IMPORTANT INFORMATION ABOUT ZONE SCHEDULES

This zone schedule is being made available pursuant to 15 CFR 400.44(e), which states: "The Board shall make copies of zone schedules available on its Web site."

Availability of this zone schedule on the FTZ Board's website does not imply that the FTZ Board has approved any rate/charge, policy or other content of this zone schedule. In particular, while the FTZ Board staff intends to conduct spot checks over time, zone schedules are not reviewed for compliance with the public utility requirement (19 U.S.C. 81n, 15 CFR 400.42) prior to making the zone schedules available via the Board's website.

Pursuant to 15 CFR 400.44(b)(4), a grantee <u>may not</u> assess any specific rate or charge for which the amount – or formula for calculating the amount – does not appear in the zone schedule that the grantee has submitted to the FTZ Board.

Complaints about a grantee's compliance with statutory and regulatory requirements related to public utility and uniform treatment – including rate or charge amounts/formulas, a grantee assessing a rate or charge amount/formula that does not appear in its zone schedule, and a grantee not affording uniform treatment under like conditions – may be presented to the FTZ Board under 15 CFR 400.45 (which also allows for complaints to be made on a confidential basis, if necessary).

Questions or concerns may be addressed to the FTZ Board staff at (202) 482-2862 or ftz@trade.gov.

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FOREIGN-TRADE ZONE No. 089

LAS VEGAS
GLOBAL ECONOMIC ALLIANCE
(Zone Grantee)

ZONE SCHEDULE TARIFF No. 1

RATES, CHARGES, RULES AND REGULATIONS

Applying at

FOREIGN-TRADE ZONE No. 089 (Clark County, Nevada)

Operation under grant authority of the Government of the United Stated of America to the County of Clark

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CHECK SHEET

Listed below are all revisions to Foreign-Trade Zone No. 089, Tariff No. 1

Revision No.

Or

Page No. Effective Date

VARIOUS JULY 1, 2013

VARIOUS FEB. 1, 2021

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Foreign-Trade Zone No. 089

LAS VEGAS GLOBAL ECONOMIC ALLIANCE (Zone Grantee)

Zone Grantee's Office:

Las Vegas Global Economic Alliance (LVGEA)

6720 Via Austi Parkway, Ste. 330 Las Vegas, NV 89119 (702) 791-0000

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DESCRIPTION OF FOREIGN-TRADE ZONE

Foreign-Trade Zone #089 is sponsored by the Las Vegas Global Economic Alliance as Zone Grantee, pursuant to a grant of authority, under Provisions of Public Law No. 397, 73rd Congress, approved June 18, 1934, as amended, issued by the Foreign-Trade Zones Board, Washington, D.C. on October 28, 2003, Board Order 1286, published in the Federal Register Volume 68, Number 208 on October 28, 2003. The Zone project consists of one (1) Subzone and seven (7) Usage-Driven Sites comprising of 72.836 acres in Clark County.

Site 10 (9.33 acres) Levi Strauss & Company, 7600 Eastgate Road, Henderson (expires 5/31/21)

<u>Site 11</u> (60.55 acres) Levi Strauss & Company, 501 Executive Airport Drive, Henderson (expires 5/31/2021)

Site 12 (0.12 acres) Phoenix Defence, 180 Cassia Way, Suite 507, Henderson (expires 10/31/2021)

Site 16 (0.034 acres) Centre Firearms Co., Inc. d/b/a LMO, 180 Cassia Way, Suite 506, Henderson (expires 1/31/2024)

Site 17 (0.53 acres) Retro Manufacturing, 7470 Commercial Way, Henderson (expires 1/31/2022)

<u>Site 18</u> (1.62 acres) American Barbell, LLC, 2695 North Lamb Blvd, Ste. 120 Las Vegas (expires 12/31/2022)

<u>Site 19</u> (0.212 acres) American Gem Society Laboratories, LLC, 8917 W. Sahara Avenue, Las Vegas (expires 12/31/2022)

Subzone 89B Site 1 (0.44 acres) Tri-Link, Inc., 2875 North Lamb Blvd., Las Vegas (expires 5/31/2022)

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PRIVILEGES OF FOREIGN-TRADE ZONES

