

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.

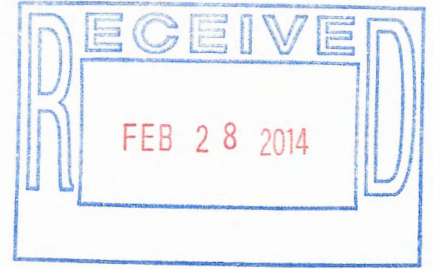
Complaints about a grantee’s compliance with statutory and regulatory requirements related to public utility and uniform treatment – including rate or charge amounts/formulas, a grantee assessing a rate or charge amount/formula that does not appear in its zone schedule, and a grantee not affording uniform 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.



Spokane International Airport
BUSINESS PARK AND FELTS FIELD

9000 West Airport Drive, Suite 204
Spokane, Washington 99224
(509) 455-6455
spokaneairports.net



February 26, 2014

Mr. Andrew McGilvray
Executive Secretary and Staff Director
Foreign-Trade Zones Board
U.S. Department of Commerce
1401 Constitution Avenue, NW
Washington, DC 20230

Dear Mr. McGilvray:

Pursuant to 15 CFR 400.44, please find the attached copy of the Zone Schedule for Foreign-Trade Zone No. 224 located in Spokane, Washington and Inland Empire Distribution System's, the Zone operator in Site 4, supplemental services rates and charges.

If you have any further questions or if we can provide you with any additional clarification, please contact me at 509-455-6470 direct office or email, todd.woodard@spokaneairports.net.

Sincerely,

Todd S. Woodard
Director, Marketing/Public Relations

Attachment

Spokane Airports

TARIFF NO. 004

FTZ RELATED RATES, CHARGES, RULES AND REGULATIONS

Applying at

FOREIGN-TRADE ZONE No. 224

Operating under the Grant of Authority issued by the
Foreign-Trade Zones Board
to the Spokane Airport Board
on behalf of the City and County of Spokane

Tariff No. 004 supercedes Tariff No. 003 that was issued on January 23, 2004

ISSUED: November 1, 2011
EFFECTIVE: November 1, 2011
ISSUED BY: Spokane Airports

TARIFF NO. 004

**SPOKANE AIRPORTS
FOREIGN-TRADE ZONE No. 224**

GRANTEE OFFICE

**Spokane Airports
9000 West Airport Drive, Suite No.204
Spokane, WA 99224**

TABLE OF CONTENTS

TITLE PAGE	1
ZONE SCHEDULE HISTORY AND GRANTEE LOCATION	2
TABLE OF CONTENTS	3-4
BACKGROUND ON FTZS IN GENERAL AND FTZ NO 224 SPECIFICALLY	5
DEFINITION OF TERMS	5-7
FOREIGN TRADE ZONE FORMS	8
HOLIDAYS	8
DEFINITION OF PRIVILEGES OF FOREIGN-TRADE ZONES	9-11
APPLICATION OF TARIFF	
Zone to be operated under public utility principles	11
Application of Foreign-Trade Zone No. 224 Tariff.....	11
General Regulations.....	11
United States Customs Regulations	12
Application and Interpretation of Tariff.....	12
SECTION 1 - OPERATION OF ZONE	
Operations, Forms and Procedures - General	12
Merchandise Permitted in a Zone.....	12
Disposition of Merchandise in a Zone.....	13
Manipulation, Manufacture, Exhibition of Merchandise	13
Residence within a Zone	14
Status of Merchandise in a Zone	14
Use of Zone by Carriers	14
Subsequent Importation of Zone Merchandise	15
Exclusion from Zone of Goods or Process of Treatment.....	15
Retail Trade within Zone.....	15
Payment of CBP Officers and Employees	15
Charges by Other Government Agencies	16
Payment of Zone Personnel	16
Hours of Business and Service.....	16

SECTION 2 - GENERAL RULES AND REGULATIONS

Zone Regulations17
General Regulations.....17
Government Agencies17
Compensation Insurance.....17
Public Interest, Health and Safety17
Confidential Relationship.....17
Admittance of Employees and Persons Entering and Leaving Zone.....17
When Charges are Payable18
Merchandise held for Charges.....18
Enforcement of Charges.....18
Special Services.....18
Insurance18
Limit of Liability.....19

SECTION 3 - SPECIAL RULES PERTAINING TO MERCHANDISE

Zone Accommodations.....19
Permission to Manipulate, Manufacture and Process19
Tender of Acceptance20
Clearing Merchandise and Traffic.....20
Customs Bond.....20
Customs Permit.....20
Marking20
Trucking and Lighterage.....20
CBP Inspection of Merchandise While in Zone.....20

SECTION 4 - GRANTEE FEES

Application Fee21
Activation Fee21
Deactivation Fee21
Annual Administration Fee21

NOTE: Additional sections will be maintained by each Operator per zone site. It is understood that there may be multiple zone operators.

