

## **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 may not 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](mailto:ftz@trade.gov).

PUERTO RICO TRADE

THE SAN JUAN  
FOREIGN-TRADE ZONE No. 61  
**Puerto Rico Trade**

ZONE SCHEDULE

REGULATIONS, RULES, RATES, CHARGES

Operating under Grant of Authority of the  
Government of the United States

Revised: March 2015  
Effective: March 31, 2015



# CONTENT

## ARTICLE I - INTRODUCTION

SEC. 1000 – CONTENT .....	5
SEC. 1005 – AUTHORITY .....	5
SEC. 1010 – OTHER APPLICABLE LAW, RULES AND REGULATIONS .....	5
SEC. 1015 – AMENDMENTS AND INTERPRETATION .....	5

## ARTICLE II - DEFINITIONS

SEC. 2000 – DEFINITIONS.....	6
------------------------------	---

## ARTICLE III - DESCRIPTION OF THE FOREIGN TRADE ZONE NO. 61

SEC. 3000- PHYSICAL FACILITIES .....	12
--------------------------------------	----

## ARTICLE IV - FOREIGN TRADE ZONES BOARD & BUREAU OF CUSTOMS RULES AND REGULATIONS

SEC. 4000 – ZONE USE.....	13
SEC. 4005 – MERCHANDISE REMOVAL .....	13
SEC. 4010 – STATUS OF MERCHANDISE IN THE ZONE.....	14
SEC. 4015 – DISPOSITION OF MERCHANDISE .....	14
SEC. 4020 – MANIPULATION, MANUFACTURE OR EXHIBITION.....	14
SEC. 4025 – MERCHANDISE REMOVAL .....	15
SEC. 4030 – DISPOSITION OF MERCHANDISE IN THE ZONE .....	15
SEC. 4035 – INVENTORY CONTROL AND RECORD KEEPING.....	15
SEC. 4040 – OPERATOR’S PROCEDURE MANUAL .....	16
SEC. 4045 – SAFEKEEPING OF RECORDS AND PROPRIETARY INFORMATION .....	16
SEC. 4050 - CUSTOMS CONTROL OF MERCHANDISE .....	17
SEC. 4055 - RETAIL TRADE WITHIN THE ZONE .....	17
SEC. 4060 - RESIDENCE WITHIN THE ZONE .....	17

## ARTICLE V - GENERAL RULES AND REGULATIONS

SEC. 5000 - BUSINESS HOURS .....	18
SEC. 5005 - INDEMNIFICATION.....	18
SEC. 5010 - PUBLIC INTEREST, HEALTH AND SAFETY.....	18
SEC. 5015 - ACCESS TO THE ZONE.....	18
SEC. 5020 - INSPECTION OF VEHICLES AND PEOPLE .....	19
SEC. 5025 - SUPERVISION OF ACTIVITIES .....	19
SEC. 5030 - CONFIDENTIALITY .....	19

## ARTICLE VI - GENERAL RULES PERTAINING TO MERCHANDISE

SEC. 6000 - PACKING OF MERCHANDISE .....	20
SEC. 6005 - CHARGES BY GOVERNMENT AGENCIES.....	20
SEC. 6010 - PAYMENT OF RENT CHARGES.....	20
SEC. 6015 - APPLICATION FOR ZONE ACCOMMODATION .....	21
SEC. 6020 - TENDER FOR ACCEPTANCE .....	21
SEC. 6025 - CLEARING MERCHANDISE AND TRAFFIC .....	21
SEC. 6030 - INVENTORY OF MERCHANDISE.....	21

SEC. 6035 - ABANDONMENT OF MERCHANDISE .....	21
SEC. 6040- DISPOSITION OF ABANDONED MERCHANDISE.....	22
SEC. 6045- CONSIGNMENT OF MERCHANDISE .....	22
SEC. 6050 - TRANSFER OF MERCHANDISE WITHIN THE ZONE GROUNDS .....	23
SEC. 6055 - LIQUIDATION OF DUTIES .....	23
SEC. 6060 - LIQUIDATION OF MANUFACTURED PRODUCTS .....	23
SEC. 6065 - HAZARDOUS MERCHANDISE .....	24
SEC. 6070 - MARKING OR LABELING.....	24
SEC. 6075 - TRANSPORTATION OF FOREIGN MERCHANDISE.....	24
SEC. 6080 - OBSTRUCTIONS.....	24
SEC. 6085 - MINIMUM CHARGES.....	24
SEC. 6090 - OWNERSHIP OF MERCHANDISE .....	25
SEC. 6095 - ACCEPTANCE OF MERCHANDISE .....	25
SEC. 6100 - DELIVERY REQUIREMENTS .....	25
SEC. 6105 - LIABILITIES.....	26
SEC. 6110 - PACKAGE DESCRIPTIONS .....	26
SEC. 6115 - OPEN PACKAGES.....	26

ARTICLE VIII - LEASE RULES AND REGULATION

SEC. 7000 - OPERATION .....	27
SEC. 7005 - RENT FEES .....	27
SEC. 7010 - WAREHOUSE LEASE .....	27
SEC. 7015 - LAND LEASE.....	27
SEC. 7020 - MAINTENANCE.....	27
SEC. 7025 - INSURANCE .....	27
SEC. 7030 - SUBLETTING OF SPACE .....	28
SEC. 7035 - INSTALLATION .....	28
SEC. 7040 - FIRE-FIGHTING EQUIPMENT.....	28
SEC. 7045 - RESTRICTED SIGNS .....	28

ARTICLE VIII - FEES AND CHARGES

SEC. 8000 – RATES .....	29
SEC. 8005 – NON-PAYMENT OF FEES.....	29

APPENDIX A.....	30
APPENDIX B .....	33
APPENDIX C .....	35

## ARTICLE I

### INTRODUCTION

---

#### Sec. 1000 – Content

This Zone Schedule ("Schedule") has been adopted by the Puerto Rico Trade and Export Company (PRTEC), a public company created and organized pursuant to Act No. 323, of December 28, 2003, as amended acting in its capacity as Grantee and shall govern all operations taking place within Foreign-Trade Zone No. 61. It is intended to conform with and supplement the Foreign Trade Zone Act ("Act") and the rules and regulations of the Custom and Border Protection Agency (CBP) as are applicable to foreign trade zones operations, including but not limited to: Operators, Users and all other persons or entities entering or leaving the Zone, for any purpose whatsoever.

#### Sec. 1005 - Authority

Pursuant to the grant issued by the Foreign-Trade Zones Board, Washington, D.C. on October 20, 1980 to the Commercial Development Company of Puerto Rico, (now the PUERTO RICO TRADE AND EXPORT COMPANY, created and organized pursuant to Act No. 323, of December 28, 2003) under provisions of Public Law No. 397, 73rd, U.S. Congress, 1934, as amended by Public Law No. 566, 81st Congress, approved June 17, 1950, Foreign-Trade Zone No. 61, under the terms of said grant. Foreign Trade Zone No. 61 officially opened for business during the summer of 1986.

