

IMPORTANT INFORMATION ABOUT ZONE SCHEDULES

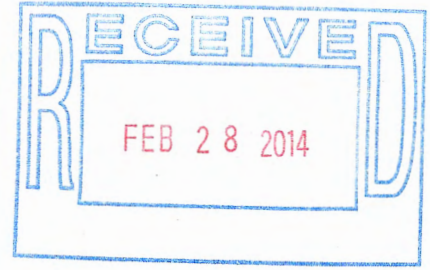
This zone schedule is being made available pursuant to 15 CFR 400.44(e), which states: “The Board shall make copies of zone schedules available on its Web site.”

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 #27
Boston, Massachusetts

Massachusetts Port Authority

Effective: March 1, 2014

**ZONE SCHEDULE FOR FOREIGN TRADE ZONE # 27
BOSTON, MASSACHUSETTS**

GRANTEE:

Massachusetts Port Authority
One Harborside Drive, Suite 200S
East Boston, MA 02128-2909
Tel. 617.946.4445

DESCRIPTION

Foreign Trade Zone # 27 is located in the Port of Boston, Massachusetts and consists of 4 noncontiguous sites totaling 128.6 acres. The Port of Boston is situated entirely within the confines of the Commonwealth of Massachusetts. Boston is the headquarters port for Customs District # 04 of Massachusetts, Regdion # 1, Port # 0401.

GRANT OF AUTHORITY

Foreign Trade Zone # 27 operates under a grant of authority issued April 15, 1977, Foreign Trade Zones Board Order # 116, to the Massachusetts Port Authority, as amended in Massport's application to the Board filed on July 2, 1997 and the Board's Order No. A (27f) - 30 - 97 .

Schedule Prepared By the Massachusetts Port Authority

GRANTEE ADMINISTRATION

Chairman:	Sec'y. Richard Davey	CEO & Executive Director	Thomas P. Glynn
Members:	Michael Angelini	Port Director	Deborah Hadden
	Douglas Husid		
	L. Duane Jackson		
	Sean M. O'Brien		
	Kurt N. Schwartz		
	Kathryn West		

TABLE OF CONTENTS

<u>Section</u>	<u>Contents</u>	<u>Page #</u>
Section 1	Grantee Administrative Information	1
	1.1 Governance.....	1
	1.2 Delegation of Authority	1
Section 2	Definitions.....	1
Section 3	Operating Policy, Rules and Regulations for Warehousing/	2
	Distribution Zone Activities within Foreign Trade Zone #27	
	3.1 Applicable Zone Activity	2
	3.2 Grant of Right to Operate	2
	3.3 Term.....	3
	3.4 Construction/Improvements	3
	3.5 Operation and Use of the GP-FTZ.....	3
	3.6 Accounts, Records and Inspection.....	4
	3.7 Reporting	5
	3.8 Advertising.....	5
	3.9 Indemnification and Insurance	5
	3.10 Fines.....	6
	3.11 Assignment	6
	3.12 Events of Default.....	6
	3.13 Termination	6
	3.14 Operator as Independent Contractor	7
	3.15 Notices	7
	3.16 Conflict with Terms of the Grant	7
	3.17 Miscellaneous	8
	3.18 Non-Discrimination.....	8
	3.19 Certification of Compliance with Massachusetts Employment Security Law	9
	3.20 Certification of Compliance with Massachusetts Child Care Law.....	10
	3.21 Certification of Compliance with Massachusetts Revenue Enforcement and Protection Law	10
Section 4	Supplemental Operating Policy, Rules and Regulations for Jet Fuel Storage And Distribution Uses	10
	4.1 Applicable Zone Activity	10
	4.2 Supplemental Operating Policy, Rules and Regulations.....	10
Section 5	Operating Policy, Rules and Regulations for Sub-Zones.....	11
Section 6	Annual Fee and Administrative Costs	
	5.1 GP-FTZ Warehousing/Distribution Activities	11
	5.2 GP-FTZ Jet Fuel Storage and Distribution Activities.....	11
	5.3 Sub-Zone Operations	12
Section 7	Information on Public Operators.....	12
Section 8	Rates/Charges Assessed by Public Operators.....	12