BACKGROUND ON FTZS IN GENERAL AND FTZ NO. 224 SPECICALLY

FOREIGN-TRADE ZONES IN GENERAL:

Foreign-trade zones (FTZs) were created by the Foreign-Trade Zones Act of 1934 ("the FTZ Act") for the purpose of expediting and encouraging foreign commerce. Changes to the FTZ Act in 1950 that permitted manufacturing and exhibiting in FTZs have broadened the objectives of the program. FTZs are secured areas under U.S. Customs and Border Protection (CBP) supervision that are considered outside the Customs territory of the United States. Merchandise may be moved into an FTZ for storage, exhibition, manufacture, or other operations not otherwise prohibited by law. Customs duties on foreign merchandise are not collected until the merchandise is entered into the U.S. Customs territory.

THE SPOKANE FOREIGN-TRADE ZONE, FTZ NO. 224:

The Spokane Foreign-Trade Zone, FTZ No. 224 was established by Board Order 909, dated August 1, 1987 with the Spokane Airport Board functioning as the Grantee. FTZ No. 224 is comprised of 3 sites totaling 5,710 acres in Spokane, Washington. Site 1 encompasses 4,700 acres located at the Spokane International Airport at West 9000 Airport Drive; Site 2 encompasses 600 acres located at the Spokane International Airport Business Park at Airport Corporate Center, South 3707 Godfrey Boulevard; Site 3 encompasses 403 acres located at Felts Field Airport at East 6105 Rutter Avenue, and Site 4 encompasses 7.4 acres (324,220 sq. ft.) - Bldgs. 15, 20, 24, 31, 32 at the Spokane Industrial Park, 3808 North Sullivan Road.

DEFINITION OF TERMS

ACT - The Foreign-Trade Zones Act of June 18, 1934 (48. Stat. 998-1003; 19 U.S.C. 81a-81u), as amended.

ACTIVATION-- Filing of an application with CBP by the Operator, with Grantee's concurrence, results in the actual utilization of an FTZ eligible site as an FTZ.

BOARD - The Foreign-Trade Zones Board created by the ACT to carry out the provisions thereof. The Board shall consist of the Secretary of Commerce, who shall be the Chairman and the Secretary of the Treasury. These officials or their designee are empowered to issue to appropriate applicants the grant of authority to establish, maintain and operate a Foreign Trade Zone project.

BULK - In trade, a product or a mass (of a product) which is not packaged, bundled, bottled, or otherwise packed, so that it is designated as bulk or bulk merchandise.

CUSTOMS TERRITORY - The territory of the United States in which the general tariff law of the United States applies. A Foreign-Trade Zone is not considered within the Customs territory of the United States.

DOMESTIC STATUS MERCHANDISE -- Merchandise produced in the United States or imported merchandise for which customs duties have already been paid.

FOREIGN STATUS MERCHANDISE - Imported merchandise of every description (except articles specifically and absolutely prohibited by statute) which has not been properly released from Customs custody into Customs territory.

FTZ ELIGIBILITY -- Issuance of a Grant by the FTZ Board results in designated area obtaining FTZ eligibility.

GRANTEE -- The corporation to which the privilege of establishing, operating, and maintaining a foreign-trade zone has been granted. The Spokane Airport Board is the Grantee of No. 224.

MANIPULATION - The breaking up, repackaging, assembling, distributing, sorting, grading, cleaning, mixing with foreign or domestic merchandise, or other activities which do not constitute processing or manufacturing.

NON-PRIVILEGED FOREIGN STATUS MERCHANDISE -- Imported merchandise that has not cleared CBP and for which the User does not wish said merchandise to retain its identity, from a customs classification standpoint, so that if altered, it will become classifiable in its condition when it enters the Customs territory of the United States.