#### Sec. 1010 – Other Applicable Law, Rules and Regulations

All lawful regulations regarding agencies of the United States and the Commonwealth of Puerto Rico in or about ports of entry must be complied with, insofar as they are not in conflict with the Foreign Trade Zones Act and Regulation issued there under.

#### Sec. 1015 – Amendments and Interpretation

Subject only to the requirements of the Act, the FTZ Regulations and the applicable federal, state and local laws, rules and regulations, this Schedule may be modified, amended or replaced by the PRTEC at any time, if determined to be necessary or appropriate. PRTEC shall, in its sole discretion, interpret the provisions of this Schedule and determine the applicability of any of its provisions based on the applicable laws and regulations mentioned in this section.

## ARTICLE II

### DEFINITIONS

---

#### Sec. 2000 – Definitions

Act	Means the Foreign-Trade Zone Act of June 18, 1934 (48 Stat. 998-1003; 19 USC 81 81a-81u), as amended.
Activated Area	Means any portion of land or warehouse space that has been activated pursuant to the Act.
Area Port Director	Means the Director of Customs and Border Protection with jurisdiction over Puerto Rico area port of entry and the Zone pursuant to Section 4.02(h) of 15 CFR 15.
Board	Means the Foreign-Trade Zones Board created by the Foreign-Trade Zones Act, as amended, to carry out the provisions thereof.
CBP	Means Customs and Border Protection Agency.
CBP Form	Means Customs and Border Protection Agency Forms as defined in the Regulations, which will typically be paired with specific number used by the United State Custom and Border Protection to stipulate the use of such form.
Custom Territory	Means the territories of the U.S. in which general U.S. Tariff laws apply. This includes all of the U.S. States, District of Columbia and Puerto Rico, minus any areas within the boundaries of Foreign-Trade Zones.
Corporation	Means a public or private Corporation. a) "Public Corporation" means a State political subdivision thereof, a municipality, a public agency of a State political subdivision thereof or municipality, or a corporate municipal instrumentality of one or more States.  b) "Private Corporation" means any corporation (other than a public corporation)

which is organized for the purpose of establishing, operating and maintaining a Foreign-Trade Zone and which is chartered under special enacted after June 18, 1934 of the State or States within which it is to operate such zone.

Domestic Merchandise

Means merchandise which has been (i) produced in the United States and not exported, or (ii) previously imported into the Customs Territory of the United States and properly released from USCBP's custody. Foreign merchandise on which all necessary and applicable duties and taxes have been paid, and upon which no drawbacks has been claimed, is considered Domestic Merchandise when admitted to a foreign-trade zone.

FTZ

Means Foreign Trade Zone (capitalized or not) as defined by the Act.

FTZ Regulation

Means Title 15, Code of Federal Regulations (CFR), Part 400, as presently constituted and as amended from time to time, which governs the grant of authority, the establishment and maintenance of FTZ's by Grantees,

General Purpose Zone

Means those portions of the Zone used for the general import, storage and distribution of merchandise which do not involve manufacturing or processing.

Grant

Means the authorization, as amended, issued to the Grantee that established the Zone pursuant to, Board Order Number 165, dated October 20, 1980.

Grantee

Means the Puerto Rico Trade and Export Company, a public instrumentality of the Commonwealth of Puerto Rico successor of the Commercial Development Company of Puerto Rico.

Imports

Means all commodities entering Puerto Rico through the gates of the Foreign-Trade Zone, whether for immediate merchandising or consumption, or for entry into bonded customs warehouses for storage or manipulation.



In transit Merchandise	Means those foreign commodities which enter the Commonwealth by one port and leaves the country by the same port or another. For the duration of the stay of such merchandise in the country it is bonded, except during the period it may remain within the Foreign-Trade Zone. <i>(in transit merchandise can also leave the zone through the same port it arrived.)</i>
Lot	Means the unit or units of goods for which a separate account is to be kept by the zone. Delivery of all or any unit of a lot shall be made without subsequent sorting except by special arrangement and subject to a charge therefore.
Manipulation	Means breaking up, repackaging, assembling, distributing, sorting, grading, cleaning, mixing with foreign or domestic merchandise, or other processing which does not constitute a manufacture.
Manufacture	Means the process of making wares by hand, by machinery, or by other agency, often with division of labor and the use of machinery.
Operating Agreement	Means a written agreement between the Grantee and any Operator utilizing the Zone that establishes the liabilities, rules, procedures and requirements for the Operator's use of the Zone.
Operating Procedure Manual	Means the inventory control and record keeping system that will be used in the Zone, specified in writing and certified by the Operator to USCBP and the Grantee to meet the requirements of Subpart B of 19 CFR 146.
Operator	Means the Puerto Rico Trade and Export Company - San Juan Foreign Trade Zone No. 61 or any company or entity that executes an Operating Agreement with the Grantee and that assumes the responsibility enumerated in the Operating Agreement and in 19 CFR 146.
Persons of Record	Means the person, firm or corporation in whose name the application to admit merchandise

into the Zone is made.

Schedule	Means this publication submitted to the Executive Secretary containing rates and charges of the Foreign Trade Zone, and all internal rules and regulations applying in connection therewith and to general operating procedure.
Subzone	Means a special purpose zone established for a limited use that cannot be accommodated as a general purpose use within the Zone
State	The term state includes any state, the district of Columbia, and Puerto Rico.
Sunset Periods	Period establishes where at least a portion of the site included within the Application should be activated.
Transshipment Merchandise	Means that merchandise which enters and leaves the country through the same port, being transferred from one carrier to another directly or by way of the Foreign Trade Zone.
USCBP	Means the United States Custom and Border Protection Agency.
Unique Identifier Number (UIN)	Means the numbers, letters or combination of numbers and letters that identify merchandise admitted to a zone with zone status.
Unit of Quantity	Means the customary grouping of a commodity as a unit to indicate the medium or method of measuring.
User(s)	Means those persons whether real or judicial utilizing the services of any Operator of a Zone Site or General Purpose Zone.
Zone	The term "Zone" refers to a Foreign-Trade Zone and/or the San Juan Foreign-Trade Zone No. 61.
Zone Site	Means each separate area comprising the Zone and its Subzones including the buildings and facilities located within that particular area that is utilized by an Operator while

exercising the rights and privileges granted pursuant to the Operating Agreement signed with the Grantee.