Foreign-Trade Zone No. 089 shall be subject to, and Zone Operator/users are entitled to, the rights, privileges, powers, and immunities set forth in the Foreign-Trade Zones Act of 1934, as amended (19 US Y 81 et. seq.) and such rules and regulations promulgated thereunder by the Foreign-Trade Zones Board and enforced by CBP (19CFR146)

APPLICATION OF RATES, RULES AND REGULATIONS

The rates, rules and regulations published in this Zone Schedule / Tariff will apply to all Zone Operators and/or Zone Operator/users of the General-Purpose Zone and Subzones under the jurisdiction of Foreign-Trade Zone #089. Copies of this Zone Schedule / Tariff are on file with the Foreign-Trade Zones Board, Washington, D.C., and are available at the Las Vegas Global Economic Alliance offices upon request.

EFFECTIVE DATE:

This shall be effective on and after the effective date shown on each page.

NOTE TO PUBLIC:

This tariff is notice to the public that the rates, charges, rules, and regulations apply to all Operator/users without specific notice or quotation.

USE OF FACILITIES DEEMED ACCEPTANCE OF ZONE SCHEDULE / TARIFF

Use of the Zone Grantees / Zone Operator's Foreign-Trade Zone facilities, bond or FTZ management shall be deemed an acceptance of this Zone Schedule / Tariff and the terms and conditions named herein.

APPLICATION AND INTERPRETATION OF ZONE SCHEDULE / TARIFF:

The LVGEA shall be the sole judge to interpret and determine the applicability of any of the rates, rules, regulations, or services provided for in this Zone Schedule / Tariff. However, any matter involving interpretation or action by U.S. Customs & Border Protection or other agency of the U.S. Government will be determined by the Port Director of U.S. Customs & Border Protection or his duly appointed representative.

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DEFINITION

Act: The term "Act" means the Foreign-Trade Zones Act.

<u>Activation</u>: Approval by the Zone Grantee and U.S. Customs & Border Protection Port Director permitting operations to begin which allow the admission and handling of merchandise in zone status.

<u>Admission</u>: The physical arrival of goods into a zone in a specified zone status with the appropriate approvals of the Zone Grantee and the U.S. Customs & Border Protection (CBP). The word "admission" is used instead of "entry" to avoid confusion with CBP entry processes under Parts 141-144 of the CBP Regulations.

<u>Alteration</u>: A change in the boundaries of an activated zone or subzone. Activation of a separate site of an already activated zone or subzone with the same Zone Operator at the same port. The relocation of an already activated site with the same Zone Operator.

Alternative Site Framework: An optional approach to designation and management of zone sites allowing greater flexibility and responsiveness to serve single operator/user locations. The ASF was adopted by the Board as a matter of practice in December 2008 (74 FR 1170, January 12, 2009; correction 74 FR 3987, January 22, 2009) and modified by the Board in November 2010 (75 FR 71069, November 22, 2010).

Annual Report: Required report by the FTZ Board based on a calendar year reporting period and must be filed electronically via the FTZ Portal by March 31st of the following year. This report is based on the value of goods.

Board: The term "Board" means the Foreign-Trade Zone Board.

<u>Customs Territory</u>: The Customs territory is the territory of the U.S. in which the general tariff laws of the U.S. apply. Customs territory of the United States includes only the States, the District of Columbia and Puerto Rico. (General Note 2, Harmonized Tariff Schedule of the United States (19 U.S.C. 1202)

<u>Deactivation</u>: Voluntary discontinuation of the activation of an entire zone or Subzone by the Zone Grantee or Zone Operator. (Discontinuance of the activated status of only part of a Zone is an alteration.)

<u>Direct Delivery</u>: A procedure for delivery of merchandise to a zone without prior application and approval on CBP Form 214; designed for low-risk, repetitive shipments whose ordering and timing are under the control of the Zone Operator. Approval to utilize direct delivery must be obtained from the Port Director.

<u>Drawback</u>: Drawback means the refund or remission, in whole or in part, of a customs duty, fee or internal revenue tax which was imposed on imported merchandise under Federal law

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because of its importation, and the refund of internal revenue taxes paid on domestic alcohol as prescribed in 19 USC 1313(d).

