

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.

NWID FTZ#288 Zone Schedule

ZONE SCHEDULE NO. 1

CHARGES, RATES, RULES AND REGULATIONS APPLICABLE AT FOREIGN-TRADE ZONE NO. 288
NORTHWEST, IOWA. OPERATING UNDER GRANT OF AUTHORITY FROM THE UNITED STATES FOREIGN-
TRADE ZONE BOARD TO NORTHWEST IOWA DEVELOPMENT CORPORATION (NWID).

ADMINISTRATION PAGE

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CHECK SHEET FOR ZONE SCHEDULE CHANGES

This Zone Schedule is issued in loose-leaf form, and all changes will be made by reprinting the entire page or by adding other pages. Revised pages will bear correction numbers at the top of the page. Therefore, upon receipt, the correction number should be checked and if any omissions are found, request should be made at once for the missing numbers.

NWID FTZ#288
Zone Schedule

Original/Revised: Original
Cancels N/A
NWID Foreign-Trade Zone No. 288
Zone Schedule No. 1

Correction No.	Page No.
Correction No.	Page No.
Correction No.	Page No.

NWID FTZ#288

Zone Schedule

Original/Revised: Original

Cancels N/A

NWID Foreign-Trade Zone No. 288

Zone Schedule No. 1

ABBREVIATIONS AND SYMBOLS:

\$	Dollars (US)
%	Percent
Art.	Article
B.M.	Board Measure
Bbl.	Barrel
Bdle.	Bundle
CFR	Code of Federal Regulations
C/L	Carload
Cl.	Coil
COD	Cash on Delivery
Crt.	Crate
Cs.	Case
Ctn.	Carton
Cu. Ft.	Cubic Feet or Cubic Foot
Cwt.	100 Pounds
Doz.	Dozen
Ea.	Each
E.g.	For Example
Etc.	Et Cetera
F.F.	Folded Flat
FTZ	Foreign-Trade Zone
Gal.	Gallon
HTSUSA	Harmonized Zone Schedule of the United States Annotated
Incl.	Inclusive
K.D.	Knocked Down
Lbs.	Pounds
LCL	Less-than Carload
No.	Number
N.O.S.	Not Otherwise Specified
NSPF	Not Specifically Provided For
Par.	Paragraph
Pc.	Piece
Pkg.	Package
Qt.	Quart
Sec.	Section
Sq. Ft.	Square Feet of Square Foot
SU	Set Up
T/L	Truckload
U.S.	United States
Yd.	Yard

NWID FTZ#288

Zone Schedule

Original/Revised: Original

Cancels N/A

NWID Foreign-Trade Zone No. 288

Zone Schedule No. 1

PLAN OF ZONE SCHEDULE

Section Number Subject

I Table of Contents

II Definition and Privileges of Foreign-Trade Zones

III Definition of Terms

IV Application of Rates, Rules and Regulations

V Operation of Zone

VI General Rules and Regulations

VII Special Rules Pertaining to Merchandise

VIII Miscellaneous Services

IX Leased Space

X Handling Charges

SYMBOLS USED TO INDICATE CHANGE IN ZONE SCHEDULE

A Addition

R Reduction

I Increase

^ Change in wording, which results in neither increase nor reduction in charges

NWID FTZ#288 Zone Schedule

Original/Revised: Original
Cancels N/A
NWID Foreign-Trade Zone No. 288
Zone Schedule No. 1

SECTION 1 TABLE OF CONTENTS

SUBJECT	PAGE NO.
Admittance to the Zone.....	23
Annual Zone Fee: Activated Sites or Activated Subzones.....	26
Annual Zone Fee: Non-Activated Sites or Non-Activated Subzones.....	26
Application and Interpretation of Zone Schedule	19
Application, Activation, and Audit Fees.....	27
Business Insurance.....	23
Charges, Rates, Rules, and Regulations Applicable at FTZ No. 288	25
Compensation Insurance	23
Confidential Relationship Between Zone and Tenants.....	23
Customs Bond.....	29
Customs Inspection of Merchandise in Zone	30
Customs Permit.....	30
Definitions & Privileges of Foreign-Trade Zones.....	7
Definitions of Terms	10
Disposition of Merchandise in a Zone	20
Employees and Persons Entering and Leaving Zone.....	24
Enforcement of Charges.....	24
Erection of Building within Zone	22
Exclusion from Zone of Goods or Process of Treatment.....	21
First of Month Balance System.....	24
Foreign-Trade Zones Act	18
Foreign-Trade Zones Board General Regulations	18
General Regulations.....	23
Government Agencies.....	23
Handling Charges	30
Hazardous Commodities	30
Improper Packing.....	29
Indemnification.....	27
Insurance	25
Liability.....	28
Manipulation, Manufacture and Exhibition of Merchandise	20
Marking.....	30
Merchandise Permitted in a Zone.....	20
Non-Liability.....	28
Operation of Zone to be Fair and Equitable	18

NWID FTZ#288

Zone Schedule

Original/Revised: Original

Cancels N/A

NWID Foreign-Trade Zone No. 288

Zone Schedule No. 1

Payment of Charges	24
Payment of Charges from other Government Agencies.....	22
Payment of Customs Officers and Employees	22
Payment of Customs Penalties or Process	22
Permission to Manipulate, Manufacture, or Process.....	28
Public Interest, Health and Safety.....	23
Residence within Zone	22
Retail Trade within Zone	21
Service Charges	24
Status of Merchandise in a Zone	21
Subsequent Importation of Zone Merchandise.....	21
Tender for Acceptance	28
Trucking and Lighterage.....	30
United States Customs & Border Protection Regulations	18
Use of Zone by Carriers.....	21
Zone Accommodations.....	28
Zone Regulations	23
Zone Schedule in Compliance with Foreign-Trade Zones Board	19
Zone Services Subject to Physical Limitations	18

NWID FTZ#288

Zone Schedule

Original/Revised: Original

Cancels N/A

NWID Foreign-Trade Zone No. 288

Zone Schedule No. 1

SECTION II

Definitions & Privileges of Foreign-Trade Zones:

Under Section 400, Paragraph 101, Regulations governing the establishment, operations, maintenance, and administration of foreign-trade zones in the United States, the term “zone” means a “foreign-trade zone”. A foreign-trade zone is a designated site licensed by the Foreign-Trade Zones (FTZ) Board at which special customs procedures may be used. These procedures allow domestic activity involving foreign items to take place prior to formal customs entry. Duty-free treatment is accorded items that are re-exported and duty payment is deferred on items sold in the U.S. market, thus offsetting customs advantages available to overseas producers who compete with producers located in the United States. Subzones are special-purpose zones, usually at manufacturing plants. A site which has been granted zone status may not be used for zone activity until the site has been separately approved for FTZ activation by local U.S. Customs and Border Protection (CBP) officials, and the zone activity remains under the supervision of CBP. FTZ sites and facilities remain within the jurisdiction of local, state or federal governments or agencies.