OPEN OR YARD STORAGE - The keeping of merchandise on open space within the fenced-in area of the Foreign-Trade Zone where merchandise not requiring weather protection may be stored.

PORT DIRECTOR OF CUSTOMS AND BORDER PROTECTION (CBP) -- CBP official with responsibility for overseeing the activation and operations of zone projects within his customs port of entry. For FTZ No. 224 it is the CBP Port Director in Spokane, WA.

PRIVILEGED FOREIGN STATUS MERCHANDISE -- Imported merchandise that has not cleared CBP and for which the User wishes said merchandise to retain its identity, from a customs classification standpoint, regardless of its condition when it ultimately enters the Customs territory of the United States.

PROCEDURES MANUAL -- The Operator will provide the CBP Port Director with an English language copy of its written inventory control and recordkeeping systems which is known as a Procedures Manual and all subsequent changes thereto. The Operator may authorize a zone user to maintain its individual inventory control and recordkeeping system

and Procedures Manual, however, the Operator remains responsible to CBP and liable under its bond for supervision, defects in, or failures of such a system.

QUANTITY - The numerical count of the units composing a shipment of commodity

SECRETARY - The Secretary of Commerce

STORAGE - The keeping of merchandise in or upon the premises within the Foreign-Trade Zone. Covered storage means keeping within a covered and enclosed structure affording weather protection. The term "storage", without other designation, ordinarily implies covered storage.

SUBZONE -- A special purpose zone established as an adjunct to a zone project for a limited purpose.

TON - The weight ton of 2,000 pounds, unless otherwise indicated.

UNIT OR QUANTITY - The customary grouping of a commodity as to indicate the medium or method of measure.

UNITED STATES - The several States, The District of Columbia, and Puerto Rico. The term "United States" includes all territories and possessions of the United States, except the Virgin Islands, American Samoa, Wake Island, Midway Islands, Kingman Reef, and the Island of Guam.

USER/CLIENT - An individual, company or corporation, utilizing the services and/or facilities of Foreign-Trade Zone No.224.

WAREHOUSE - A covered and enclosed structure, affording weather protection, used primarily for short or long term storage of merchandise, and often containing business offices. In a Foreign-Trade Zone it also is used for manipulation, manufacture, and exhibition of merchandise.

WEIGHT - The gross weight of the merchandise including container, except as noted to the contrary

ZONE - A Foreign-Trade Zone and in the case of the Spokane Foreign Trade Zone, FTZ No.224.

ZONE OPERATOR – The corporation, partnership, or person that operates a zone or subzone under the terms of an Agreement with the Grantee. Where used in this part, the term "Operator" also applies to a "Grantee" that operates its own zone.

ZONE RESTRICTED MERCHANDISE -- Merchandise which cannot re-enter the U.S. Customs territory.

FOREIGN-TRADE ZONE FORMS

CPB FORM 214 -- Document prepared by the User, signed by the Operator and approved by CBP, which authorizes the admission of merchandise into a FTZ and designates the status of the merchandise.

CBP FORM 216 -- Document prepared by the Operator and approved by CBP, which authorizes the User to engage in certain activities within the FTZ such as manipulation, repair, destruction and manufacture.

CBP FORM 3461 -- Document prepared by the User, which must be approved by CBP and furnished to the Operator prior to the physical removal of any merchandise from the FTZ into the Customs territory of the United States.

CBP FORM 7512 -- Document prepared by the User, which must be approved by CBP and furnished to the Operator prior to the physical removal of any merchandise from the FTZ for exportation of merchandise from the United States.

HOLIDAYS

Those legal holidays during which the Grantee/Operator are closed for regular business:

New Year's Day	1st of January
Martin Luther King, Jr. Day	15th of January
President's Day	3rd Monday of February
Memorial Day	Last Monday in May
Independence Day	4th of July
Labor Day	1st Monday of September
Veteran's Day	2nd Monday in November
Thanksgiving Day	4th Thursday in November
Day Following Thanksgiving	4th Friday in November
Christmas Day	25th of December

Holidays falling on Saturday shall be observed on Friday.

Holidays falling on Sunday shall be observed on Monday.

Holidays subject to change.