- <u>General-Purpose Zone</u>: A general-purpose zone is established for multiple activities by multiple operator/users. Storage, distribution, testing, repackaging, and repair are some of the possible activities in a GPZ. Processing or producing in a GPZ requires the permission of the Foreign-Trade Zones Board.
- **Harmonized Tariff Schedule of the United States (HTSUS)**: Published by the U.S. International Trade Commission, the HTSUS is used in the classification of imported merchandise for rates of duty and statistical purposes.
- <u>Inverted Tariff</u>: Where imported parts are dutiable at higher rates than the finished product into which they are incorporated. Please review restrictions that may apply as per the Board and CBP.
- **Magnet Site:** A site intended to serve or attract multiple operators or users under the ASF.
- <u>Major Boundary Modification</u>: The amendment to the zone project with a major scope of adjustment. This is to apply for a major designation to the zone project, usually specific to a service area expansion or the establishment of a magnet site.
- **Manipulation**: As defined in Section 562 of the Tariff Act, processing wherein merchandise is packed, unpacked, repacked, cleaned, sorted, graded, or otherwise changed in condition. The precise distinction between manipulation and producing is subject to interpretation and enjoys a long history of case law.
- Manufacturing/Production: The U.S. Customs & Border Protection determines what constitutes production on a case-by-case basis, distinguishing it from other operations such as manipulation, processing, production, and blending. The FTZ Board has defined it as any process that results in a change in CBP classification of the merchandise, and therefore, requires prior clearance from the Board pursuant to the producing conditions in specific foreign-trade zone grants.
- <u>Minor Boundary Modification</u>: The amendment to the zone project with a minimal scope of adjustment. This is to apply for a minor designation to the zone project, usually specific to a proposed operator or user.
- **Operator's Bond**: A bond submitted to U.S. Customs & Border Protection, on CBP Form 301, to assure compliance with the Customs Regulations as set forth at 19 CFR 113.73.
- **Port**: "Las Vegas Global Economic Alliance" shall mean all U.S. Customs & Border Protection ports of entry within Clark County included within the Port District of 2722 as created and defined by the federal government and pursuant to provisions of the Charter of Clark County, together with all areas, premises and facilities including the Foreign-Trade Zone

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which are under the jurisdiction of the Board.

- **Port of Entry**: A place designated by the U.S. Government at which a U.S. Customs & Border Protection officer is assigned with authority to accept entries of merchandise collect duties and enforces the various provisions of the Customs laws. A Service Port is a CBP location that has a full range of cargo processing functions, including inspections, entry, collections, and verification (19 CFR 101.1).
- **Processing**: Any zone activity (other than production) requiring a change in condition of merchandise which results in a change in the CBP classification of an article or in its eligibility for entry for consumption.
- **Production Authority:** Activity involving the substantial transformation of a foreign article resulting in a new and different article having a different name, character, and use, or activity involving a change in the condition of the article which results in a change in the customs classification of the article or in its eligibility for entry for consumption.
- **Risk**: The degree of exposure to the chance of noncompliance which would result in the loss or injury to the trade, industry, or the public.
- <u>Service Area</u>: The jurisdiction(s) within which a grantee proposes to be able to designate sites via minor boundary modifications under the ASF.
- <u>Subzone</u>: A special-purpose zone established as part of a zone project for a limited purpose that cannot be accommodated within an existing General-Purpose Zone. Subzones must be sponsored by the Zone Grantee of a General-Purpose Zone. The term "Subzone" shall mean any person or firm wishing to become a Subzone will enter into an agreement with the Zone Grantee and refer to the Zone Schedule / Tariff. While this definition still applies it is expanded under the ASF (Alternative Site Framework) and is also allowed within the GP Zone as well.
- <u>Transaction(s)</u>: The term "Transaction or Transactions" shall mean any change in inventory, and/or manipulation activity being performed within the Zone.
- <u>Transfer</u>: To take merchandise with zone status from a Foreign-Trade Zone for consumption, transportation, exportation, warehousing, cartage or lighterage, vessel supplies and equipment, admission to another Foreign-Trade Zone, and like purposes.
- <u>Unique Identifier Number (UIN)</u>: This inventory control and recordkeeping method controls merchandise in a cumulative identification, i.e., by unique numbers and/or letters that identify merchandise admitted into the Foreign-Trade Zone. Inventory levels are adjusted on a First-In First-Out (FIFO) or Foreign-First (FOFI) basis pursuant to generally accepted accounting principles. Merchandise need not be segregated. All FTZ reports are linked to the inventory control and recordkeeping systems to ensure accurate reports.