The FTZ Act authorizes the handling of merchandise brought into a zone as described below:

Foreign and domestic merchandise of every description, except such as is prohibited by law, may, without being subject to the customs laws of the United States, except as otherwise provided in this chapter, be brought into a zone and may be stored, sold, exhibited, broken up, repacked, assembled, distributed, sorted, graded, cleaned, mixed with foreign or domestic merchandise, or otherwise manipulated, or be manufactured except as otherwise provided in this chapter, and be exported, destroyed, or sent into customs territory of the United States therefrom, in the original package or otherwise; but when foreign merchandise 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;

Provided, that whenever the privilege shall be requested and there has been no manipulation or manufacture effecting a change in Zone Schedule classification, the appropriate customs officer shall take under supervision any lot or part of a lot of foreign merchandise in a zone, cause it to be appraised and taxes determined and duties liquidated thereon. Merchandise so taken under supervision may be stored, manipulated, or manufactured under the supervision and regulations prescribed by the Secretary of the Treasury, and whether mixed or manufactured with domestic merchandise or not may, under regulations prescribed by the Secretary of the Treasury, be exported or destroyed, or may be sent into customs territory upon the payment of such liquidated duties and determined taxes thereon. If merchandise so taken under supervision has been manipulated or manufactured, such duties and taxes shall be payable on the quantity of such foreign merchandise used in the manipulation or manufacture of the entered article. Allowance shall be made for recoverable and irrecoverable waste; and if recoverable waste is sent into customs territory, it shall be dutiable and taxable in its condition and quantity and at its weight at the time of entry. Where two or more products result from the manipulation or manufacture of merchandise in a zone the liquidated duties and determined taxes shall

NWID FTZ#288

Zone Schedule

Original/Revised: Original

Cancels N/A

NWID Foreign-Trade Zone No. 288

Zone Schedule No. 1

be distributed to the several products in accordance with their relative value at the time of separation with due allowance for waste as provided for above;

Provided further, that subject to such regulations respecting identity and the safeguarding of the revenue as the Secretary of the Treasury may deem necessary, articles, the growth, product, or manufacture of the United States, on which all internal-revenue taxes have been paid, if subject thereto, and articles previously imported on which duty and/or tax has been paid, or which have been admitted free of duty and tax, may be taken into a zone from the customs territory of the United States, placed under the supervision of the appropriate customs officer, and whether or not they have been combined with or made part, while in such zone, of other articles, may be brought back thereto free of quotas, duty, or tax;

Provided further, that if in the opinion of the Secretary of the Treasury their identity has been lost, such articles not entitled to free entry by reason of noncompliance with the requirements made hereunder by the Secretary of the Treasury shall be treated, when they reenter customs territory of the United States, as foreign merchandise under the provisions of the Zone Schedule and internal-revenue laws in force at that time;

Provided further, that under the rules and regulations of the controlling Federal agencies, articles which have been taken into a zone from customs territory for the sole purpose of exportation, destruction (except destruction of distilled spirits, wines, and fermented malt liquors), or storage shall be considered to be exported for the purpose of –

- (1) the draw-back, warehousing, and bonding, or any other provisions of the Zone Schedule Act of 1930, as amended, and the regulations thereunder; and
- (2) the statutes and bonds exacted for the payment of draw-back, refund, or exemption from liability for internal-revenue taxes and for the purposes of the internal-revenue laws generally and the regulations thereunder. Such a transfer may also be considered an exportation for the purposes of other Federal laws insofar as Federal agencies charged with the enforcement of those laws deem it advisable. Such articles may not be returned to customs territory for domestic consumption except where the Foreign-Trade Zones Board deems such return to be in the public interest, in which event the articles shall be subject to the provisions of paragraph 1615(f) of section 1201 of this title;

Provided further, that no operation involving any foreign or domestic merchandise brought into a zone which operation would be subject to any provision or provisions of section 1807, chapter 15, chapter 16, chapter 17, chapter 21, chapter 23, chapter 24, chapter 25, chapter 26, or chapter 32 of the Internal Revenue Code if performed in customs territory, or involving the manufacture of any article provided for in paragraphs 367 or 368 of section 1001 of this title, shall be permitted in a zone except those operations (other than rectification of distilled spirits and wines, or the manufacture or production of alcoholic products unfit for beverage purposes) which were permissible under this chapter prior to July 1, 1949;

Provided further, that articles produced 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 or

NWID FTZ#288

Zone Schedule

Original/Revised: Original

Cancels N/A

NWID Foreign-Trade Zone No. 288

Zone Schedule No. 1

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 this section may, on such importation, be entered as American goods returned;

Provided, further, that no merchandise that consists of goods subject to NAFTA drawback, as defined in section 3333(a) of this title, that is manufactured or otherwise changed in condition shall be exported to a NAFTA country, as defined in section 3301(4) of this title, without an assessment of a duty on the merchandise in its condition and quantity, and at its weight, at the time of its exportation (or if the privilege in the first proviso to this subsection was requested, an assessment of a duty on the merchandise in its condition and quantity, and at its weight, at the time of its admission into the zone) and the payment of the assessed duty before the 61st day after the date of exportation of the article, except that upon the presentation, before such 61st day, of satisfactory evidence of the amount of any customs duties paid or owed to the NAFTA country on the article, the customs duty may be waived or reduced (subject to section 508(b)(2)(B) of the Zone Schedule Act of 1930 (19 U.S.C. 1508(b)(2)(B))) in an amount that does not exceed the lesser of (1) the total amount of customs duties paid or owed on the merchandise on importation into the United States, or (2) the total amount of customs duties paid on the article to the NAFTA country;

Provided, further, that, if Canada ceases to be a NAFTA country and the suspension of the operation of the United States-Canada Free-Trade Agreement thereafter terminates, with the exception of drawback eligible goods under section 204(a) of the United States-Canada Free-Trade Agreement Implementation Act of 1988, no article manufactured or otherwise changed in condition (except a change by cleaning, testing or repacking) shall be exported to Canada during the period such Agreement is in operation without the payment of a duty that shall be payable on the article in its condition and quantity, and at its weight, at the time of its exportation to Canada unless the privilege in the first proviso to this subsection was requested.

NWID FTZ#288

Zone Schedule

Original/Revised: Original

Cancels N/A

NWID Foreign-Trade Zone No. 288

Zone Schedule No. 1

SECTION III

Definitions of Terms:

Act -The Foreign-Trade Zones Act of June 18, 1934 (48 Stat. 998-1003; 19 USC. 81a-81u), as amended by Public Law 566, 81st Congress, approved June 17, 1950 and all lawful amendments.

Activation - Approval by the grantee and the U.S. Customs and Border Protection Port Director permitting operations to begin which allow the admission and handling of merchandise in zone status.

Admission To Zone -The physical arrival of goods into a zone in a specified zone status with the appropriate approvals of the zone grantee and the U.S. Customs and Border Protection. The term “admission” is used instead of “entry” to avoid confusion with Customs entry processes under Parts 141-144 of the Customs Regulations.

Alteration - A change in the boundaries of an activated zone or subzone; activation of a separate site of an already-activated zone or subzone with the same operator at the same port; or the relocation of an already-activated site with the same operator.