APPLICATION OF TARIFF

ZONE TO BE OPERATED UNDER PUBLIC UTILITY PRINCIPLES

All rates and charges for all services or privileges within the Zone shall be fair and reasonable, and the Grantee and Operator shall afford to all who may apply for the use of the Zone and its' facilities and appurtenances uniform treatment under like conditions, subject to such treaties or commercial conventions as are now in force or may hereafter be made from time to time by the United States with foreign governments. (15 CFR, Chapter IV, Part 400, Section 1003a)

APPLICATION OF FOREIGN-TRADE ZONE NO. 004 TARIFF

The rules, regulations and rates of this tariff shall apply at General Purpose Foreign-Trade Zone No.224, subzones of FTZ No. 224 and annexes unless otherwise provided.

GENERAL REGULATIONS

Foreign-Trade Zone No.224 is regulated by the Foreign-Trade Zones Board, Washington, DC, under U.S. Code of Federal Regulations, 15 CFR Part 400. Copies of these regulations are maintained at the Foreign-Trade Zone No. 224 office for reference.

UNITED STATES CUSTOMS REGULATIONS

Foreign-Trade Zone No.224 is subject to special Customs Regulations as defined in U.S. Code of Federal Regulations, 19 CFR Part 146 - Foreign-Trade Zones. Copies of these Regulations are maintained at the office of Foreign-Trade Zone No.224, for reference.

APPLICATION AND INTERPRETATION OF TARIFF

The Grantee shall (be the sole judge to) interpret and determine the applicability of any of the rates, rules and regulations or services provided for in this Tariff. However, any matter involving interpretation or action by CBP or other agency of the U.S. Government will be determined by the Port Director of CBP or his duly appointed representative.

SECTION 1 - OPERATION OF ZONE

OPERATIONS, FORMS AND PROCEDURES – GENERAL

The merchandise and operations permitted in a Zone, the disposition of merchandise in a Zone, the Zone status of the merchandise and special provisions applicable to each status, the subsequent export-importation of merchandise removed from a Zone, and other operations in a Zone authorized by the Act, are hereinafter in this section generally described.

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 Customs laws of the United States, except as otherwise provided in the Act and the regulations made thereunder, be brought into a zone.

- (a) Merchandise which is specifically and absolutely prohibited by law shall not be admitted into a Zone. Any merchandise so prohibited by law which is found within a Zone shall be disposed of in the manner provided for in 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 and 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. Port Directors of CBP are required to exclude the first class of articles and may not

permit them to be transferred to a Zone if they are aware of their prohibited status, except that the 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 the second class to a Zone is subject to any requirements of the Federal agency concerned. There is no prohibition against placing over-quota merchandise in a Zone pending its' right to transfer to Customs territory pursuant to the applicable quota provisions.

- (b) The application for the admission of merchandise into a Zone shall be approved or disapproved by the Port Director as the representative of the Board, where the merchandise is not excluded by any other Federal agency having jurisdiction over the merchandise.

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 therefore, 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.

MANIPULATION, MANUFACTURE, 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 Act, be stored, sold exhibited, broken up, repackaged, assembled, distributed, sorted, graded, cleaned, mixed with foreign and domestic merchandise, or otherwise provided by the Act.

- (a) Permission for any manipulation, or exhibition in a Zone shall be obtained from the CBP Port Director, as the representatives of the Board, subject to such application and procedure prescribed by the Secretary of the Treasury for the protection of the revenue.
- (b) In the event of the denial of any application by the CBP Port Director for any reason, the applicant, the Grantee, or the Operator of the Zone may appeal the adverse ruling of the Board. If any revenue protection considerations are involved in such an 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 a Zone except Federal, State, or Municipal officers or agents whose resident presence is deemed necessary by the Board.

STATUS OF MERCHANDISE IN A ZONE

- (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
- (b) of this Section, shall be given a Zone Status as:
 - (1) privileged foreign merchandise,
 - (2) non-privileged foreign merchandise,
 - (3) zone-restricted merchandise,
 - (4) domestic merchandise,

In accordance with Subpart C of the Customs Regulations:

- (c) 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 Zone Act, but shall be treated in all respects all through 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.

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.

SUBSEQUENT IMPORTATION OF ZONE MERCHANDISE

Articles produced, processed or manufactured in a Zone and exported therefrom shall on subsequent importation into the Customs territory of the United States, be subject to the import laws applicable to like articles manufactured in a foreign country, except that articles produced, processed or manufactured in a Zone exclusively with the use of domestic merchandise, the identity of which has been maintained in accordance with the Second Proviso of Section 3 of the Act, as amended may, on such importation, be entered as American goods returned.