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- <u>U.S. Customs & Border Protection Transaction Documentation</u>: The term "U.S. Customs & Border Protection Transaction Documentation" is defined as a U.S. Customs & Border Protection Form 214, 216, amendment thereto, or any filing or action which results in the change of inventory or Zone status.
- Weekly Entry Procedures: A CBP procedure that permits selected qualified zones and subzones to file a weekly entry on CBP Form 3461 for the estimated removals of merchandise destined for domestic consumption during the following business week. Once the Port Director has approved the entry, the Zone Operator may ship the products all week up to the quantity estimated. Weekly entry may be approved for zone operations of a repetitive nature in order to allow for expedited removal of merchandise from the zone.
- **Zone**: The term "Zone" means a "Foreign-Trade Zone" and/or Foreign-Trade Zone No. 089 and all activated sites.
- Zone Grantee: A corporation to which the privilege of establishing, operating and maintaining a foreign-trade zone has been granted by the Foreign-Trade Zones Board. Grantee corporations must be either public corporations or private corporations organized for the purpose of establishing a zone project. Examples of public entities that might receive an FTZ grant include: a political subdivision (including a municipality), a public agency, or a corporate municipal instrumentality of one or more states. Qualified private corporations must be chartered for this purpose under a law of the state in which the zone is located. The term "Zone Grantee" shall mean the Las Vegas Global Economic Alliance in its capacity as the entity given a grant of authority by the Foreign-Trade Zones Board.
- **Zone Lot**: A collection of merchandise maintained under an inventory control method based on specific identification of merchandise admitted into a zone by lot and lot number (ZLN).
- **Zone Merchandise**: FTZ merchandise includes goods, wares, and chattels of every description. Not included are prohibited merchandise, building material and supplies for use in the operation of a zone.
- **Zone Operator or FTZ Operator**: A corporation, partnership or person that operates a zone or subzone under the terms of an agreement with the Zone Grantee. A Zone Grantee may act as its own Zone Operator.
- **Zone Site**: The physical location of the General-Purpose Zone or Subzone Site of a Foreign-Trade Zone.
- **Zone Status**: The status of merchandise admitted to a zone, i.e. domestic (D), non-privileged (NPF), privileged foreign (PF) or zone restricted (ZR).
- **Zone Operator/user**: A person or company using a zone for storage, handling, or processing of merchandise. A Zone Operator may authorize an operator/user to maintain its own inventory system and procedures manual. However, the Zone Operator remains responsible

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to U.S. Customs & Border Protection for inventory control unless the operator/user posts its own Zone Operator's bond. The term "Zone Operator/user" or "Operator/user" each shall mean any person or firm using Zone or subzone for storage, handling, or processing merchandises. As required by the U.S. Customs & Border Protection regulations, such Operator/users shall be supervised by the Zone Operator.

ZONE OPERATIONS

OPERATIONS. FORMS AND PROCEDURES - GENERAL:

The merchandise and operations permitted in the Zone, the disposition of merchandise in the Zone, the Zone status of the merchandise and special provisions applicable to each status, the subsequent export of merchandise removed from the Zone, and other operations in the Zone are as authorized by the Foreign-Trade Zones Act. The Zone forms required for such activities are available upon request and must be properly filled out in their entirety by every Zone Operator/user and must comply with the ACT and with all U.S. Customs & Border Protection Regulations.

FTZ ANNUAL REPORTS:

As required by the FTZ Board (15CFR400) the annual report must be filed electronically through the OFIS Web Portal established and managed by the FTZ Board. This report is reportable based on the value of goods received, stored, shipped, and manipulated/produced within the Zone Project. The deadline to submit the report by the Grantee is March 31st, but the deadline for the operator to submit the report is February 15th.

MERCHANDISE PERMITTED IN A ZONE:

Foreign and domestic merchandise of every description, except such as is specifically prohibited by law, may without being subject to the U.S. Customs & Border Protection laws of the United States, except as otherwise provided in the Foreign-Trade Zones Act and the regulations made thereunder, are brought into a Zone. All gold, except fabricated, is prohibited by special order of the Foreign Trade Zones Board.