## Zone Status

Means status of merchandise that is brought into the Zone or any of its Subzones. Merchandise shall be identified according to its type of status. The four types Zone Status are:

- a. Privileged Foreign Merchandise (PF) – is the status that will be given to foreign merchandise or non-tax paid domestic merchandise upon which the duty and applicable taxes have been determined at the time the status is approved according to a CBP Forms 214. Once they have been determined, the duty rate and taxes are not subject to future fluctuation. Once established, the Privileged Foreign Status given to merchandise cannot be changed. If merchandise has already been admitted into the Zone and given Non-Privileged Foreign Status, Privileged Foreign Status for that merchandise may be requested by filing CBP Form 214, CBP Form 7502 and related documents. Application for Privileged Foreign Status must be filed prior to manipulation or manufacture of any merchandise.
- b. Non-privileged Foreign Status (NPF) – is the status that will be given to foreign merchandise or non-tax paid domestic merchandise upon which the duty and applicable taxes will be determined at the time the merchandise enters Customs Territory from the Zone for consumption.
- c. Domestic Status – is the status that will be given to merchandise that is comprised of (i) U.S. products on which all internal revenue taxes have been paid; or (ii) imported merchandise on which duty and/or taxes have been paid; or (iii) imported merchandise which is free of duty and tax.

- d. Zone Restricted Status (ZR) – is the status that will be given to merchandise entering the Zone for the purpose of exportation or destruction (other than alcoholic spirits or beverages). Merchandise with Zone Restricted status may not be returned to any geographic area under USCBP jurisdiction for domestic consumption except as approved by the Board.

## ARTICLE III

### DESCRIPTION OF THE FOREIGN TRADE ZONE NO. 61

---

#### Sec. 3000- Physical Facilities

Please refer to Appendix A

## ARTICLE IV

### FOREIGN TRADE ZONES BOARD & BUREAU OF CUSTOMS RULES AND REGULATIONS

---

#### Sec. 4000 – Zone Use

Zone facilities will be used for the sole purpose of receipt, storage, handling, exhibition, manipulation, manufacturing with specific authority of FTZB and related processing and shipment of foreign merchandise and domestic merchandise as considered necessary for the conduction of an Operator's or User's normal business. Operators or Users shall not use or permit the Zone to be used for any other purposes without the proper written consent of the Grantee. Operators or Users shall not do or permit anything to be done on or about the Zone which will in any way obstruct or interfere with the rights of other Operators, Users or occupants of the Zone or interfere with their operations.

#### Sec. 4005 - Merchandise Permitted

Foreign and domestic merchandise of every description, except as prohibited by law, may without being subject to the custom laws of the United States, or as otherwise provided in the Act and the regulations made there under, be brought into the Zone.

(a) Merchandise which is specifically and absolutely prohibited by law shall not be admitted into the Zone. Any merchandise so prohibited by law which is found within the Zone shall be disposed in the manner provided for in the laws and regulations applicable to such merchandise.

A distinction is made between (1) merchandise which is specifically and absolutely prohibited by law on the grounds of policy or morals, such as immoral or subversive literature, obscene articles, or lottery matter, and (2) merchandise which is subject to conditional prohibition only. For example, articles which are subject to permits or licenses for the protection of economic or national security or which may be reconditioned to bring them into compliance with the laws administered by various Federal Agencies.

The Area Port Director is required to exclude the first class of articles and may not permit them to be transferred to the zone if he/she is aware of their prohibited status, except that the Area Port Director may permit the temporary deposit of any such merchandise in the zone pending final determination of its status.

The transfer of articles of second class to the zone is subject to any requirements of the Federal Agency concerned. There is no prohibition against placing over quota merchandise in the zone pending its right to transfer to customs territory pursuant to the applicable quota provisions.

(b) The application for the admission of merchandise into the Zone shall be approved or disapproved by the Area Port Director, as the representative of the

Board, where the merchandise is not excluded by any other Federal Agency having jurisdiction over the merchandise.

Zone procedures may not be used to circumvent the laws and regulations.

#### Sec. 4010 - Status of Merchandise in the Zone

a) For the purpose of the Act and the regulations of the Board, all merchandise within the Zone, except merchandise in transit through a zone as provided in Section 146.14 of customs regulations, and except merchandise temporarily transferred to a zone for manipulation as provided in paragraph (b) of this section, shall be given a zone status as:

1. Privileged foreign merchandise
2. Non-privileged foreign merchandise
3. Domestic Status (Foreign Duties Paid, Domestic)
4. Zone-restricted merchandise

b) Imported merchandise which has been entered and which has remained in continuous Customs custody may be temporarily transferred to a zone for manipulation under Customs supervision pursuant to section 562, Tariff Act of 1930, as amended, and for return to Customs territory. Any such merchandise shall not be considered within the purview of the Foreign Trade Zones Act, but shall be treated in all respect as though remaining in Customs 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 Customs laws.

#### Sec. 4015 - Disposition of Merchandise

In general, merchandise lawfully brought into the Zone may, in accordance with these and other regulations made under the provisions of the Act, be exported, destroyed, or sent into customs territory of the United States there from, in the original package or otherwise; but when foreign merchandise, and domestic merchandise whose identity has been lost, is so sent from the Zone into Customs territory of the United States it shall be subject to the laws and regulations of the United States affecting imported merchandise.

#### Sec. 4020 - Manipulation, Manufacture or Exhibition

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

Permission for any manufacturing or processing in a Zone shall be obtained from the Foreign-Trade Zones Board prior to such activity commencing under Zone procedure. All requests or applications for manufacturing or processing authority shall be rendered under the auspices of the Grantee, and shall include a letter of transmittal or concurrence from the Grantee. Upon Board approval for manufacturing or processing authority under Zone procedures, an application for permission to conduct the manufacturing or processing activity approved by the Board must be submitted to and approved by the Area Port Director.

Permission for any manipulation, manufacture, or exhibition in a zone shall be obtained from the Area Port Director, as the representative of the Board, subject to such application and procedure prescribed by the Secretary of the Treasury of the United States for the protection of the revenue.

In the event of the denial of any application by the Area Port Director for any reason, the applicant, the Grantee, or the Operator of the Zone may appeal the adverse ruling to the Board. If any revenue-protection considerations are involved in such application, the Board shall be guided by the determination of the Secretary of the Treasury with respect to them.

#### Sec. 4025 - Merchandise Removal

No merchandise in the Zone shall be removed, transfer or manipulated in any manner or for any purpose except as provided for in the rules and regulations set for in 19 CFR Part 146 and by Customs and Border Protection Rules and Regulations.

#### Sec. 4030 – Disposition of Merchandise in a Zone

In general, merchandise lawfully brought into a zone may, in accordance with these and other regulations made under the provisions of the Act be exported, destroyed, or sent into Customs territory of the United States there from, in the original package or otherwise; but when foreign merchandise, and domestic merchandise whose identity has been lost, is so sent from a zone into Customs territory of the United States it shall be subject to the laws and regulations of the United States affecting imported merchandise.