Alternative Site Framework (ASF) means a three-part application that transforms a general-purpose zone by creating a service area (New Castle, Kent and Sussex Counties) where a “usage-driven” site can be established in thirty (30) days or a traditional “magnet” industrial park site can be established in six (6) to ten (10) months if certain criteria are met.

Audit - Inspection Procedures - Procedures that are designed to meet the requirements of the U.S. Customs and Border Protection Regulations (T.D. 86-16) for Audit-Inspection Procedures in Foreign-Trade Zones. Under the Regulations, the Operator maintains the inventory records. U.S. Customs and Border Protection is relieved of the duty of actually keeping the records, but maintains assurance of the systems accuracy by selective examinations of merchandise, and spot checks and audits of zone facilities.

Board - The Foreign-Trade Zones Board (FTZB) was created by the Act to carry out provisions thereof. The Board consists of the Secretary of Commerce, who is the chairman and executive officer, and the Secretary of the Treasury, or their designated alternates. The Foreign-Trade Zones Board Staff is responsible for administering the FTZ program on behalf of the FTZB. The Executive Secretary of the FTZB Staff represents the Board in administrative, regulatory, operational, and public affairs matters. The Executive Secretary serves as the director of the staff which is situated in the U.S. Department of Commerce within the Import Administration.

Bulk - The term used in describing fungibles, which can be poured, scooped or shoveled and which generally cannot be counted or identified piece by piece.

NWID FTZ#288

Zone Schedule

Original/Revised: Original

Cancels N/A

NWID Foreign-Trade Zone No. 288

Zone Schedule No. 1

Constructive Transfer - A legal fiction that permits acceptance of a Customs entry for merchandise in a [foreign-trade] zone before its physical transfer to the Customs territory. If the entry is thereafter rejected or cancelled, the merchandise will be considered at that time to be constructively transferred back into the zone in its previous zone status.

Customs and Border Protection Form 214 - Application and permit to admit merchandise into a Foreign-Trade Zone, permit to transfer merchandise through the Customs territory to Zone and Customs officer's return thereon, and Customs report of merchandise received at Zone.

Customs and Border Protection Form 216 - Application and permit for the manipulation, manufacture, exhibition or destruction of merchandise within a Foreign-Trade Zone and Customs officer's return.

Customs Territory - The territory of the U.S. in which the general Zone Schedule laws of the U.S. apply. "Customs territory of the United States" includes only the States, the District of Columbia, and Puerto Rico.

Domestic Status Merchandise (D) - Merchandise that has been (i) grown, produced or manufactured in the U.S. and not exported therefrom, (ii) previously entered into the commerce of the United States as duty and tax free, or (iii) previously imported into Customs territory and properly released from Customs custody. This means imported merchandise on which all necessary duties and taxes, if applicable, have been paid, and upon which no drawback has been claimed, is considered domestic merchandise when admitted to a foreign-trade zone. No application or permit is required for the manipulation, manufacture, exhibition, destruction, or transfer to Customs territory of domestic status merchandise (including packing and repair materials) except when it is mixed or combined with merchandise in another zone status or upon order of the Commissioner of Customs. All domestic status merchandise in a zone must be accounted for under the procedures of 19 CFR Part 146 Subpart B.

Exhibition - Upon application pursuant to section 19 CFR 146.52 and approval by the port director of Customs, the showing of merchandise in the zone is permitted. This application and approval may be submitted and obtained on a case by case basis or blanket basis. Foreign Status Merchandise -Imported merchandise, which has not been released from Customs custody into the Customs territory of the United States. This means imported merchandise upon which duty and taxes, if applicable, have not been collected.

Foreign-Trade Zone Forms - Forms used in the transaction of Foreign-Trade Zone business are designated by the U.S. Customs & Border Protection. As such, these forms may be completed by the Zone Tenant (person of record), its duly assigned Customs Broker, or the Zone Operator. The Foreign-Trade Zone forms utilized by FTZ No. 288 are as follows:

Customs Form 214 -Application for Foreign-Trade Zone Admission and/or Status Designation (electronic submission of the CBPF 214 data is referred to as an e-CBPF 214 or e-214)

NWID FTZ#288

Zone Schedule

Original/Revised: Original

Cancels N/A

NWID Foreign-Trade Zone No. 288

Zone Schedule No. 1

Fungible Merchandise - Merchandise that for commercial purposes is identical and interchangeable in all situations. In an FTZ, fungible merchandise may be identified by an inventory method authorized by Customs, which is consistently applied, such as First-In-First-Out (FIFO) and using a unique identifier.

General-Purpose Zone - A multi-use zone designed for use by multiple tenants engaged in multiple activities that may include storage, distribution, testing, repackaging and repair. Production may take place in a general-purpose zone with prior permission by the Foreign-Trade Zones Board.

Grantee - A Grantee is a public or private corporation to which the privilege of establishing, operating, or maintaining a foreign-trade zone has been given. The privileges of establishing, operating, and maintaining Foreign-Trade Zone No. 288 have been granted to the Northwest Iowa Development Corporation.

Imports - Foreign merchandise of every description (except articles specifically and absolutely prohibited by statute) entered into the Customs territory to become a part of the domestic supply for the purpose of domestic commerce or consumption, and particularly that which is entered into the Customs territory through the zone. A distinction is made between such imports into the commerce of the United States and foreign merchandise which, under the laws and regulations of various other Federal agencies having jurisdiction within the zones, is said to be "imported" into foreign-trade zones, Customs bonded warehouses, or Customs custody. This latter merchandise, in relation to operations of the zones, is considered to be foreign merchandise until its entry into the Commerce of the United States.

In-bond - A Customs program that provides for transporting cargo (other than explosives and merchandise, the importation of which is prohibited) via bonded carrier from one port to another under a Customs bond.

Imported Merchandise - Merchandise, including that imported in mail shipments, being transported to and from foreign-trade zones through the Customs territory must be transported in bond under the provisions of 19 CFR Parts 18, 112, and 125. (19 CFR 146.11 and 144.37(g)). Domestic goods transported to a zone or goods removed from a zone comprised wholly of domestic status products need not be transported in bond.

In-Transit Merchandise - The term "in-transit merchandise" includes all foreign merchandise transported into and out of the United States, whether in and out of the same port or across the country to another port, with or without transshipment, warehousing, breaking bulk, or change in mode of transportation, which originated in one foreign country and is destined at the time of the original shipment to another foreign country. Its distinctive feature is that it is being transported from one foreign country through the United States to another foreign country under a through bill of lading or other documentation for a completed journey. The term is particularly applied to foreign merchandise shipped in-transit through a foreign-trade zone.

NWID FTZ#288

Zone Schedule

Original/Revised: Original

Cancels N/A

NWID Foreign-Trade Zone No. 288

Zone Schedule No. 1

Inventory Control System - A system of inventory control, manual or automated, based on records maintained by a Zone Operator or tenant rather than by the U.S. Customs & Border Protection. An operator shall maintain the inventory control and recordkeeping system of the zone in accordance with the provisions of 19 CFR Part 146. An operator shall maintain either manual or automated inventory control and recordkeeping systems or a combination of manual and automated systems.

