tijuana are intertwined economies with a combined population of six (6) million residents and growing.
- The San Diego airport is constrained to handle the overall volume of air cargo in the region, relying on the Los Angeles International Airport (“LAX”) is a suboptimal solution.
- TJ-Park will support the logistics and cargo needs of San Diego-area businesses and manufacturers, as well as the thriving manufacturing industry in Tijuana.



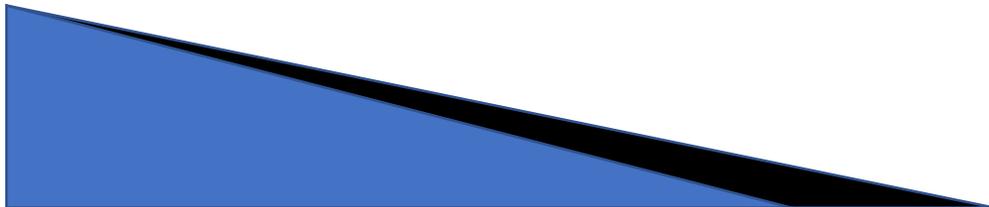
Driving Regional Growth (2)

- San Diego-Tijuana does not benefit substantially from the current reliance on LAX for air cargo shipments.
- Trucking goods from Baja California to LAX creates:
 - Congestion at the ports of entry;
 - Increases traffic volumes on San area highways; and,
 - Shifts the economic benefit of logistics operations to the LA-area.
- Trucking also creates inefficiencies in supply chains by increasing the transit time for goods:
 - Perishable goods such as produce and seafood suffer;
 - Just-in-time supply chains are slowed down.
- TJ-Park provides significant savings in wages, cost of services, landing fees, and airport related services.



Project Ownership

- Grupo Bustamante is the concessionaire for the TJ-Park through its affiliate Inmuebles Especializados Matrix, S.A. de C.V. (IEM).
- IEM holds the right to a twenty (20) year concession to develop and operate an aircraft maintenance facility and an air cargo station at TIJ.
- The concession was originally granted by the United Mexican States through its Secretariat of Communications and Transportation (SCT) and ratified by Grupo Aeroportuario del Pacifico (GAP) the airport concessionaire and operator of TIJ.
- IEM has first right of refusal to renew the concession for an additional term of ten (10) years.



Management

IEM's management team:

➤ President

- Mr. Carlos W. Bustamante Anchondo

➤ Vice-President

- Mr. Carlos A. Bustamante Aubanel

➤ Directors

- Mr. Anthony Bonino
- Mr. Mauricio Braniff
- Mr. Tomas Braniff Suinaga

➤ Bonino and Braniff are experienced air cargo experts that bring the best air cargo handling practices and operational quality standards in Mexico and USA.



Near-Term Project Timeline

1st half of 2018:

- Finishing improvements in compliance with Mexican Customs requirements for the facilities and supporting infrastructure.
- Commitments from key tenants have been secured, and operational planning is underway.
- SAT presence should be fully operational by March 2018.
- Beginning work with CBP to establish requirements for preclearance operations onsite.
- Matrix Air Cargo, SRL is planning to initiate air cargo handling operations in February 2018.



Addendum: Photos



Addendum: Front Gate



Main Facility



Connection to main airport



Additional space to develop



Offices for SAT and CBP