#### Sec. 4035 – Inventory Control and Record Keeping

All operators shall maintain an inventory control and recordkeeping system of the merchandise admitted in accordance with the provisions of 19 CFR Part 146 (19 CFR 113.73(a) (2), 146.4(d)). All operators shall maintain either manual or automated inventory control and recordkeeping systems or a combination of manual and automated systems capable of:

- (1) Accounting for all merchandise, including domestic status merchandise, temporarily deposited, admitted, granted a zone status or status changed, stored, exhibited, manipulated, manufactured, destroyed, transferred and/or removed from a zone;



(2) Producing accurate and timely reports and documents as required by regulation;

(3) Identifying overages and shortages of merchandise in a zone in sufficient detail to determine the quantity, description, tariff classification, zone status, and value of the missing or excess merchandise;

(4) Providing all the information necessary to make entry for merchandise being transferred to the Customs territory including, but not limited to, quantities, descriptions, values, HTS classification, and status; and,

(5) Providing an audit trail to CBP of all forms, including: admission, through storage, manipulation, manufacture, destruction, exhibition and or transfer of merchandise from a zone either by a CBP approved inventory method, i.e., zone lot number (ZLN) or unique identifier number (UIN). (19 CFR 146.21(a)).

The operator may authorize a zone user to maintain its individual inventory control and recordkeeping system. (19 CFR 146.21(b)(3)). However, the operator remains liable for complying with all inventory control and recordkeeping requirements of 19 CFR Part 146, including 19 CFR 146.21(c).

#### Sec. 4040 – Operator's Procedure Manual

All operators shall provide the Area Port Director with an English language copy of its written inventory control and recordkeeping systems procedures manual in accordance with the requirements of 19 CFR 146.6(b)(4) and 146.21(b). The manual shall describe, in detail, the methodology to be used in recording transactions in the operator's inventory and recordkeeping system. The purpose of the manual is to facilitate CBP compliance reviews (formerly spot checks) and audits by explaining how the recordkeeping system works; however, operators and users are responsible for further explaining their system and its operation to CBP officials upon request. The operator shall keep current its procedures manual and shall submit to the Area Port Director any change at the time of its implementation. (19 CFR 146.21(b)(2)).

An operator may authorize a zone user to maintain its individual inventory control and recordkeeping system and procedures manual. An operator shall furnish CBP a copy of the zone user's procedures manual, including any subsequent changes. However, an operator will remain responsible to Customs and liable under its bond for supervision, defects in, or failure of a system. (19 CFR 146.21(b)(3)).

#### Sec. 4045 – Safekeeping of Records and Proprietary Information

All operators are responsible for the safekeeping of all the records concerning merchandise in a zone. The operator, at its liability, may allow a zone user to store, safeguard, and otherwise maintain inventory records pertaining to their own merchandise. (19 CFR 146.4(c)). Only authorized personnel should have access to the records concerning zone merchandise. Operators shall protect proprietary information in its custody from unauthorized disclosure.

Sec. 4050 - CBP Control of Merchandise

(a) If the Area Port Director deems it necessary for the protection of the revenue, he/she may require segregation of privileged foreign, non-privileged foreign, domestic, zone-restricted, and such other merchandise as he/she determines to be subject to special risks to the revenue.

(b) The Operator of the Zone shall keep the Area Port Director's office currently informed as to the location of any merchandise in the zone which is not within the purview of (a) this section, and shall promptly notify the Area Port Director of any loss or damage that may occur to any merchandise in the Zone.

Sec. 4055 - Retail Trade within the Zone

No retail trade shall be conducted within the Zone except as may be approved by the Board and the Area Port Director, with the concurrence from the Grantee. Retail trade can be conducted from an area within the zone grant that has been excluded or removed from activation.

Sec. 4060 - Residence within the 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.

## ARTICLE V

### GENERAL RULES AND REGULATIONS

---

#### Sec. 5000 – Business Hours

The Zone is available to operators and users twenty-four (24) hours a day, every day of the week. However, business to be transacted with the Zone authorities or CBP is confined to the hours of 8:00 a.m. to 4:30 p.m. Monday through Friday, with the exception of Federal and Commonwealth of Puerto Rico holidays.

Merchandise arriving to the Zone after regular business hours may, by special arrangements, be received and placed in a designated location subject to special charges.

#### Sec. 5005 - Indemnification

Each User and independent Operator shall indemnify and hold harmless the Grantee from and against any and all loss, cost (including attorney's fees), damage, expense and liability, (including statutory liability under Workman's Compensation laws) in connection with claims for damages as a result of injury or death of any person or persons or property damages to any property sustained by the independent Operator or User and/or all other persons which arise from or in any manner grow out of any act or neglect on or about the Zone by any independent Operator or User, Operator's or User's partners, agent, employee, customers, invitees, contractor or subcontractor. Additionally, the independent Operator or User shall be responsible for and pay any fines, (including Customs fines, penalties and liquidated damages) penalties, claims, legal fees, suits, or other cost, arising out of any action or omission, accident or any other occurrence at its Zone site and shall hold harmless the Grantee from any and all liabilities and cost arising out of any fines, (including Customs fines, penalties, and liquidated damages), penalties, claims, legal fees, suits or other costs arising out of any action or omission, accident or any other occurrence at the independent Operator or User's Zone Site.

#### Sec. 5010 - Public Interest, Health and Safety

No operation or process of treatment will be permitted in the Zone that, in the judgment of the Grantee, is detrimental to the public interest, health, and safety.

#### Sec. 5015 - Access to the Zone

All persons and vehicles entering or leaving the Zone shall do so through designated entrances or exists within activated areas and must comply at all times with all the requirements of CBP, the Grantee and or Operator relating to ingress to and egress from the Zone.

#### Sec. 5020 - Inspection of Vehicles and People

CBP, Internal Revenue Service or Grantee Officers at the Zone may search and inspect vehicles and individuals entering or exiting the Zone when considered convenient for the purpose of fiscal vigilance.

Pursuant to CBP requirements, unobstructed passage around the entire perimeter of the area must be maintained. Consequently, no fences and/or constructions along the perimeter will be authorized.

#### Sec. 5025 – Customs Supervision

Zone operations are subject to the control of the Customs and Border Protection Agency, exercised mainly through the Area Port Director who shall be in charge of the Zone within the port for purposes of enforcement of the requirements of the Act and Regulations, the Board and CBP requirements for such matters as Zone forms, inventory control systems, cargo security standards and physical security shall be determined by the U.S. Customs regulations.

#### Sec. 5030 - Confidentiality

The Grantee, all Operators and Users will take precaution 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.