Lease - The document of agreement entered into between the Landlord and Tenant for assignment of space within Foreign-Trade Zone No. 288.

Magnet Site - Sites intended to attract multiple potential FTZ operators/users.

Manipulation - As defined in Section 562 of the Zone Schedule Act, processing wherein merchandise is packed, unpacked, repacked, cleaned, sorted, graded or otherwise changed in condition. The precise distinction between manipulation and manufacturing is subject to interpretation and enjoys a long history of case law.

Manufacturing - Now defined as production by the Foreign-Trade Zones Board Regulations, this means activity involving the substantial transformation of a foreign article resulting in a new and different article having a different name, character, and use. The Foreign-Trade Zones Board definition is much broader and the agency requires that specific prior authorization be obtained for production operations in the activated zone.

Measurement Ton - Ton based on a measurement of 40 cubic feet.

Metric Ton - 1,000 kilograms or approximately 2204.62 pounds.

Non-Privileged Foreign Status Merchandise (NPF) - Foreign merchandise subject to Zone Schedule classification according to its character, condition and quantity as constructively transferred to Customs territory at the time the entry or entry summary is filed with U.S. Customs & Border Protection. In other words, a status of merchandise for Zone Schedule purposes that provides for classification and appraisement in accordance with the condition of merchandise when constructively transferred to the Customs territory of the United States. In a zone, NPF merchandise may be changed to Privileged Foreign (PF) before any processing has occurred, at the option of the zone user and with approval by Customs. Waste recovered from any manipulation or manufacture of PF or NPF merchandise in a zone has NPF status. NPF status is usually selected when the duty rate of the finished product is lower than the duty rate of the imported foreign components in a manufacturing environment. Domestic merchandise in a zone which by reason of noncompliance with the Customs Regulations has lost its identity as domestic status merchandise will be treated as non-privileged foreign merchandise.

OFIS- This is the Online FTZ Information System that includes information on each zone. It can be accessed through the FTZ Board web site. All annual reports are now filed electronically through OFIS.

NWID FTZ#288

Zone Schedule

Original/Revised: Original

Cancels N/A

NWID Foreign-Trade Zone No. 288

Zone Schedule No. 1

Open or Yard Storage - The keeping of merchandise not requiring weather protection in open space within the fenced area of the Foreign-Trade Zone.

Person Of Record - The person, firm or corporation in whose name the Application to Admit Merchandise into the zone (CBPF-214) is made, recognized by the Zone Grantee, Zone User and the U.S. Customs & Border Protection as having legal right to make the application. Evidence of this right of the applicant is the same as would be required to establish the right to apply for release of the merchandise from Customs custody at the end of its transit through the Customs territory. Such evidence usually consists of an original bill of lading in the name of the applicant, an original bill of lading endorsed to him or a carrier's certificate, or a copy of Power of Attorney when parties other than the owner are conducting business, such as a customs broker, company or corporate official, etc.

Port Director of U.S. Customs - The Port Director of U.S. Customs & Border Protection, Sioux Falls, SD.

Privileged Foreign Merchandise (PF) - Foreign Merchandise subject to Zone Schedule classification according to its character, condition and quantity at the rate of duty and tax in force on the date of filing the CBPF 214. In other words, a status that, upon proper application and approval anytime preceding manufacture or manipulation within a zone, is granted to an imported input, allowing the zone user the privilege of treating the input, for Zone Schedule purposes, as remaining in its original condition at the time of admission to the zone. Once established, Privileged Foreign Status cannot be changed except in the case of recoverable waste (see 19 CFR § 146.42). If merchandise has already been admitted into the zone in Non-Privileged Foreign Status, Privileged Foreign Status may be obtained by filing a CBPF 214. Application for this status, however, must be filed prior to manipulation or manufacture. Admitted merchandise subject to AD/CVD (antidumping or countervailing duties) must be placed in PF status. Merchandise in PF status or composed in part of PF status may not be entered for warehousing from a zone and cannot be placed on a TIB upon removal from the zone. Classification of merchandise subject to a Zone Schedule-rate import quota will be made only at the higher non-quota duty rate in effect on the date PF status was granted. Mandatory PF status may be imposed by the FTZ Board as a form to grant restriction to prevent the inverted Zone Schedule benefit.

Production- This means traditional manufacturing activity and “kitting” activity where there is activity involving the substantial transformation of a foreign article resulting in a new and different article having a different name, character, use, and HTS classification. This includes “kitting” operations. The Foreign-Trade Zones Board now uses this term to cover both manufacturing and processing activity.

Quantity - The numerical count of the units composing a shipment of a commodity except bulk commodities which must be measured by weight, size or gallonage.

Re-exports or Reshipments - Merchandise from one foreign country initially destined to the United States which, after being unladen, stored and/or manipulated or produced in this country, is transported under a new bill of lading or other new documentation to another foreign country. The term is particularly applied to re-exports or reshipments through a Foreign-Trade Zone. It includes privileged, non-privileged, or zone restricted foreign merchandise which: (1) is in the same condition as when

NWID FTZ#288

Zone Schedule

Original/Revised: Original

Cancels N/A

NWID Foreign-Trade Zone No. 288

Zone Schedule No. 1

transported into the United States, or (2) has been manipulated without any change in its form or nature, or (3) has been manipulated or processed in such manner as to change its form, whether or not mixed with domestic merchandise, provided the domestic merchandise is not a component part or substantial ingredient thereof. Generally, it includes all merchandise of foreign origin, which has not been so manipulated or produced as to be deemed a product of the United States, and which has not been released from Customs custody into the Customs territory.

Resident Representative - The role of the Port Director of Customs as the on-site representative of the Foreign-Trade Zones Board in its dealings with any foreign-trade zone within the Port Director's scope of jurisdiction.

Secretary - The term "Secretary" refers to the Secretary of Commerce.

Service Area - The Cherokee, Lyon, O'Brien, Osceola, Plymouth and Sioux Counties area, where usage-driven or magnet sites can be established.

Storage - Keeping of merchandise in or upon the premises within the foreign-trade zone. Covered storage is 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 part of a zone project for a limited purpose that cannot be accommodated within an existing zone. The term "zone" also applies to a Subzone, unless specified otherwise.

Sunset Provision—Magnet sites have a rolling five (5) year sunset provision during which at least a portion of the magnet site must be activated, while a usage-driven site must demonstrate actual zone activity within three (3) years or lose zone status.

Tenant - An individual, company or corporation utilizing the services and facilities of Foreign-Trade Zone No.288.

Ton - Weight ton of 2,000 pounds, unless otherwise indicated.

Transfer - To take merchandise with zone status from a zone for consumption, transportation, exportation, warehousing, cartage or lighterage, vessel supplies and equipment, admission to another zone, and like purposes.

Trans-shipment Merchandise - Foreign merchandise which enters and leaves the United States through the same port, being transferred from one vessel to another, directly or by way of a foreign-trade zone or Customs bonded warehouse. The term is particularly applied to such merchandise transferred through a foreign-trade zone.