RIGHT TO EXCLUDE COMMODITIES:

At the FTZ Operator's option subject to federal, state and city regulations, and only by special arrangements, explosive, hazardous or inflammable commodities or materials may be handled or received at the Foreign Trade Zone.

The Port or the FTZ Operator reserves the right (without responsibility for demurrage, other charges, loss, or damage) to refuse to accept, receive, and unload:

(i) Cargo for which previous written agreement for storage space, receipt, unloading or handling have not been made with the FTZ Operator or by the shipper,

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consignee, or carrier.

- (ii) Cargo deemed extremely offensive, perishable, and hazardous.
- (iii) Cargo not in packages or containers suitable for ordinary handling incidental to its transportation.

MANIPULATION, PRODUCTION, EXHIBITION OF MERCHANDISE

In general, merchandise lawfully brought into a Zone may, in accordance with these and other regulations made under the provisions of the Foreign-Trade Zones Act, be stored, sold, exhibited, broken up, repacked, assembled, distributed, sorted, graded, cleaned, mixed with foreign and domestic merchandise, or otherwise manipulated, or be produced except as otherwise provided.

- (a) Permission for any manipulation or exhibition in a Zone must be obtained from the Port Director of U.S. Customs & Border Protection, as the representatives of the Board, subject to such application and procedure prescribed by the Secretary of the Treasury or Homeland Security for the protection of the revenue / homeland security.
- (b) Permission for any assembly or producing / manufacturing or processing operations in a Zone must be obtained from the Foreign-Trade Zones Board, subject to such application and procedure prescribed by the Board set forth in 15 C.F.R. Part 400, Subpart D. Grantee sponsorship/concurrence is required for this authorization.
- (c) In the event of the denial of any application by the Port Director of U.S. Customs & Border Protection for any reason, the Zone Grantee, or the Zone Operator of the Zone, may, but is under no obligation to, appeal the adverse ruling of the Board. If any revenue protection considerations are involved in such application, the Board shall be guided by the determinations of the Secretary of the Treasury with respect to them.

RESIDENCE WITHIN ZONE:

No person shall be allowed to reside within the Zone except Federal, State, or Municipal officers or agents whose resident presence is deemed necessary by the Board.

STATUS OF MERCHANDISE:

(a) For the purpose of the Act and the regulations of this Section, all merchandise within a Zone, except merchandise in transit through a Zone as provided in sections 146.14 and 146.13 of Customs regulations, and except merchandise temporarily transferred to a Zone for manipulation as provided in paragraph

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(b) of this section, shall be given a Zone status as:

- (1) Privileged foreign merchandise
- (2) Non-privileged foreign merchandise
- (3) Domestic merchandise
- (4) Zone-restricted merchandise

In accordance with Subpart C of U.S. Customs & Border Protection regulations.

(b) Imported merchandise which has been entered and which has remained in continuous U.S. Custom custody may be temporarily transferred to a Zone for manipulation under U.S. Customs & Border Protection supervision pursuant to Section 562, Tariff Act of 1930, as amended, and for return to U.S. Customs & Border Protection territory. Any such merchandise shall not be considered within the purview of the Foreign-Trade Zones Act but shall be treated in all respects as though remaining in U.S. Customs & Border Protection territory. Therefore, no Zone form or procedure shall be considered applicable but the merchandise shall remain subject in the Zone to such requirements as are necessary for the enforcement of Section 562 and other pertinent U.S. Customs & Border Protection laws.

USE OF ZONE BY CARRIERS:

The docking facilities, and loading or unloading stations of a Zone are intended primarily for the use of vehicles, for unloading merchandise into the Zone or loading merchandise from the Zone, and their use for other purposes may be terminated by the Secretary of the Treasury if found to endanger the revenue, or by the Board if found to interfere with the primary uses of the Zone.