## ARTICLE VI

### RULES AND REGULATIONS PERTAINING TO MERCHANDISE

---

#### Sec. 6000 - Packing of Merchandise

The external packing and bottling of merchandise entering or leaving the Zone must be in good condition. Any merchandise entering the Zone in poor packing condition for a public or private warehouse in the Zone will be accepted for storage, but only on condition, that the Zone will not accept any claims that may be filed against it in that regard.

In case of merchandise leaving the Zone in poor packing condition, CBP Officials or authorized official of the Grantee will inspect the packages to determine whether a certificate of shrinkage or damage is necessary.

Merchandise not appropriately packed for ordinary handling, may at the discretion of the Zone, be rejected or repacked at the expense of the shipper, consignee, or their agent.

#### Sec. 6005 - Charges by Government Agencies

Charges made by other government agencies are not included in Zone Charges and the arrangements for the payment of such charges should be made by the owner of the merchandise or its agent.

#### Sec. 6010 - Payment of Rent Charges

The Zone shall not permit withdrawal of merchandise for which its independent Operator, warehouse lessee, owner, importer of record or its agent has not paid the necessary rent charges for storage, handling, etc. However, in instances in which the interested parties are absent from the country and cannot personally satisfy said payment, the Operator may authorize withdrawal of any part of said merchandise that have not paid rent storage charges, etc., providing that there shall remain stored within the Zone in the name of the interested party or firm merchandise of sufficient value to cover any indebtedness for services rendered by the Zone.

Whenever delay shall occur in the payment for services rendered by the Zone, said institution may reserve the right to hold or sell through public auction the merchandise on hand in its warehouses in the name of the debtor to cover the value of the indebtedness together with any expenses and legal interests caused by the delay. Any excess in favor of the debtor shall be held for his account. Nevertheless, said debtor shall be responsible for the payment of any difference in the event of the sale of said merchandise does not provide sufficient revenue to cover the indebtedness.

Rent Storage charges accrue with the first month's storage charge. All Rent Charges for storage or other services are due and payable as they accrue, but bills may be rendered and collected monthly.

#### Sec. 6015 - Application for Zone Accommodation

Application in writing should be filed with the Zone prior to the arrival of merchandise. The application should describe the merchandise fully, both as to type and quantity, country of origin, and should also indicate any foreseeable manipulations that may be contemplated.

#### Sec. 6020 - Tender for Acceptance

All merchandise for Zone acceptance shall be delivered at designated points properly marked and packed and accompanied or preceded by the necessary documents for preserving the identity of such merchandise.

#### Sec. 6025 - Clearing Merchandise and Traffic

Merchandise and land carriers and other users of the Zone, both incoming and outgoing, will have to obtain clearance through the Zone office. This shall be accomplished by presenting all necessary documentation pertaining to the specific merchandise its zone status and origin.

#### Sec. 6030 - Inventory of Merchandise

The Zone Operator and the CBP Agents reserve the right to verify, at any time, the stock merchandise and raw materials stored in any warehouse within the segregated area. If, as a result of such investigation, a shortage is detected upon comparison with records maintained by both the Zone and CBP, it will be necessary for the owner of the warehouse concerned to prepare a CBP Declaration immediately to cover the items found short.

If the investigation discloses an overage when comparison is made with the inventory records maintained by the Zone and CBP, the necessary adjustments will be made following through investigation.

#### Sec. 6035- Abandonment of Merchandise

When the owner or consignee of merchandise renounces ownership or consignment, such merchandise will be considered as abandoned.

Merchandise is considered renounced of ownership or consignment in the following instances:

1. When such renunciation is communicated to the Zone management in writing by the owner or consignee.

2. When the merchandise is owned by the consignee and he/she expressly renounces such consignment without indicating final disposition of the merchandise,
3. When the owner or consignee ignores the Zone requirements for payment of storage or handling services rendered in account of his merchandise.
4. When, in the case of perishable goods, the owner or consignee ignores the instructions of the Zone to remove his/her merchandise for sanitary reasons.

When the merchandise is expressly consigned to the Zone, the possibility of abandonment by renunciation of consignment cannot exist.

#### Sec. 6040 - Disposition of Abandoned Merchandise

When there is evidence of abandonment of merchandise because of the existence of any of the motives listed in the preceding section, the operator or Grantee may declare the merchandise officially abandoned and may give instructions for the inspection of the packages and the preparation of an inventory of the contents. If the abandoned merchandise is considered to have no commercial value, the operator or Grantee with prior approval and in agreement with CBP, shall order its destruction, in which case, it will make a record of such action including all the details involved.

If the merchandise is found to have commercial value, the operator or Grantee shall order the preparation of a file bearing on the case and, after all legal steps are taken, shall indicate by publication in the press the date of the auction when the abandoned merchandise will be sold to the highest bidder.

The proceeds of the auction shall be retained by the Zone for the cancellation of any obligation incurred by the Zone User/Operator because of warehousing, servicing, and legal expenses. The surplus proceeds, if any, will be retained to the credit of the interested party until claimed, providing such claim is made within the time limit set forth by law for the expiration of such credits.

However, in the same manner, the owner of the abandoned merchandise will be held responsible for any sum still owned after the proceeds of the sale are applied against its outstanding obligations.

#### Sec 6045- Consignment of Merchandise

All merchandise entering the segregated areas must be consigned to a natural or juridical person, legally established within the Zone, or one who has obtained previous authorization from the Management to receive and dispatch merchandise. Merchandise may also be consigned to the Zone authority, in which case said Authority shall act, as the owner's shipping agent for the purpose of receiving and forwarding said merchandise.

When owners of said merchandise employ the services of the Zone Operator as agents, the merchandise will be stored and handled in accordance with the orders of the respective owner until such time another party is designated to represent him/her who is acceptable to the Management of the Zone. In such cases, the owner or his/her representative will be responsible to the same manner as if they were consignee of said merchandise.

#### Sec. 6050 - Transfer of Merchandise within the Zone grounds

Transfer of merchandise legally within the segregated area will be permitted among individuals or firms established within said area, provided they are made under CBP supervision and with the approval of the Zone Management. Special forms provided by the Zone will be utilized for these operations.

In the same manner any individual legally established within the Zone may request the release of merchandise, either for exportation or for any other permitted purpose, even though the exporter may not be the original importer of the merchandise, having acquired said merchandise through one of the transfer referred to in the previous paragraph.

#### Sec. 6055 - Liquidation of Duties

The liquidation and payment of duties on imported merchandise withdrawn from the Zone for introduction into the Customs territory of Puerto Rico or the United States, shall be executed in the same manner used for the liquidation of merchandise imported directly from foreign countries.

In order to control this, it shall be necessary for the interested person to present evidence to the Zone Management that the corresponding duties have been paid before authorization will be granted for the withdrawal of the merchandise from the Zone.

