

IMPORTANT INFORMATION ABOUT ZONE SCHEDULES

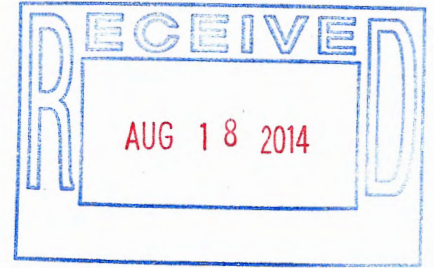
This zone schedule is being made available pursuant to 15 CFR 400.44(e), which states: “The Board shall make copies of zone schedules available on its Web site.”

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.



Zone Schedule
Foreign Trade Zone 127
West Columbia, South Carolina

Effective August 13, 2014

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INTRODUCTION

In July 1986 the Foreign-Trade Zones Board approved Foreign-Trade Zone 127 at the Columbia Metropolitan Airport. An operating agreement had previously been negotiated between the Richland-Lexington Airport Commission (Operator) and the South Carolina State Ports Authority (Grantee). An application was filed with the Foreign-Trade Zone Board in 1987 to transfer the grant for Foreign-Trade Zone 127 from the South Carolina State Ports Authority to the Richland-Lexington Airport District ("District"). That request was granted on February 7, 1988 and the Richland-Lexington Airport Commission became both Grantee and Operator of the zone.

Located on South Carolina Highway 302, one mile from its intersection and I-26 and only six miles southwest of Columbia, Foreign-Trade Zone 127 is located in Lexington County and covers 108.53 acres of the 2,600-acre complex of the Columbia Metropolitan Airport, owned and operated by the Richland-Lexington Airport District. The first 40,000 square foot, two-building complex in FTZ 127 was completed in April 1989. Another 52,000 square foot building was completed in August 1990.

STANDARDS OF OPERATION

The Operator shall operate and maintain the Site in accordance with the terms and conditions set forth in the Operating Agreement.

The District may from time to time establish and/or approve standards of operation and service so as to conform to requirements of the Foreign-Trade Zones Board and U.S. Customs and Border Protection ("CBP"). The Operator must conform to all such standards and requirements of which it has received written notice, and require conformance thereto of all persons, firms, and corporations admitted by it to the site. Operator agrees to comply with any and all applicable operating procedures, administrative rules and regulations set forth, and may be subsequently issued or revised, by the Foreign-Trade Zones Board, U.S. Customs and Border Protection, and any other federal, state or local authority having jurisdiction over the Site.

The District, personnel of the Foreign-Trade Zones Board, and the U.S. Customs and Border Protection shall have the right to enter upon the Site at reasonable times for the purpose of examining the same, conferring with the Operator, its agents, invitees, employees, and others on such Site, inspecting and checking operations, supplies, equipment, and merchandise, and determining whether the business is being conducted in accordance with the standards and requirements of the Operating Agreement. All such standards and requirements shall be consistent with the laws and regulations of the Foreign-Trade Zones Board and U.S. Customs and Border Protection, as they may be from time to time modified. The District, for itself, its agents, its representatives, and its employees, agrees to maintain any and all Information about the Operator and its business in strictest confidence, except to the extent that such information is already a matter of public knowledge, and except as required by laws and regulations governing the establishment, maintenance and operation of foreign-trade zones.

REPORTING AND RECORDKEEPING

The Operator is responsible for the submission of all reports from time to time as required by the Foreign-Trade Zones Board or U.S. Customs and Border Protection, respectively, in such form and bearing such signatures as are required by these two governmental agencies, and to furnish the District, when requested, with copies of the same for its records. Where such reports are required by either agency to be certified by a Certified Public Accountant, they shall be so certified.

The Operator must also submit to the District in twelve (12) month cumulative form all data required by the District as necessary to complete and submit its Annual Report as required by either the Foreign-

Trade Zones Board or U.S. Customs and Border Protection. Report submissions shall not be unreasonably withheld or delayed by Operator and shall be submitted by the date set forth by the District.

INSURANCE AND INDEMNIFICATION OF DISTRICT

The Operator shall protect, indemnify, and save harmless the District from and against any and all loss, damage, liability, or costs, including attorneys' fees, arising out of or incident to Operator's Site operations hereunder if such loss, damage, liability or costs were caused by Operator's fault, negligence, or failure to exercise due care.

The Operator further shall place with an insurance company selected by the Operator (but reasonably acceptable to the District), and keep in force and effect during the life of this Agreement, insurance covering public liability of all kinds, in such amounts as are reasonable under the circumstances; and Operator will furnish the District with copies of the relevant insurance policy or policies and pay all premiums on said insurance as and when the same become due. The Operator shall be listed as an insured, and the District shall be listed as an additional insured.

SALE, LEASE, TRANSFER, OR ASSIGNMENT

Should the Operator seek permission from the Foreign-Trade Zones Board to expand the Site and use any property under a lease, sublease, or other written contract of tenancy from the owner thereof for such purposes, the Operator shall, prior to the execution thereof, submit each lease, sublease, or other contract to the District and such instrument shall contain an express covenant that throughout the term of said lease the premises therein described shall, at the option of the District, be used solely and exclusively as a Site under all the terms and conditions of the Operating Agreement and that no assignment, transfer, change, modification, or any other amendment of such instrument, shall be entered into between the owner and the Operator without the express consent in writing of the District, and such use shall be in accordance with all statutes and rules and regulations with regard to operation of a Site. This provision, however, shall be subject to the right of the District to cancel the Operating Agreement.