RETAIL TRADE WITH ZONE:

No retail trade shall be conducted within a Zone except under permits issued by the Zone Grantee and approved by the Board. Such permittees shall sell no goods except such domestic or duty-paid or duty-free goods as are brought into the Zone from U.S. Customs & Border Protection territory. Permits which are sent to the Board for approval shall be accompanied by a sworn statement, subscribed to by the applicant before a duly authorized officer to administer oaths setting forth in detail the nature of the retail trade to be conducted, and containing an agreement that such applicant will sell no goods except of the kinds specifically authorized by the Act, which are brought into the Zone from U.S. Customs & Border Protection territory. No goods shall be offered for sale or sold in a Zone which are not of the same kind and quality permitted to be offered for sale or sold on the political jurisdiction in which the Zone is located.

ERECTION OF BUILDINGS WITHIN THE ZONE:

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The Zone Operator may and under reasonable and uniform regulations for like conditions and circumstances to be prescribed by it, permit other person, firms, corporations, or associations to erect such building and other structures within the Zone as will meet their particular requirements: Provided, (a) that such permission shall not constitute a vested right against the United States, nor interfere with or complicate the revocation of the grant by the United States; (b) that in the event of the United States or the Zone Operator desiring to acquire the property of the permittee, no good will shall be considered as accruing from the privilege granted to the Zone; and (c) that such permits shall not be granted on the terms that conflicts with the public use of the Zone as set forth in the Act. And provided further, that accepted sanitary practices be followed in the construction, equipment, and operation of such buildings and other structures.

HOURS OF BUISNESS AND SERVICE:

Hours of business and service, for U.S. Customs & Border Protection purposes, shall be the same as those prescribed in U.S. Customs & Border Protection regulations.

The Zone shall be available for business activities on a 24-hour basis. Regular or normal business hours shall be between the hours of 8:00 a.m. and 5:00 p.m., Monday through Friday.

The Zone may be opened at other times, on an irregular or regular basis, upon application and with approval of the Zone Operator and U.S. Customs & Border Protection officials.

RULES AND REGULATIONS

RULES AND REGULATIONS CONFORM:

General Rules and Regulations in this section governing procedure within Foreign-Trade Zone No. 089 are issued in conformity with and supplementary to the Foreign-Trade Zone Board's Regulations and such of the United States laws and regulations relating to ports of entry as are applicable to Foreign Trade Zone operations.

GENERAL RULES:

All general rules published in this Foreign-Trade Zone No. 089, Zone Schedule / Tariff No. 1 may be revised. Supplements or revisions to this Zone Schedule / Tariff will govern and control in the event they conflict with this Zone Schedule / Tariff.

FOREIGN-TRADE ZONES BOARD:

Foreign-Trade Zone No. 089 is regulated by the Foreign Trade Zones Board, Washington, D.C., under 15 C.F.R. Part 400. Copies of these regulations are maintained at the Foreign-Trade Zone No. 257 office for reference.

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All persons and merchandise of every description entering or leaving Zone No. 089 for any purposes whatsoever shall be bound by the lawful regulations of the Foreign Trade Zones Board and by the Zone regulations issued thereunder.

U.S. CUSTOMS AND BORDER PROTECTION REGULATIONS:

Foreign-Trade Zone No. 089 is subject to special U.S. Customs & Border Protection regulations as defined in 19 C. F. R., Section 146. Copies of these regulations are maintained at the office of Foreign-Trade Zone No. 089 for reference.

CONFIDENTIAL RELATIONSHIP:

The FTZ Operator will take precautions to avoid the divulging of confidential information regarding merchandise and services thereon performed in the Zone. Any Zone employee violating this confidential relationship will be suitably disciplined or discharged.

GOVERNMENT AGENCIES:

All lawful regulations of government agencies must be complied with insofar as they are not in conflict with Public Law No. 397 of the 73rd Congress (Foreign Trade Zones Act), and as expanded under Public Law No. 566, 81st Congress, and the regulations issued thereunder.

COMPENSATION INSURANCE:

Every person employed by contractors or customers in the Zone shall be properly covered by Workers Compensation Insurance. As required by Nevada law, proof of this shall be furnished before any work may be started. This includes work performed by the operator, contract or temp agencies, and user's staff and representatives. A Certificate of Insurance is required.

PUBLIC INTEREST, HEALTH AND SAFETY:

No operation or process of treatment will be permitted in the Zone that, in the judgment of the City or County, is detrimental to the public interest, health and safety. All Insurance/Fees/Agreement requirements set forth in the operator agreement and zone schedule must be adhered to prior to activation.