SECTION 1: GRANTEE ADMINISTRATIVE INFORMATION

1.1 GOVERNANCE

The Massachusetts Port Authority (“Massport”) is an independent state authority of the Commonwealth of Massachusetts (the “Commonwealth”). Massport is governed by a Board of seven (7) members selected by the Governor of the Commonwealth. The Board consists of a Chairman and six (6) members.

Massport was established pursuant to Chapter 465 of the Commonwealth of Massachusetts Acts of 1956, Section 3 of which grants Massport to apply for, establish and operate foreign-trade zones and subzones in accordance with the Foreign-Trade Zones Act of 1934. In April 1977, Massport was granted authority to establish, operate and maintain Foreign Trade Zone #27 (“FTZ #27”) by Order No. 116 of the Foreign-Trade Zones Board.

1.2 DELEGATION OF AUTHORITY

By a vote taken March 28, 1996, the Massport Board of Directors approved the delegation of authority to the Executive Director or his designee Massport to take any and all actions necessary and desirable in maintaining FTZ # 27 on behalf of Massport. All approved and activated Zone sites will be administrated as dictated by the Regulations of the Board, the U. S. Customs and Border Protection, and the Operating Agreements between Massport and the various operators/tenants.

SECTION 2: DEFINITIONS OF TERMS

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

BOARD: The Foreign Trade Zones Board referenced to in Section 400.2 of the Regulations or the successor of such Board in functions and duties.

CUSTOMS: U.S. Customs and Border Protection, Department of Homeland Security.

CUSTOMS' REQUIREMENTS: Any and all requirements of Customs for the operation of any site within the Foreign Trade Zone.

CUSTOMS' TERRITORY: The territory of the U.S. in which the general tariff laws of the U.S. apply. The Customs' Territory includes the fifty (50) States, the District of Columbia, and Puerto Rico but excludes any areas within the boundaries of a Foreign Trade Zones.

FOREIGN TRADE ZONE (“FTZ”): A restricted access site, in or adjacent to a Customs Port of Entry, operated pursuant to public utility principles under the sponsorship of a corporation granted authority by the Board under supervision of U.S. Customs and Border Protection.

GENERAL PURPOSE FOREIGN TRADE ZONE (“GP-FTZ”): A Foreign Trade Zone established for multiple activities by multiple users. Storage, distribution, testing, repackaging, and repair are some of the possible activities in a GP-FTZ.

GOVERNMENT: The government of the United States of America.

GRANT: A grant of authority issued by the Board which authorizes the Grantee to establish, operate and maintain a Foreign-Trade Zone or Subzone subject to the limitations and conditions provided in the Act and the Regulations.

GRANTEE: The Massachusetts Port Authority ("Massport") to which the privileges of establishing, operating and maintaining FTZ # 27 have been granted.

OPERATOR: A corporation, partnership, or person that operates a zone or subzone under the terms of an agreement with the Grantee.

REGULATIONS: The regulations currently published in the Code of Federal Regulations at Title 15, Part 400, and Title 19, Part 146, as such regulations may be amended from time to time, and shall also mean any additional regulations which now or in the future be promulgated by any governmental entity (local, state or federal) which concern, relate or apply in any way to the Zone, as hereinafter defined, or to Foreign Trade Zones in general.

SUBZONE: A special purpose zone established as part of a zone project for a single-user limited purpose that cannot be accommodated within an existing zone.

U.S.: The United States of America.

ZONE: The term "Zone" means a foreign trade zone and/or Foreign Trade Zone # 27.