NWID FTZ#288

Zone Schedule

Original/Revised: Original

Cancels N/A

NWID Foreign-Trade Zone No. 288

Zone Schedule No. 1

Unique Identifier Number (UIN) - The numbers, letters, or combination of numbers and letters that identify merchandise admitted to a zone with zone status.

Unit of Quantity - The customary groupings of a commodity as a unit to indicate the medium or method of measure. The unit of quantity in zone records will be consistent with those annotated in the Harmonized Zone Schedule of the United States.

United States - The several States, 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, Johnston Island, and the island of Guam.

Usage-Driven Site - Sites designated to meet a specific operator/user's present need for FTZ designation; usage-driven sites cannot be used by another entity.

User - a party using a zone under agreement with the Zone Grantee or Administrator.

User Agreement - An agreement executed between the Grantee/Operator, a subzone user, or user of general-purpose zone space that is not owned or leased by the Grantee/Operator, but rather a firm under contract to be the Grantee/Operator. Prior to activation of the site, the user agreement will be executed and will outline the amount of annual fees, which the subzone or general-purpose zone user will pay to the Grantee/Operator. Activation cannot occur without an executed agreement.

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 - The term "Zone" refers to a foreign-trade zone and/or Foreign-Trade Zone No. 288

Zone Administrator - The Administrator of Foreign-Trade Zone No. 288 as appointed by the Grantee, NWID.

Zone Control Number or Admission Number - A unique and sequential number assigned for numbering shipments admitted to a zone under Section 146.32(a) of the Customs Regulations; a sequentially numbered system for each CBPF 214, which serves as the unique identifier for each admission of merchandise at the FTZ.

Zone Lot - A collection of merchandise maintained under an inventory control method based on specific identification of merchandise admitted to the Zone by lot.

NWID FTZ#288

Zone Schedule

Original/Revised: Original

Cancels N/A

NWID Foreign-Trade Zone No. 288

Zone Schedule No. 1

Zone Operator - An Operator is a corporation, partnership, or person that operates a zone under the terms of an agreement with the grantee. With permission from NWID and the U.S. Customs & Border Protection, companies may act as their own Operator of their own facilities within FTZ No. 288.

Zone Project - The Zone plan, including all of the Zone and Subzone sites, that the Board authorizes a single Grantee to establish.

Zone-Restricted Merchandise (ZR) - Merchandise taken into a zone for the sole purpose of exportation, destruction (except destruction of distilled spirits, wines, and fermented malt liquors), or storage may be given zone-restricted status on proper application. ZR status can be requested at any time that the merchandise is located in the zone but cannot be abandoned once granted. Merchandise in zone-restricted status may not be removed to Customs territory for domestic consumption except where the FTZ Board determines the return to be in the public interest. Merchandise may be considered exported, for Customs or other purposes (i.e., for drawback purposes or to close out a TIB), upon its admission to a zone in zone-restricted status. No-tax paid alcoholic beverages and tobacco products can be admitted to a zone only in ZR status. Merchandise entered into a bonded warehouse for storage and transferred to a zone (other than temporarily for manipulation and returned to Customs territory as provided for in § 146.33) will have ZR status when admitted into the zone. Merchandise that has been placed in a bonded warehouse for a purpose other than entry for warehouse (such as general order or under seizure) may be admitted to a zone in any eligible status.

Zone Site - The physical location of a zone or Subzone.

Zone Status - The legal status of merchandise, which has been admitted to a foreign-trade zone, thereby becoming subject to the provisions of the FTZ Act. Four types of zone status are established under the FTZ Act, which determines how the merchandise will be handled in the zone and treated upon its transfer to the Customs territory. (Privileged Foreign, Non-Privileged Foreign, Domestic and Zone Restricted Status Merchandise.)

NWID FTZ#288

Zone Schedule

Original/Revised: Original

Cancels N/A

NWID Foreign-Trade Zone No. 288

Zone Schedule No. 1

SECTION IV

APPLICATION OF RATES, RULES AND REGULATIONS

4.01 Operation of Zone to be Fair and Equitable - All rates and charges for all services and privileges within the zone be Fair and Equitable 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. (19 USC § 81n).

4.02 Zone Services Subject to Physical Locations - All Zone services and facilities shall be administered fairly and to Physical Limitations reasonably as stated above in No. 20. In addition, the availability of all said services and facilities is subject to the physical limitations of Foreign-Trade Zone No. 288, with said services and facilities available on a first come, first served basis.

4.03 Foreign-Trade Zones Board of General Regulations - Foreign-Trade Zone No. 288 is regulated by the Foreign-Trade Board General Zones Board, Washington, D. C., under U.S. Code of Federal Regulations, Title 15, Chapter IV, Part 400. Copies of these regulations are maintained at Foreign-Trade Zone No. 288 office for reference. All FTZ tenants shall be knowledgeable about the regulations and abide by the provisions therein as a condition of participation in the Foreign-Trade Zones program at Zone No. 288.

4.04 Foreign-Trade Zones Act - The authority and jurisdiction of the Board is derived from "The Act" as amended and codified at Chapter 1A, Title 19, United States Code (19 USC 81a -81u). All FTZ tenants shall be knowledgeable about the Act and abide by the provisions therein as a condition of participation in the Foreign-Trade Zones program at Zone No. 288.

4.05 United States Customs & Border Protection Regulations - Foreign-Trade Zone No. 288 is subject to special Customs & Border Protection Regulations as defined in U.S. Code of Federal Regulations, Title Regulations 19, Customs Duties, Chapter 1, U.S. Customs & Border Protection, Part 46-Foreign-Trade Zones. Copies of these regulations are maintained at the office of Foreign-Trade Zone No. 288 for reference. All FTZ tenants shall be knowledgeable about the regulations and abide by the provisions therein as a condition of participation in the Foreign-Trade Zones program at Zone No. 288.

NWID FTZ#288

Zone Schedule

Original/Revised: Original

Cancels N/A

NWID Foreign-Trade Zone No. 288

Zone Schedule No. 1

4.06 Application and Interpretation of Zone Schedule - The Foreign-Trade Zone Administrator of FTZ No. 288 shall be the sole judge to interpret and determine the applicability of any of the rates, rules, regulations, or services provided in this Zone Schedule. However, any matter involving interpretation or action by U.S. Customs & Border Protection or other agency of the U.S. Government will be determined by the Port Director of Customs or his/her duly appointed representative. The Foreign-Trade Zone Administrator has the right to quote special rates. One (1) copy of this Zone Schedule will be provided to each user. Updates will be provided as revisions occur. The Grantee's Operator/User Agreement and this Zone Schedule represent the agreement between the Grantee and User. Acceptance of this Zone Schedule, with the following use of the zone, constitutes agreement to the terms and conditions as set forth in this Zone Schedule.

4.07 Zone Schedule in Compliance Foreign-Trade Zone Board - Zone Schedule No. 1 is issued by FTZ 288 in compliance with Foreign-Trade Zones Board guidelines.