SPECIAL SERVICES:

Operator/users of Zone facilities requiring special or additional service not being regularly furnished to all Operator/users of Zone must request same in writing to the Zone Operator, who shall clear the possibility of furnishing such services with U.S. Customs & Border Protection and consider cost thereof for account of Operator/user. If service is established, it will be made available under similar circumstances to all Operator/users on the same basis.

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GENERAL LIABILITY INSURANCE:

General Liability Insurance is required for all operators participating in the FTZ 089 Zone Project. The following is required:

- A certificate for proof of insurance is required
- The minimum amount required is \$1,000,000
- The certificate must show The LVGEA indemnified

LIABILITY

FTZ 089 is not a representative of the operator or zone user with regards to the management and compliance of the FTZ Program. The regulatory mandates set by the FTZ Board in 15CFR400 and by Customs and Border Protection in 19CFR146 are the direct responsibility of the Operator as explicitly detailed in the previously mentioned regulations. FTZ 089 is not responsible for the education, training, or advocacy of these compliance requirements. Furthermore, FTZ 089 bears no responsibility or liability for the inventory, security, or disposition of the goods that reside or benefit from the FTZ Program.

RATES, CHARGES AND PAYMENT APPLICABLE

TERMS OF PAYMENT:

Terms of payment is net 30 days. All fees are payable to The Las Vegas Global Economic Authority (LVGEA). A five percent late fee is assessed each month for payments beyond the aforementioned terms. Payment must be issued in the form of a wire transfer, check, or money order.

Invoicing of the first annual fee is due based on the effective date of the operator agreement and is pro-rated for the first year. For year two and the remainder of the life of the agreement each annual fee is billed in January with 30-day terms for payment. No partial payments are allowed beginning year two of the Operator's Agreement.

CHARGES FOR U.S. CUSTOMS & BORDER PROTECTION & PARTNER GOVERNMENT AGENCIES:

All fees, charges, duties, penalties, liquidated damages, tariffs, or taxes assessed by U.S. Customs & Border Protection or Partner Government Agencies is the sole responsibility of the FTZ Operator and must be paid directly to CBP/PGA without fail. FTZ 089 is indemnified and held harmless for any liability.

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SCHEDULE OF FEES AND RATES

Foreign Trade Zone 89 is a General-Purpose Zone located in Clark County, Nevada. The Grantee is the Las Vegas Global Economic Alliance. The Grantee is authorized to charge a fee to operators in accordance with CFR 400.42(b)(ii) for the privilege of operating or under the auspices of Zone 89. These monetary entitlements, in the form of fees are charged to operators to recover both the direct and indirect costs of zone operating expenses such as marketing & promotion, Foreign Trade Zones Board reporting, FTZB / CBP Application Administration, FTZ Board Representation and Advocacy.

FEE SCHEDULE

All fees in this schedule are payable to:
Las Vegas Global Economic Alliance
6720 Via Austi Parkway, Ste. 330
Las Vegas, NV 89119

Zone Fees are due and payable when invoiced with 30-day terms. All Fees are non-refundable.

<u>Application Fee</u>: Upon commitment by the proposed operator and the LVGEA (Grantee 089) to support a business or entity in the participation of the FTZ Program, a non-refundable fee will be required.

General Purpose Zone \$5,000.00 Subzone \$5,000.00

<u>Production Authority Application Fee:</u> Upon commitment by the operator and the LVGEA (Grantee 089) to support the application for Production Authority (manufacturing), a non-refundable fee will be required.

General Purpose Zone \$5,000.00 Subzone \$5,000.00

Additional Minor Boundary Modification (MBM), and/or Alteration Application Fee: Upon commitment by the operator and the LVGEA (Grantee 089) to support the application for Minor Boundary Modification (MBM) and Alteration, a non-refundable fee will be required.

General Purpose Zone \$1,000.00 Subzone \$1,000.00

<u>Annual</u>: Upon activation of a site, the Zone Operator will be charged an annual fee. This fee covers Grantee zone administration costs, coordination of the Annual Report to the Foreign Trade Zones Board and other zone staff services.

 General Purpose Zone
 \$10,000.00

 Subzone
 \$15,000.00