EXCLUSION FROM ZONE OF GOODS OR PROCESS OF TREATMENT

When it shall be reported to the Board that any goods or process of treatment is detrimental to the public interest, health or safety, the Board shall cause such investigation to be made as it may deem necessary. The Board may order the exclusion from the Zone of any goods or process of treatment that in its' judgment is detrimental to the public interest, health, or safety.

RETAIL TRADE WITHIN ZONE

No retail trade shall be conducted within a Zone except under permits issued by the 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 Customs territory. Permits which are sent to the Board for approval shall be accompanied by 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 the kinds specifically authorized by the Act, which are brought into the Zone from Customs 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 in the political jurisdiction in which the Zone is located. If the permittee violates any provision of the regulations of this Section, his permit shall be revoked by the Grantee, who shall immediately report such action to the Board.

PAYMENT OF CBP OFFICERS AND EMPLOYEES

- (a) The cost of maintaining the CBP service for a Zone shall be the responsibility of the Operator.
- (b) CBP officers and employees performing services in a Zone at night, or on Sunday and holidays, shall receive extra compensation, to be computed as and under the conditions prescribed by Customs Regulations and such charges shall in turn be billed to Zone user for which charges were incurred.

- (c) In a Zone, where customary working hours are other than those herein mentioned, the CBP Port Director is authorized to regulate the hours of CBP officers and employees assigned to the Zone so as to agree with prevailing working hours, but nothing herein shall be construed in any manner to affect or alter the length of a working day for CBP officer or employees, or the overtime pay.
- (d) Overtime or shift work requested to be set up by Zone user, resulting in additional CBP costs, shall be billed by the Operator to the requesting user for reimbursement of cost.
- (e) The costs of operating and maintaining the requisite computerized inventory control recordkeeping systems and computerized interface with CBP shall be the responsibility of the Operator.

CHARGES BY OTHER GOVERNMENT AGENCIES

Charges made by government agencies that are not included in this Tariff should be arranged for and paid by the Operator and/or the user/client that requires and uses such services.

PAYMENT OF ZONE PERSONNEL

Overtime or shift work requested by a Operator, resulting in overtime services of Grantee or Operator (excluding normal security personnel) shall be billed to the Operator for reimbursement of cost.

HOURS OF BUSINESS AND SERVICE

The Grantee's and Operator's hours of business and service, for Customs purposes, shall be the same as those prescribed in Customs Regulations.

The Grantee and Operator shall be available for business activities on a 24-hour basis. Regular or normal business hours shall be between the hours of 8:00am and 4:30pm, Monday through Friday. Hours requested by Operator/User outside of these regular hours shall be subject to additional fees.

The Zone may be opened at other times, on an irregular or regular basis, upon application and with approval of the Grantee, Operator and CBP officials.

CBP service will not normally be available during the period of 12:00 noon to 1:00pm.

SECTION 2 - GENERAL RULES AND REGULATIONS

ZONE REGULATIONS

The following rules governing procedures within the Foreign-Trade Zone are in conformity with and supplementary to the Foreign-Trade Zone Board's regulations and such of the United States laws and regulations relating to the Port of Entry as are applicable.

GENERAL REGULATIONS

All persons and merchandise of every description entering or leaving the Zone for any purpose whatsoever shall be bound by the lawful regulations of the Foreign-Trade Zones Board and by the regulations issued thereunder.

GOVERNMENT AGENCIES

All lawful regulations regarding government agencies in or about ports of entry must be complied with insofar as they are not in conflict with Public Law 397 of the 73rd Congress and the regulations issued thereunder.

COMPENSATION INSURANCE

Every person employed by contractors or CBP in the Zone shall be properly covered by Workmen's Compensation Insurance. Proof of this shall be furnished before work may be started or release of liability must be given to the Grantee.

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.

CONFIDENTIAL RELATIONSHIP

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

ADMITTANCE OF EMPLOYEES AND PERSONS ENTERING AND LEAVING ZONE

Employees and other persons entering or leaving the Zone site shall only use the designated entrance(s). Anyone entering or leaving the Zone may be subject to physical examination as the CBP Port Director deems necessary, or at the request of

the Grantee. Anyone entering the Zone for whatever reason shall adhere to the Foreign-Trade Zone Board regulations, Customs Regulations and the rules and regulations issued by the Grantee, Operator of the Zone.