NWID FTZ#288

Zone Schedule

Original/Revised: Original

Cancels N/A

NWID Foreign-Trade Zone No. 288

Zone Schedule No. 1

SECTION V

OPERATION OF ZONE

5.01 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, may be brought into a Zone. (a) Merchandise that 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 that 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 that is subject to conditional prohibition only, for protection of economic or national security or which may be conditioned to bring them into compliance with the laws administered by various Federal agencies. The Port Director of Customs is required to exclude the first class of articles and may not permit them to be transferred to a zone if he is aware of the 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 the 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 of Customs as the representative of the Board, where the merchandise is not excluded by any other Federal agency having jurisdiction over the merchandise.

5.02 Disposition of Merchandise in a Zone - In general, merchandise lawfully brought into a zone may, in Merchandise in a Zone 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 therefrom, 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.

5.03 Manipulation, Manufacture and Exhibition of Merchandise - In general, merchandise lawfully brought into a zone may, and accordance with these and other regulations made under the Exhibition 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.

(a) Permission for any manipulation or exhibition in a zone shall be obtained from the Port Director of Customs, as the representative 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 Port Director of Customs 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 an application, the Board shall be guided by the determinations of the Secretary of the Treasury with respect to them.

NWID FTZ#288

Zone Schedule

Original/Revised: Original

Cancels N/A

NWID Foreign-Trade Zone No. 288

Zone Schedule No. 1

5.04 Status of Merchandise in a Zone - (a) For the purpose of the Act and the regulations of this Section, in a Zone 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 in accordance with Subpart C of Customs Regulations as:

(1) PF -Privileged Foreign Merchandise

(2) NPF -Non-Privileged Foreign Merchandise

(3) D -Domestic Merchandise

(4) ZR -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, Zone Schedule Act of 1930, as amended, and for return to the Customs territory. Any such merchandise shall not be considered within the purview of the Foreign-Trade Zones Act, but shall be created in all respects as though remaining in the 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.

5.05 Use of Zone by Carriers - The docking facilities, and loading or unloading stations of a zone Carriers are intended primarily for the use of vehicles, for unloading 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.

5.06 Subsequent Importation of Zone Merchandise - Articles produced 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 produced in a foreign country, except that articles produced 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.

5.07 Exclusion from Zone of Goods or Process of Treatment - When it shall be reported to the Board that any goods or process of goods or process of treatment is detrimental to the public interest, health, or safety, treatment 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.

5.08 Retail Trade within Zone - No retail trade shall be conducted within a zone except under Zone permits issued by the Grantee and approved by the FTZ 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 a sworn statement, subscribed to by the applicant before a duly authorized officer to administer oaths setting forth in detail the nature of the retail trade to be conducted, and containing an agreement that such applicant will sell no goods except of the kinds specifically authorized by the Act, which are brought into the zone from Customs territory. No goods shall be offered for sale or sold in a zone that are not of the same kind and

NWID FTZ#288

Zone Schedule

Original/Revised: Original

Cancels N/A

NWID Foreign-Trade Zone No. 288

Zone Schedule No. 1

quality permitted to be offered for sale or sold in the political jurisdiction in which the zone is located. If the permittee violates any provisions of the regulations in this section, his permit shall be revoked by the Grantee, who shall immediately report such action to the Board.

5.09 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.

5.10 Payment of Customs Officers and Employees - Any cost of maintaining Customs & Border Protection in a zone shall be paid directly by the applicable Operator of such zone. In a zone, at a port where customary working hours are other than those herein mentioned, the Port Director of U.S. Customs & Border Protection is authorized to regulate the hours of Customs' officers and employees assigned to the zone so as to agree with prevailing working hours in said port. However, nothing herein shall be construed in any manner to affect or alter the length of a working day for Customs officers or employees. Any work requested by the zone tenant resulting in additional Customs costs, shall be billed by the Operator to the requesting tenant for reimbursement of costs at actual cost plus up to fifteen percent (15%) to cover administrative handling costs, unless paid for directly by the User.

5.11 Payment of Charges from other Government Agencies - Charges for services of Government agencies not included in this from other Zone Schedule should be arranged for and paid for by the tenant who Government Agencies requires and uses such services.

5.12 Payment of Customs Penalties or Process - U.S. Customs & Border Protection penalties resulting from Penalties or Process inventory discrepancies, operational infractions, or other occurrence for which tenant is responsible will be paid by the penalized tenant.

5.13 Erection of Building within Zone - The Grantee may, with the approval of the Board, and under within Zone reasonable and uniform regulations for like conditions and circumstances to be prescribed by it, permit other persons, firms, corporations, or associations to erect such buildings and other structures within the zone as will meet their particular requirements.

(a) Provided that such permission shall not constitute a vested right as against the United States, nor interfere with the regulation of the Grantee or the permittee by the United States, nor interfere with or complicate the revocation of the grant by the United States;

(b) Provided that in the event of the United States or the Grantee desiring to acquire the property of the permittee, no good will shall be considered as accruing from the privilege granted to the zone;

(c) Provided that such permits shall not be granted on terms that conflict with the public use of the zone as set forth in the Act. And provided further, that accepted sanitary practices be followed in the construction, equipment and operation of such buildings or other structures; and

(d) Prior to commencing any significant new construction, alteration, additions or modifications to present facilities in the zone, which may impact areas activated by CBP, the overall zone security or the granted scope of authority, Operator shall notify the Grantee; FTZ Board approval may be required before commencing such construction activities in the zone.

NWID FTZ#288

Zone Schedule

Original/Revised: Original

Cancels N/A

NWID Foreign-Trade Zone No. 288

Zone Schedule No. 1

SECTION VI

GENERAL RULES AND REGULATIONS

6.01 Zone Regulations - The following rules governing procedures within Foreign-Trade Zone No. 288 are issued in conformity with and supplementary to the Foreign-Trade Zones Board's Regulations and such of the United States Laws and Regulations relating to the Port of Entry as are applicable to foreign-trade zone operations.

6.02 General Regulations - All persons and merchandise of every description entering or leaving FTZ No. 288 for any purpose whatsoever shall be bound by the regulations of the Foreign-Trade Zones Board and by the relevant regulations issued by U.S. Customs & Border Protection.

6.03 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 the FTZ Act and governmental regulations issued thereunder.

6.04 Compensation Insurance - Every person employed by contractors or customers in the zone shall be properly covered by Workmen's Compensation Insurance. Proof of this shall be furnished before any work may be started or a release of liability must be given to FTZ No. 288.

6.05 Business Insurance - All persons or firms conducting business on or in connection with the facilities of FTZ No. 288 shall keep in full force the necessary insurance as spelled out by the Operations or User Agreement. A copy of the policy or policies of insurance or certificate or certificates of insurance shall be delivered to the Grantee and said shall contain a clause that the insurer will not cancel or change the insurance without first giving the Grantee thirty (30) days prior written notice.

6.06 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.

6.07 Confidential Relationship Between Zone and Tenants - Grantee Name and its employees 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.

6.08 Admittance to the Zone - Persons desiring admittance to the zone shall make application to the Zone User. The pass issued must be worn and shown upon request. Upon leaving the Zone, any temporary pass must be shown to the guard. All persons having business in the zone will enter and leave at the prescribed entrance.