It is the intent of the parties of the Operating Agreement that the Property shall be operated as a Foreign-Trade Zone Site for a period concurrent with the term of the Operating Agreement, but nothing shall obligate the District to recognize any successors to the Operator unless such prospective successor is approved by the Foreign-Trade Zones Board and the District in the manner set forth below. Prior to transferring rights to own, use, possess, or otherwise occupy the Subject Property, Operator shall notify District in writing of its intent to make such a transfer, and District shall, if continued Foreign-Trade Zone Site operation is desired, have ninety (90) days after receipt of such written notice to apply to the Foreign-Trade Zones Board on behalf of the Operator for approval or disapproval of the proposed transfer, provided that, in all events, such approval shall not be inconsistent with the mission and purpose of the District but shall not be unreasonably withheld. Nevertheless, in the event that Operator makes a transfer of such rights to the Subject Property without such approval, the District shall have the option and right to cancel this Agreement immediately with written notice being given to the Operator.

CONSTRUCTION, ADDITIONS, ALTERATIONS, AND MAINTENANCE OF PREMISES

The Operator will at all times maintain the interior and exterior of the buildings and surrounding premises of the Site in a clean, sanitary, and orderly condition. The Operator shall submit to the District for approval all plans and specifications for any new construction of the Site, including, but not limited to, fencing, roads, buildings, and utilities. If any additional building is to be constructed or if substantial alterations are to be made upon the Site, then, to the extent that the relevant laws at the time so require

the same shall be first approved in writing by the District, and plans and specifications therefore agreed to in writing by the District.

TERMINATION

If, within two (2) years from the receipt of notice from the District that operational authority has been granted the District by the Foreign-Trade Zones Board, no activity is commenced within the Site, the Operating Agreement may be terminated by either party giving written notice of such termination to the other party.

If the Operator shall become in default under any mortgage, deed of trust, or lease covering the Subject Property, or shall be adjudicated as bankrupt, or shall make an assignment for the benefit of creditors, or if Operator shall default in the performance of any covenant or agreement made hereunder, including standards of operations, failure to obtain consent of the District where required hereunder, payments of amounts due hereunder, or otherwise, and such defaults shall not be remedied to District's satisfaction within ninety (90) days after receipt by Operator of written notice from District of such defaults, then the District may thereupon terminate the Operating Agreement and all rights hereunder of the Operator; but such termination shall not affect the obligations of the Operator to take action or abstain from taking action after termination hereof, in accordance with the Operating agreement.

If the Operator abandons the operation of the Site business or operates such business at such a low level or in such a manner as to reduce commerce, eliminate commerce, or provide inadequate commerce flowing through this Site or to substantially negate the general benefits of such Site, then, the District may, at its option, give the Operator 180 days' notice of unsatisfactory performance, and may, at its option, terminate the Operating Agreement and all rights hereunder of the Operator at the end of the said 180-day period if the Operator fails to make sufficient progress toward making its performance satisfactory.

Upon the termination of the Operating Agreement for any cause, the Operator will, within a reasonable period under the circumstances, discontinue reference to the existence of the Site in connection with all use of its trade names and trademarks, and in connection with its signs and all forms of its advertising and other indicia of operation within the Site; and if the Operator shall fail or omit to make, or cause to be made, such changes, within such reasonable period, then the District shall have the right to enter upon the premises without being deemed guilty of trespass or any other tort, and to make or cause to be made such changes at the expense of the Operator, which expense the Operator agrees to pay on demand; provided that, for purposes of the foregoing, the parties agree that a "reasonable period" shall in no event be less than ninety (90) days, nor more than two hundred seventy (270) days.

Upon the termination of the Operating Agreement for any cause by the Operator, the District may, at its sole discretion, require the Operator to continue to operate the Site for a period not to exceed six (6) months to allow for the orderly discontinuation of operations.

FEE SCHEDULE

Operators operating under Foreign-Trade Zone 127 shall be responsible for the payment of and/or pay to the Richland-Lexington Airport District administrative charges as follows.

- (a) The Operator shall be responsible for the cost of maintaining such U.S. Customs and Border Protection services at the operator's FTZ site as required by U.S. Customs and Border Protection Regulations, consistent with the fact that Operator will be operating a self-administered inventory control system as provided for by the regulations of U.S. Customs and Border Protection, as they may from time to time be modified.

- (b) The Operator shall be responsible for the cost of a bond, the provisions and amount of which shall be set by the U.S. Customs and Border Protection, which guarantees the U.S. Government against loss of duty or taxes on merchandise found to be missing from the Operator's FTZ site or removed from the Operator's FTZ site without proper permit.
- (c) The Operator shall be responsible for any costs or fees that the District may incur related to the application for and operation of the Operator's FTZ site on behalf of the Operator.
- (d) In addition to costs and expenses to be paid and borne by the Operator as outlined above, the Operator shall pay to the District an annual fee of \$6,000 (Six Thousand and no/100 Dollars), or the monthly sum of \$500.00 (Five Hundred and 00/100 Dollars). The fee for the first year will be prorated from the date of activation and will be due on the 1st day of the month following activation. If the monthly payment method is selected, such payment shall commence on first day of the month after FTZ site designation. Subsequent monthly payments shall be made on the first day of each month thereafter. Monthly payments not received by the 15th of each month will be subject to late charges at a monthly rate of 1.5 percent and which shall continue to accrue monthly until paid.