WHEN CHARGES ARE PAYABLE

Zone charges are due and payable as they accrue.

MERCHANDISE HELD FOR CHARGES

The Operator reserves the right to withhold permission to withdraw merchandise from the Zone for users with unpaid charges for Zone use.

ENFORCEMENT OF CHARGES

For the purpose of enforcing the payment of charges named in this schedule on merchandise handled over, or manipulated on the Zone facilities, the Zone may take possession of such merchandise, and may remove and store same at the charge, risk and expense of the owner or consignee thereof and/or may sell the goods by public auction, and/or such other remedies as may be provided by law.

SPECIAL SERVICES

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

The cost of CBP personnel for CBP services at special purpose Subzone, which may, from time-to-time, be authorized shall be subject to the prior arrangement of cost between the Grantee and user of special purpose Subzone.

INSURANCE

Insurance must be carried by Operator on its' own property only and does not include insurance on the contents stored therein. Lessee is obligated to put nothing within the Zone which will cause the cancellation or forfeiture of the insurance or affect the premium rate thereof on the building or buildings of which the leased premises forms a part. Insurance on commodities or other property stored on the leased premises, if desired, must be carried by and at the expense of Lessee or Owner of the commodities or other properties. Merchandise stored, manipulated or transferred within the Zone is not insured by the Grantee or Operator and the Zone Tariff rates do not include insurance on merchandise.

LIMIT OF LIABILITY

Neither the Grantee, nor Operator will be responsible for loss or damage caused by fire, explosion, heat, dampness, leakage, the elements, evaporation, natural shrinkage, wastage, or decay, animals, rats, mice or other rodents, moths, weevil or other insects, leakage or discharge from fire protection systems, collapse of building structures, breakdown of plant machinery or equipment, Acts of God, the Public Enemy, the inherent nature of the merchandise itself nor will it be answerable for any loss, damage, or delay arising from the insufficient notifications, nor from war, insurrection, shortage of labor, combinations, riots or strikes of any persons in its employee or in the service of others or from any consequences arising therefrom.

In performing the service of checking, neither the Grantee, Administrator or Operator will accept responsibility for concealed damage or for the condition of contents of packages, cases or other containers, whether or not receipts issued to state.

Neither the Grantee, nor Operator will be responsible for any loss or damage arising from or occasioned by any misunderstanding of orders or instructions received or taken by telephone from the Zone users.

All liability for duties, taxes or penalties due any agency of the United States Government and arising from the utilization of Zone premises shall be borne by the Zone user, including any duty, taxes or penalties on merchandise which is pilfered, lost, damaged or otherwise not accounted for to the satisfaction of CBP, for which the Zone user may be liable.

SECTION 3 - SPECIAL RULES PERTAINING TO MERCHANDISE

ZONE ACCOMMODATIONS

Before merchandise may be admitted into the Zone, applications on CBP Form 214 must be completed by Zone user or his agent, filed and approved by the Zone Operator and with the authorized CBP personnel.

PERMISSION TO MANIPULATE, MANUFACTURE AND PROCESS

Before merchandise may be manipulated within the Zone, application on CBP Form 216 must be presented to the Operator for concurrence. The Operator will then forward the application to the CBP Port Director. On approval by the Port Director, the contemplated manipulation will then be permitted.

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.

CLEARING MERCHANDISE AND TRAFFIC

Merchandise, land carriers and other users of the Zone, both incoming and outgoing must obtain clearance from the Operator.

CUSTOMS BOND

The Operator maintains, for Customs purposes, a Customs Bond (301) as a guarantee for the payment of all duties and taxes on such merchandise as may be removed from the Zone without a proper Customs permit or otherwise missing from the Zone.

CUSTOMS PERMIT

Merchandise will not be delivered to or through Customs territory unless a delivery order is accompanied by Customs permit.

MARKING

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

TRUCKING AND LIGHTERAGE

Transfer of foreign status merchandise between points of unloading and the Zone must be made by Customs bonded trucks or other bonded carriers and subject to Customs Regulations.