NWID FTZ#288

Zone Schedule

Original/Revised: Original

Cancels N/A

NWID Foreign-Trade Zone No. 288

Zone Schedule No. 1

6.09 Employees and Persons Entering and Leaving Zone - Employees and other persons entering or leaving the zone shall pass through the designated entrances to the zone. Employees and other persons shall be subject to such examination upon entering and leaving a zone as the Zone Administrator may deem necessary for the protection of the revenue. In general, in addition to specific Foreign-Trade Zones Board and U.S. Customs & Border Protection Regulations, the recommendations contained in the booklet "Standards For Cargo Security", prepared by U.S. Customs, will be followed where practical.

(a) All Persons Entering Zone Bound by Regulations- All persons entering the zone for any reason whatsoever shall be bound by the regulations promulgated by the Board, Customs, and by the Operator of the zone.

(b) Identification of Employees within Zone-Each employee within the zone shall be required, while within the zone, to wear appropriate identification badges to be provided by the Operator of the zone. Employers shall provide lists and have employees obtain permanent badges from Operator.

(c) Identification of Visitors and Non-Employee Personnel within Zone-All persons/visitors having business within the zone shall use designated entrances and obtain a Pass or ID Card from the Zone Operator. It shall be worn at all times. Upon departure from the zone, visitors shall return the ID Card or Badge and stop at the designated area of the Zone Operator to sign out.

6.10 Payment of Charges - Zone charges are due and payable as accrued. Lease charges are due when invoice is rendered. Lease charges are rendered one month in advance.

6.11 Enforcement of Charges - For the purpose of enforcing payment of charges named in this schedule on merchandise handled, stored, or manipulated in the zone facilities, the zone may take possession of such merchandise, and may remove and store same at the 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.

6.12 Service Charges - An additional service fee of \$50.00 per check will be charged for a check returned due to "insufficient funds" in an account, or returned for other reasons.

6.13 First of Month Balance System - All goods are stored on a month-to-month basis, unless otherwise provided. Storage rates shall be charged in accordance with the following:

(a) On shipments arriving on the 1st to and including the 15th day of the month, apply monthly storage rate.

(b) On shipments arriving on the 16th to and including the last day of the month, except as providing in sub-paragraph (c), apply one-half of the monthly storage rate.

(c) On merchandise in storage on the 1st day of the month, apply the monthly storage rate.

NWID FTZ#288

Zone Schedule

Original/Revised: Original

Cancels N/A

NWID Foreign-Trade Zone No. 288

Zone Schedule No. 1

6.14 Insurance - Insurance is carried by Grantee on its own property only and does not include insurance on the contents owned by others stored therein. Tenants are not allowed to place materials 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 tenant or owner of the commodities or other properties. Merchandise stored, manipulated or transferred within the zone is not insured by the Grantee and the Zone Zone Schedule rates do not include insurance on merchandise.

6.15 Charges, Rates, Rules, and Regulations Applicable at FTZ No. 288 - The Grantee, Zone Operators, and all persons and entities doing business within a zone site or subzone established by the Grantee must comply with the provisions of the Foreign-Trade Zones Act, as amended; with the lawful and effective rules, regulations, and procedures of the Foreign-Trade Zones Board; with such of the laws and lawful regulations of the United States, the States, or the subdivisions and agencies thereof as may be applicable to operators, occupants, their employees and invitees, and users of subzones; and with such of the provisions of this Zone Schedule and subsequent issues and modifications thereof as may be applicable to the operations conducted in the subzone. A foreign-trade subzone is a special purpose, non-contiguous portion of a foreign-trade zone, so because the operations located therein are too large, complicated, unwieldy, expensive, or otherwise infeasible to move within the boundaries of the zone. It is usually distinguished by the fact that its space is not owned or leased by the Operator, but rather by a firm under contract to the Operator. A subzone may be established for one or more of the specialized purposes of storing, manipulation, manufacturing, or exhibiting merchandise, if authorized by the Foreign-Trade Zones Board after finding that the existing zone will not adequately serve the convenience of commerce with respect to the proposed purposes. Where applicant desires to have a subzone located within Grantee's jurisdiction and the Grantee has no site available for its location or where sites available are not suited for proposed operations, the applicant must arrange for the acquisition of a suitable and available site. The Grantee will provide cooperation with all state or local industrial development agencies, public or private, to assist applicants to the fullest extent possible in securing a suitable location.

Applicants for the establishment of a subzone will bear application costs and charges of preparing and filing of an application by the Grantee whether or not the application is favorably acted upon by the Foreign-Trade Zones Board.

All persons and/or entities who request that the Grantee apply for authority to establish a Zone Site or subzone are responsible for obtaining any necessary zoning, permit or consent for such subzone from the local authorities having jurisdiction in the area in which the proposed subzone is to be located.

The Grantee will apply the rates and charges set forth in this Zone Schedule and applicable to the subzone operation uniformly to all subzone occupants or users under like circumstances. Where such rates and charges are not applicable to a subzone operation, it is intended that the provisions of the agreement between the Grantee and the subzone user will govern.

NWID FTZ#288 Zone Schedule

Original/Revised: Original
Cancels N/A
NWID Foreign-Trade Zone No. 288
Zone Schedule No. 1

Contingencies not covered by this Zone Schedule or by separate agreements will be subject to agreements amending or supplementing the primary agreement. Amended or supplementary agreements, as well as practices that may develop and be permitted in subzone operations will be also uniformly applied to subsequent applicants under identical circumstances for identical services.

Annual Zone Fee: Activated Sites or Activated Subzones

The annual zone fee will become due upon execution of the User Agreement and each January 1 thereafter. The annual service charge may be prorated to December 31 from the date the Agreement is first executed. Upon sixty (60) days written notice from Grantee to User, the annual service charge may be modified. The fee will be charged based on the following for calendar years 2014 and 2015:

FTZ Annual User Fee:

1 – 6,000 sq. ft.	\$ 6,000
6,001 – 15,000 sq. ft.	\$12,000
15,001 sq. ft. and above.	\$24,000

Annual Zone Fee: De-activated Zone Sites..... \$ 6,000

As property with FTZ designation in Site 1 is sold or title is conveyed to another entity, the property owner/developer must notify Grantee in writing of the sale, and the purchaser must notify Grantee in writing of its interest in retaining the FTZ designation. Non-activated zone tenants may surrender zone designation with written notification to Grantee. If the purchaser desires to retain the designation, they will become responsible for the annual fee. If no notification is provided to Grantee, the property owner/developer will remain responsible for the fee required from the purchaser, in addition to the fee required from the property owner/developer for its other property in the FTZ site until such time as proper notification is provided to the Grantee.

Property owners/developers should include provision in contracts or covenants with purchasers to address the responsibility of the fee and requirement for notifying the Grantee. Purchasers and non-activated zone tenants must either agree to the Annual Zone Fee for Non-Activated property until the property is activated with U.S. Customs & Border Protection or surrender the FTZ designation on the property.

FTZ No.288 will operate under the Alternative Site Framework Designation and Audit Fees and Management Framework. The following rates represent the application and activation fees associated with Grantee's services for support, documentation, and coordination efforts.