#### Sec. 6060 - Liquidation of Manufactured Products

For purposes of liquidation of import duties, manufactured products will be considered to be those which have been completely elaborated in the Zone through transformation of the raw materials used in the process from their original form.

In order to make proper liquidation of manufactured products, as referred to in the preceding paragraph, whether they are completely or only in part manufacture with foreign raw materials, it will be necessary for the manufacturer to supply satisfactory evidence to CBP inspectors with regard to the exact proportion, weight, value, etc., of the different raw materials that are utilized in the manufacture, so that an accurate determination can be made with regard to the amount of import duties involved at the time of importation into the Customs Districts of Puerto Rico and/or the United States.



#### Sec. 6065 - Hazardous Merchandise

Explosive, inflammable and other hazardous merchandise will not be permitted into the Zone unless it complies with all Federal, Commonwealth and Municipal regulations.

The introduction of firearms and/or ammunition or any other article whose importation is prohibited by law or regulation will not be permitted. Anyone who introduces these, or permit other to do so, will be penalized with confiscation of the merchandise, in addition to any other sanctions indicated by law for such offenses.

#### Sec. 6070 - Marking or Labeling

All merchandise handled in the Zone, before entry to Customs territory, must be clearly marked in accordance with CBP Regulations as to the country of origin and in accordance with all other government regulations. No merchandise will be permitted to leave the Zone, for any purpose that carries any false or misleading label or mark. When repacked or labeled in the Zone, the goods should, when possible, be marked to indicate the fact.

#### Sec. 6075 – Transportation of Foreign Merchandise

Transfer of foreign merchandise between Customs territory and the Zone must be made by Customs bonded trucks, or carriers and subject to Customs regulations. Likewise, transfer of foreign merchandise (duty unpaid) to or through Customs territory must be made by Customs bonded trucks, or other carriers, and subject to Customs regulations.

#### Sec. 6080 - Obstructions

Tools, appliances, equipment, vehicles, or any other material or object which is not part of cargo, will not be permitted to remain in the Zone without approval of the Grantee and Operator. If such obstruction is not removed immediately upon notification, it will be removed, stored or sold, and the owner will be charged with the expense incurred. The Grantee and Operator at his discretion may allow storage of such equipment or material in specified places or space may be leased for such purpose.

#### Sec. 6085 - Minimum Charges

a) Extra services in the interest of the User or Operator, such as special Zone space, material, inspections, physical checking, compiling stock statements, collections, revenue stamps, reporting marked weight or numbers, are chargeable to the tenant.

b) Stock statements submitted by the tenant will be checked with the books of the Zone without charge.

### Sec. 6090 - Ownership of Merchandise

For all purposes pertaining to Foreign-Trade Zone operations, the owner of the merchandise stored within the segregated area will be a natural or juridical person whose name appears on the shipping documents covering the entry of merchandise so long as the Operator has not been notified, or has authorized the transfer of said ownership to a third party by reason of sale or endorsement of respective warehouse receipts.

However, when the merchandise has been consigned in the shipping documents to the Zone, the ownership of said merchandise will remain in the name of the owner and all warehousing will be under his/her orders according to the stipulations of Sec. 6045 - Consignment of Merchandise, hereof. In these cases the Zone acts solely as custodian of the merchandise for account of the owner.

### Sec. 6095 - Acceptance of Merchandise

Merchandise will be accepted in the Zone warehouses in accordance with the information appearing on the shipping documents insofar as number of packages, shipping marks, and classification of packing is concerned. Likewise, the Zone will authorize the release of said merchandise in accordance with these data, and it will be the responsibility of the CBP Officials to physically examine the contents of the packages when the fiscal laws require such inspection otherwise Zone Operator's Officers will do the examining and physically count of merchandise.

In the event of change in packing because of processing, rebottling, etc., the Zone Operator and the Zone User will supervise the conduct of these operations in order to record the changes and permit the withdrawal of the merchandise in its new form of packing and any other characteristics which may then be different from when it entered the segregated area.

Whenever circumstances indicate the convenience of opening any package to check its contents because of existing doubts, this inspection must be performed within the segregated area, in the presence of a representative of the Zone, CBP, and the owner of the merchandise or his/her representatives. Should there exists any discrepancy between the declaration and the contents of the packages, and there is reason to believe that such discrepancy is willful, the authorities of the Zone may retain such merchandise and its owner will be subject to the sanctions provided by law for such infringements.

### Sec. 6100 - Delivery Requirements

a) No goods shall be delivered or transferred except upon complete documentation required is submitted.

b) When a negotiable receipt has been issued, no goods covered by that receipt shall be delivered or transferred on the books of the Zone unless the receipt, properly

endorsed is surrendered for cancellation, or for endorsement of partial delivery thereon.

Sec. 6105 - Liabilities

The responsibility of the Zone, in the absence of written provisions, is the reasonable care and diligence required by law.

Sec. 6110 - Package Descriptions

Package descriptions, as well as the name of all commodities shall be given when goods are presented at the Zone.

Sec. 6115 - Open Packages

When goods are accepted in open packages or when original packages are broken for partial delivery, warehousing is at owner's risk of loss or damage.

## ARTICLE VII

### LEASE RULES AND REGULATION

---

#### Sec. 7000 - Operation

The Zone will lease space, upon availability, to properly qualified individuals or companies for assembly, storage, exhibition, warehousing and manipulation purposes. The lease contract will be made upon the terms, covenants and conditions approved by the Federal and Local Laws, Procedures and Regulations.

#### Sec. 7005 – Rent Fees

To be determined by the Board of Directors of The Puerto Rico Trade and Export Company, as per Act No. 323, of December 28, 2003. The Grantee reserves the right to change the rent fee if it's in the public interest of the Company and based upon cost increases. The rent fees will change based upon an analysis of the market rent. Please refer to Exhibit B.

#### Sec. 7010 – Warehouse Lease

The Grantee will permit the use of warehouse space for the purpose of manufacturing, manipulation, processing, handling, exhibition or storage of foreign or domestic merchandise under the supervision of the US Customs and Border Protection and/or Zone Operator.

#### Sec. 7015 – Land Lease

The Grantee will lease land for the purpose of constructing buildings and facilities and open storage when use of such buildings and land involves manufacturing, manipulation, processing, handling, exhibition or storage of foreign and domestic merchandise under the Supervision of CBP.

#### Sec. 7020 – Maintenance

All lessees are directly responsible for the proper maintenance and clean appearance of the buildings and surrounding areas within the Zone, regardless of whether their leases apply to complete or partial buildings or warehouse, including the disposal of trash or garbage in the containers maintained by the lessee in the leased area. If sanitary regulations are ignored, attention may be called for the first offense with instructions to proceed immediately to correct the cause of the infraction. If there is evident negligence or repeated failure to carry out these instructions, the Management may authorize the necessary work, charging the cost of same to the responsible lessee, who will be obligated to pay without delay.