CBP INSPECTION OF MERCHANDISE WHILE IN ZONE

The Operator, consignee or zone user/client, or his agent, shall at all times be immediately available to make the merchandise subject to inspection required by CBP and shall have the sole responsibility of opening crates and packages, handling the merchandise and securing the crates and packages following the inspection.

SECTION 4 - GRANTEE FEES

All Application, Activation, and Annual Administrative fees will be waived for the first three users and/or operators of FTZ No 224 subject to review after twenty-four months effective following the execution of the Operator's Agreements.

APPLICATION FEE:	Boundary Modification - minor	\$2500.00
	Boundary Modification - major	\$5000.00
	Production Notification/Authorization	\$2500.00
	Sub-Zones	\$5000.00
ACTIVATION FEE:	All Sites	\$2500.00
DEACTIVATION FEE:	All Sites	\$2500.00
ANNUAL ADMINISTRATION FEE:	General Purpose Site	\$2500.00
	Sub-Zone	\$5000.00

Supplemental Services
Inland Empire Distribution Systems, Inc.

Clerical Services:

1. Withdrawal Order	\$4.75 min. (or \$0.38/line item)
2. Shipping Service–Common Carrier	\$2.80
3. Will call-Customer pick up	\$4.10
4. Clerical Labor.....	\$36.25 per hr
5. Overtime Clerical Labor.....	\$45.00 per hr
6. Order in Process Change (add-on, delete, etc.)	\$40.00 per change
7. Inventory Reporting Charge.....	\$8.00 per report
8. Preparation of O.S.& D. Reports	\$8.00 per report
9. HazMat Placards as per D.O.T. required	\$2.50 each
10. Same-Day Receipt/Ship (3 hour process required).....	\$30.00 per order
11. EDI Communications Expense	Cost + 15%
12. Collection of C.O.D.'s	\$18.00 each order
13. U.P.S. Order Charge	\$ UPS Cost + 15%
14. Same Day Service Charge.....	\$20.00 *
15. Additional Reporting Requirements	Hourly
16. Back Order Processing.....	\$5.50 per order
17. Inventory Web Access.....	Available: inquire for password.

Warehouse Services:

1. Special Handling (5K Fork & Driver).....	\$49.50 per hr
2. Special Handling (Labor Only)	\$36.25 per hr
3. Overtime Whse Labor (including weekends/holidays).....	\$45.00 per hr
4. Reporting Serial Numbers or Markings.....	\$0.50/unit (\$1.15 min)
5. Labeling (excluding custom bar code labels).....	\$0.50 each
6. Minimum Handling Inbound.....	\$5.75/line item
7. Minimum Storage Inbound	\$4.50/line item
8. Minimum Monthly Billing-Storage	\$100.00
9. Minimum Recurring Storage.....	\$5.50/line item
10. Special Handling Rail Car Inspection.....	Hourly/\$21.00 min
11. Dunnage, Bracing or Packaging, exceeding profile.....	Hourly + Materials
12. HazMat Recoup	\$49.50 per hr.
13. U.P.S. Processing Charge	\$5.15 per order
14. Loose Case Handling, exceeding profile (in or out)	\$0.60/ctn
15. Pallet weighing, exceeding profile.....	\$5.00/per item weighed
16. Pallet Stretch Wrapping.....	\$4.50 per pallet
17. Purchased supplies, disposal, etc. outside account profile.....	Cost plus 15%
18. Pictures (digital only).....	\$2.55 each
19. US Customs Container Freight Station Clearance	\$8/m ³ (\$100 minimum)
20. Placards – HazMat Shipments.....	\$2.50 each
21. Unit Splits – less the full unit quantity.....	\$21.50/ line item

For demurrage and detention purposes, IEDS shall be responsible for handling 4 railcars and/or 8 trucks per day or their equivalent, unless other arrangements are made in advance. All warehouse overtime requires a foreman to supervise. This time will be charged at the rates listed above.

Damaged or uncrated goods shall be assessed storage charges of 1-1/2 times the applicable rate in the event these goods are not removed or recouped with 48 hours of receipt of notification by the depositor.

Physical inventories will be performed upon the depositor REQUEST at the hourly rates established above. Book balances will be adjusted at the time of inventory with customer authorization. Overages shall cancel shortages.

Service charges are based upon requirements listed on the Service Specifications listing. Any services not specified above will be charged at the hourly rate.

* Truckload orders received after 2 PM for next-day shipping are considered same-day order processing.