FTZ No. 288 Application Fee

Usage-Driven Site: Minor Boundary Modification (per location).....	\$3,500*
Magnet Site: Expansion or Application	\$3,500*
Production Application	\$3,500*

NWID FTZ#288

Zone Schedule

Original/Revised: Original

Cancels N/A

NWID Foreign-Trade Zone No. 288

Zone Schedule No. 1

Fees above do not cover the actual preparation of applications. Services for the preparation of applications will be contracted directly between the zone applicant/user and its service provider.

6.16 Indemnification - Each User shall indemnify and save harmless the Grantee/Operator from and against any and all loss, cost (including attorney's fees), damages, expense and liability (including statutory liability and liability under Worker'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 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 user, user's partners, agents, employees, customers, invitees, contractors, and subcontractors.

NWID FTZ#288

Zone Schedule

Original/Revised: Original

Cancels N/A

NWID Foreign-Trade Zone No. 288

Zone Schedule No. 1

SECTION VII

HANDLING CHARGES

7.01 Zone Accommodations - Before merchandise may be admitted into the zone, a CBPF 214 Application for FTZ Admission, must be completed by the zone tenant or its agent, filed and approved by the Zone Operator and the authorized Customs personnel. The Application shall describe the merchandise fully, in terms of the Harmonized Zone Schedule of the United States Annotated and be accompanied by all supporting documents as required by the CBPF 214.

Users that have received Customs authority to receive merchandise under Direct Delivery procedures may receive the merchandise at the zone before filing the CBPF 214. The CBPF 214 must be submitted pursuant to the rules and regulations governing Direct Delivery procedures.

7.02 Permission to Manipulate, Manufacture, or Process - Before merchandise may be manipulated within the zone a CBPF Manipulate, 216 must be presented to the Zone Operator for concurrence. Manufacturer, or The Operator will then forward the application to the Port Process Director of Customs or his/her authorized representative. Upon approval by the Port Director or his/her authorized representative the contemplated manipulation will then be permitted.

7.03 Tender for Acceptance - All merchandise for zone acceptance and admission 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.

7.04 Liability - The Grantee is not responsible for loss or damage of merchandise stored or handled through the zone. Perishable goods, or goods which are susceptible to damage through temperature changes or other causes incidental to general storage, are accepted in general storage only at the risk of the Person of Record for such damage as might result from general storage conditions.

7.05 Non-Liability - The Grantee will not be liable and cannot assume any responsibility for any loss or damage to freight, cargo or merchandise or other property within the zone, or for any loss or damage arising from acts of commission or omission of co-tenants, or of the occupants, or users of adjacent or contiguous compartments or of other portions in or about the zone, nor for the breakdown of cranes or power service, nor for loss or damage occasioned by plumbing, electric wires, automatic fire apparatus, nor for any loss or damage from any cause whatsoever.

NWID FTZ#288

Zone Schedule

Original/Revised: Original

Cancels N/A

NWID Foreign-Trade Zone No. 288

Zone Schedule No. 1

Tenants, through their use of the zone, agree that Grantee shall neither be responsible nor liable for any claims for damages or injury (including death) caused by or arising from:

1. Acts of negligence of co-tenants upon or within the Zone
2. The occupants or users of adjacent or contiguous premises
3. The breakdown of cranes or power service
4. Plumbing, electrical wires, automatic fire or sprinkler apparatus or any facilities upon or about the zone or other premises of the Grantee and/or Operator
5. Water being upon or coming through the roof, skylights or rap doors
6. Accidents on tracks, roadways or elsewhere upon or within Grantee's and/or Operator's property

The Grantee will not be responsible for any loss or damage caused by fire, heat, dampness, leakage, the elements, evaporation, natural shrinkage, wastage or decay; animals, rats, mice or other rodents; moths, weevils or other insects; leakage or discharge from fire protection systems, collapse of buildings or structures, breakdown of plant or machinery or equipment; or by floats, logs or piling required in breasting vessels away from wharf; nor will it be answerable for any loss, damage, or delay arising from the insufficient notification, or from war, insurrection, shortage of labor, combinations, riots or strikes of any persons in its employ or in the services of others or from any consequences arising therefrom. In performing the service of checking, the zone will accept no responsibility for concealed damage nor for the condition of contents of packages, cases, or other containers, whether or not receipts issued so state.

The Grantee will not 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 user to the Grantee.

The Grantee will not be liable to respond in damages or make indemnity or compensation of any character from any source other than the income and revenues arising from the operation of the property by FTZ No. 288 by reasons of, or due to, or caused by the operation of FTZ No. 288. The members of FTZ No. 288, either singularly or collectively, shall not be personally liable to anyone by reason of, or due to, or caused by the management of the FTZ No. 288.

As a condition precedent to recover, claims for loss or damage must be made in writing within thirty (30) days after the merchandise is delivered from the zone, or, in the case of failure to make delivery, then within thirty (30) days after delivery of the last package of the lot in Grantee's apparent possession.

7.06 Improper Packing - Merchandise not suitably 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.

7.07 Customs Bond - Each User must maintain, for Customs purposes, a Customs Bond as a guarantee for the payment of all duties and taxes on such merchandise as may be removed from the zone with or without a proper Customs permit or otherwise missing from the zone.

NWID FTZ#288

Zone Schedule

Original/Revised: Original

Cancels N/A

NWID Foreign-Trade Zone No. 288

Zone Schedule No. 1

7.08 Customs Permit - Merchandise will not be delivered to or through the Customs territory unless a Customs permit accompanies the delivery order.

7.09 Hazardous Commodities - The zone will not be required to accept for storage any commodity that will affect the rate of insurance on other merchandise in storage. All commodities moving in or out of the zone must comply with applicable local, state, and federal laws. Where reference is made hereto, by any rate item, the product will not be stored except in locations or areas that are not restricted in the acceptance of any commodity for storage under the issuance of rate established on contents stored therein.

7.10 Marking -All merchandise handled in the zone, before entry to the Customs territory, must be marked in accordance with Customs regulations as to the country of origin and in accordance with all other government regulations and no merchandise which carries any false or misleading label or mark will be permitted to leave the zone for any purpose. When repacked or labeled in the zone the goods should, when possible, be marked to indicate the fact.

7.11 Trucking and Lighterage - Transfer of foreign merchandise between the Customs territory and the zone must be made by Customs bonded trucks or other carriers and subject to Customs regulations. Likewise, transfers of non-privileged foreign merchandise to or through the Customs territory must be made by Customs bonded trucks or other carriers and subject to Customs regulations and any other applicable Federal or State Agency Regulations.

7.12 Customs Inspection of Merchandise in Zone - The consignee or zone tenant, or its agent, shall at all times be immediately available to make merchandise subject to inspection required by U.S. Customs & Border Protection and shall have the sole responsibility of opening crates and packages, handling the merchandise and securing the crates and packages following the inspection. This service may become available as zone space is activated and set up for inspections.

7.13 Handling Charges - As General Purpose FTZ sites are activated, each Operator will execute separate agreements with the Grantee and will provide a schedule of handling charges.

VLD/DOCU/101340(8800)