#### Sec. 7025 - Insurance

All lessees will maintain a Public Liability Insurance as well as a Fire Insurance with an insurance company authorized to deal in Puerto Rico and in good standing, in which the lessee as well as the lessor are protected against claims, complaints, injuries or damages caused to a person or property in the premises, as a result of actions, omissions or negligence of the lessee, employees, agents, concessionaries or clients. Said insurance will cover limits of not less than \$1,000,000 in case of a claim, complaint or actions due to injuries or death of a person and \$1,000,000 in the case of injuries or death of several persons; \$1,000,000 in property damages and a General Aggregate, in an amount not less than Two Million Dollars \$2,000,000. All lessees further agree to carry, with companies authorized to do business in Puerto Rico, a Fire Legal Liability Insurance in an amount not less than \$500,000, to procure a "Waiver of Subrogation" and a "Hold Harmless Agreement" in favor of lessor and shall prove that it shall not be subject to cancellation, except after at least ninety (90) days prior written notice to lessor. The lessee must supply lessor with the documentation necessary to prove its existence year to year.

#### Sec. 7030 - Subletting of Space

The subletting of land or warehouses spaces without specific authorization from the Zone is strictly prohibited. Violators may be penalized with the cancellation of their own lease with the Zone and lawfully expelled from occupied space.

#### Sec. 7035 - Installations

The approval of the Zone Management is required before additional installations (electrical, machinery, etc.) are made by the lessee.

Those persons making installations or changes without previous authorization from the Zone will be sanctioned with the suspension of their operations until the Management, or his/her authorized agent, has inspected said installations and finds them proper in all respects.

#### Sec. 7040 - Fire-Fighting Equipment

No person shall obstruct or interfere with the free and easy access to, or remove, or in any manner disturb or tamper with any fire extinguisher, fire hose, fire hydrant, or other fire-fighting apparatus or watchman's key station installed in or upon any property of the Zone.

#### Sec. 7045 - Restricted Signs

Smoking in the Zone will be governed by the Laws and Regulations of the Commonwealth of Puerto Rico.

Persons maliciously ignoring restrictive signs such as 'No Trespassing', 'No Parking', and others, shall be prosecuted to the extent of the law.

## **ARTICLE VIII**

### **FEES AND CHARGES**

---

#### Sec. 8000 – Rates

Operators and Users shall pay PRTEC for services rendered at the rates published on Exhibit B attached to this Schedule. The Grantee reserves the right to change the rates and charges if it's in the public interest of the Company and based upon cost increases. Any other fees, charges or expenses incurred by the Grantee for the purpose of obtaining the FTZ Board approval and or U.S. Customs and Border Protection approval on behalf of a client and not specifically listed in Exhibit C, will be assessed to the client as an additional cost.

#### Sec. 8005 – Non-Payment of Fees

PRTEC reserves the right to terminate any Operating Agreement or otherwise deny any Operator or User the use of the Zone as a result of the Operator or User's failure to pay fees; including but not limited to rent, operating agreement fees or any other fees due to the Grantee, as provided in this Schedule.

**APPENDIX A**

The Zone area consists of twenty three (23) sites which are:

	<b>Acres</b>	<b>Corporate Name, Location and Sunset Provision, if applicable</b>
<b>Site 1</b>	223.47	
Parcel A		International Trade Center Grounds, Highway 165, Km. 2.4
Parcel B		Tract of Undeveloped Land, Intersection of State Rd. 22 and State Rd. 28
Parcel C		Tract of Developed Land, at Highway 28, and Caño Avenue
Parcel D		Amelia Distribution Center, Intersection of Highway 165 and Amelia Street
Parcel E		Warehouse Building, within the International Trade Center Grounds (T-2) Cardinal Health
<b>SITE 2</b>	11	Able Sales, Inc. - North Distribution Center, located at Km. 1.1 on Highway 869, Cataño (T-4)
<b>SITE 3</b>	15	Sojitz – Avenue Highway 165, Los Conquistadores, Cataño
<b>SITE 5</b>	16.43	Corujo Industrial Park
Parcel A		Rd 866, Km. 1.7, Hato Tejas Puerto Rico Wire, Inc.
Parcel B		Casco Sales Co., Inc. Rd 865, Km 5.4, Candelario Ward, Toa Baja, Bayamon
Parcel C		Abra St. Estrecha, Lot 1A, Hato Tejas, Bayamon
Parcel D		PRAMAC Group, Rd #2, Km 15.8, Barrio Hato Tejas, Bayamon
Parcel E		Bella International Rd #2, Km 15.0 Marginal

		Norte, Bayamon
<b>SITE 6</b>	4	GIB Development – Warehouse and Distribution Center Highway 2 one mile East of State Rd 165, Toa Baja
<b>SITE 7</b>	2	Garaje Isla Verde, Inc. - Baldorioty de Castro Warehouse and Distribution Center, Km. 10.3, Baldorioty de Castro Avenue, Carolina
<b>SITE 8</b>	5	VWR Advance Instruments, LLC - Manatí Chemical Warehouse, Highway 686, and 670, Manatí
<b>SITE 9</b>	7	Allied Logistics, Corp. - Km. 28.6 on Highway 1, Caguas
<b>SITE 10</b>	15	Gomez Hermanos - JF Kennedy Avenue and Km. 3.9, San Juan
<b>SITE 11</b>	32	Mayaguez Regional Distribution Center - 201 Algarrobo Avenue, Mayaguez
<b>SITE 12</b>	4.4	Yabucoa Industrial Park - Highway 901, and Highway 53, Yabucoa
<b>SITE 13</b>	3	Benitez Group & Sedeco Discount, Inc. – State Rd 3, Km 77.2, Barrio Abajo, Humacao
<b>SITE 14</b>	5.96	Angora Industrial Park - Rd. #1, Km. 32.6, Bairoa Avenue, Caguas
<b>SITE 15</b>	9.69	Royal Industrial Park - Rd. 869 , Km. 32.6, Bairoa Avenue, Caguas
<b>SITE 16</b>	.78	Benitez Auto – Benitez Commercial Complex – Rd 1, Km. 32.9, Bairoa Avenue, Caguas
<b>SITE 17</b>	7	GIB Development - Warehouse Building – Rd 5, Km. 4.0, Barrio Palmas, Cataño
<b>SITE 18</b>	300.6	Yabucoa Industrial Park - Highway 901, and Highway 53, Yabucoa
<b>SITE 19</b>	1.95	Rams Import - Palmas Industrial Zone – Rd. 869, Km 2.0, Cataño
	2.25	Caguas Express Way - Warehouse Storage



<b>SITE 20</b>		Facility – State Rd 1, Km 30.6, Caguas
<b>SITE 21</b>	5.11	Mercado Central – C St. Puerto Nuevo, San Juan
<b>SITE 22</b>	1.17	Autogermana, Inc. – Hato Rey Industrial Park, Cesar Gonzalez Ave. San Juan
<b>SITE 23</b>	16.9	Rooms to Go - Rd 2, Km 19.1, Candelario Ward, Toa Baja
<b>SITE 24</b>	1,124.03	Rafael Hernandez Airport - Aguadilla
<b>SITE 26</b>	4.49	Aceros de America - State Rd 1, Km 25.0, Rio Piedras, San Juan

Among Site 1 and Site 11 are eighteen (18) warehouse buildings property of the Puerto Rico Trade and Export Company - San Juan Foreign Trade Zone among others privately owned. The buildings owned and constructed by the Grantee, are steel structured buildings with exterior masonry walls. These buildings have a continuous and ample (13 feet deep) loading dock, and are fully equipped with sprinkle system.

The San Juan Foreign-Trade Zone is sponsoring (10) subzones throughout the Island.

<u>No.</u>	<u>Company Name</u>	<u>Status</u>
61A	Pfizer Pharmaceutical LLC	Active
61D	Merck Sharp & Dohme, Inc.	Active
61E	Merck Sharp & Dohme	Active
61H	Baxter Caribe, Inc.	Active
61I	Buckeye Caribbean Terminal, LLC	Active
61J	Pepsi-Cola Manufacturing International, Limited	Active
61K	Pfizer Pharmaceuticals, Inc.	Non-Active
61L	Coamo Property & Investment, LLC	Active
61M	Sea World, Inc.	Active
61N	Janssen Ortho, LLC.	Active

**APPENDIX B**

**I –North Area**

**A. International Trade Center**

Space	Rent Fees
Office Space	\$12.00 sq. ft. - \$12.50 sq. ft.
Warehouse Space	\$8.50 sq. ft.
Phase I Building	\$7.50 sq. ft.
Land	\$8.00 sq. mt.

**B. Land Next to the De Diego Expressway 42.440 CUERDAS**

Space	Rent Fees
Land	1 <sup>st</sup> year: \$16,000.00 cuerda 2 <sup>ndo</sup> year: \$16,000.00 cuerda 3 <sup>er</sup> year: \$16,000.00 cuerda 4 <sup>th</sup> year: \$16,480.00 cuerda 5 <sup>th</sup> year: \$16,974.00 cuerda

**II – South Area**

**A. Regional Distribution Center Ponce**

Space	Rent Fees
Office Space	\$11.00 sq. ft. for office space of 1,750 sq. sf. or less  \$9.00 sq. ft. for office space greater than 1,750 sq. sf.
Warehouse Space	\$4.00 sq. ft.

**II – West Area**

**A. Regional Distribution Center Mayaguez**

Space	Rent Fees
Commercial Space – Office Space	\$9.00 sq. ft. for commercial and office space of 1,750 sq. sf. or less  \$7.00 sq. ft. for commercial and office space greater than 1,750 sq. sf.
Warehouse Space	\$3.75 sq. ft.

## APPENDIX C

### SCHEDULE OF FEES AND CHARGES

The Grantee reserves the right to change the rates and charges if it's in the public interest of the Company and based upon cost increases. Any fees enumerated herein shall be due and payable in addition to any fee required by any other local, state or federal agency, and/or other fees associated with any other agreement in effect with PRTEC.

#### I. General Purpose Zone

a) Activation Processing Fee \$1,000.00

This fee does not include actual preparation of the General Purpose Zone/Operator/Facility/Site's Activation Application to US Customs and Border Protection. It includes expenses for preparation and processing of the General Purpose Zone Operation Agreement, providing the Grantee Concurrence Letter to Customs, and any necessary Grantee support required in the Customs Activation Process.

#### b) Inventory Monthly Control Fee:

(i) Alternative Inventory Control System, Unique Identifier System – \$285.00 includes 20 inventory transactions per month (tallies), additional tallies will be charge at \$4.00 per tally.

(ii) Master System - \$700.00 includes 100 inventory transactions per month (tallies); additional transactions will be charge at \$1.50 per transaction.

#### II. Sub-Zones and Special Purpose Zones

c) Application Processing Fee \$5,000.00

This fee does not include actual preparation of the Sub-Zone and Special Purpose Zone/Operator/Facility/Site's Application. It includes expenses for obtaining the necessary approvals/resolutions for the Sub-Zone and Special Purpose Zone/Operator/Facility/Site, submission of the Application to the Foreign –Trade Zone Board and any necessary support required in the Application process.

d) Activation Processing Fee \$1,500.00

This fee does not include actual preparation of the Sub-Zone and Special Purpose Zone /Operator/Facility/Site's Activation Application to US Customs and Border Protection. It includes expenses for preparation and processing of the Sub-Zone and Special Purpose Zone Operation Agreement, providing the Grantee Concurrence Letter to Customs, and any necessary Grantee support required in the Customs Activation Process.

e) Annual Fee \$30,000.00

f) Inactive Site Annual Fee \$1,500.00

III. Zone Sites

g) Application Processing Fee \$3,000.00

This fee does not include actual preparation of the General Purpose Zone/Operator/Facility/Site's Application. It includes expenses for obtaining the necessary approvals/resolutions for the Zone Site/Zone Operator/Facility/Site, submission of the Application to the Foreign –Trade Zone Board and any necessary support required in the Application process.

h) Activation Processing Fee \$2,500.00

This fee does not include actual preparation of the Zone Site/Operator/Facility/Site's Activation Application to US Customs and Border Protection. It includes expenses for preparation and processing of the Zone Site Operation Agreement, providing the Grantee Concurrence Letter to Customs, and any necessary Grantee support required in the Customs Activation Process.

i) Annual Fee \$10,000.00

j) Inactive Site Annual Fee \$1,500.00

IV. Other Fees and Charges

k) Expansion Application \$1,000.00

This fee does not include actual preparation of the General Purpose Zone/Operator/Facility/Site's Expansion Application. It includes expenses for obtaining the necessary approvals/resolutions for the General Purpose Zone Operator/Facility/Site, submission of the Application to the Foreign –Trade Zone Board and any necessary support required in the Application process.

l) Expansion Activation \$1,000.00

This fee does not include actual preparation of the General Purpose Zone/Operator/Facility/Site's Expansion Activation Application to US Customs and Border Protection. It includes expenses for preparation and processing of the General Purpose Zone Operation Agreement, providing the Grantee Concurrence Letter to Customs, and any necessary Grantee support required in the Customs Activation Process.

m) Request for Boundary Modification \$1,000.00

Any other fees, charges or expenses incurred by Grantee for the purpose of obtaining FTZ Board approval and or U.S. Customs and Border Protection approval on behalf of client and not specifically listed herein, will be assessed to client at cost.