SECTION 3: OPERATING POLICY, RULES & REGULATIONS FOR WAREHOUSING/ DISTRIBUTION ZONE ACTIVITIES WITHIN FTZ

3.1 Applicable Zone Activity

Operating policy, rules and regulations as outlined under this Section 3 shall apply to the GP-FTZ activities for general warehousing, logistical, and distribution services. These activities include, but are not limited to, freight management from point of origin to final destination, container storage, inventory control, labeling, cleaning, processing, packaging, order fulfillment, assembly/kitting, and testing.

3.2 Grant of Right to Operate

Massport may grant an Operator the right to operate, maintain and promote the GP-FTZ for the purpose of attracting qualified businesses to the Port of Boston's Zone (the "Purpose") subject to the terms and conditions of Massport's application to the Board filed on July 2, 1997 and the Board's Order No. A (27f) - 30 - 97 approving the same, and to the terms, covenants and conditions set forth in an Operating Agreement between Operator and Massport (the "Operating Agreement"). Massport shall afford to all who may apply for the use of a Zone and its facilities and appurtenances uniform treatment under like conditions.

Under the terms of the Operating Agreement, Operator specifically agrees that it shall operate the GP-FTZ in accordance with the provisions, conditions requirements and restrictions of the Act, the Regulations and Massport's applicable rules and regulations, if any. Operator shall also

obtain all federal, state, and local permits necessary for the operation and use of the GP-FTZ. Immediately upon execution of the Operating Agreement with Massport, Operator shall take all steps necessary for the activation of the GP-FTZ, as required by Customs, including, without limitation, complying with all licenses, permits, bonding, liability, and security requirements for the use, operation and maintenance of the GP-FTZ; provided however, in no event shall Operator take any steps requested by Customs to activate and/or operate the GP-FTZ unless and until Massport has first had the opportunity to review and approve the same. Upon demand, Operator shall furnish Massport with satisfactory evidence of any or all such licenses, permits or bonds, and Operator shall immediately notify Massport of any revocation, suspension or limiting amendment of the same. Operator, separately and independently, covenants with Massport that it shall observe all applicable requirements of Customs. Operator further agrees to promptly furnish to Massport a copy of the notice or letter issued by Customs activating the GP-FTZ.

In the event Operator fails to activate the GP-FTZ within one (1) year of the execution of the Operating Agreement for any reason, including, but not limited to, the failure of Customs to approve activation, Massport may, at its sole discretion, terminate the Operating Agreement.

3.3 Term

The term of the Operating Agreement shall be one (1) year. Operator may request to extend the term of the Operating Agreement for additional one (1) year terms (the "Extended Period") subject Massport's consent, which consent may not be unreasonably withheld. In event Operator fails to give notice in accordance with the provisions of this Section, Operator's rights extend shall be conclusively deemed to have been waived and the Operating Agreement shall not be renewed beyond the expiration of the initial term or any subsequent Extended Period.

3.4 Construction/Improvements

Within a reasonable time after the effective date of the Operating Agreement and prior to commencing operation of the GP-FTZ, Operator shall, at its own cost and expense, and in accordance with the Act and the Regulations, complete the construction of any new facilities or make any alterations, additions, or modifications to the existing facilities on the GP-FTZ, which may be required by the Board and/or Customs for the operation of the GP-FTZ.

3.5 Operation and Use of the GP-FTZ

Operator may conduct in the GP-FTZ all activities necessary for the efficient operation of the GP-FTZ, which are permitted by the Act and the Regulations and authorized by the Board and Customs. Operator shall use, operate and maintain the GP-FTZ in accordance with the terms of the Operating Agreement and the provisions of the Act, the Regulations and all other federal, state or local laws, statutes, ordinances, codes, rules and regulations (collectively, "Laws"). Authorized representatives of Massport shall have the right at any time and from time to time, upon advance notice to Operator (except in cases of emergency where no notice is required), to enter the GP-FTZ during normal business hours for the purpose of inspecting Operator's operations. Such authorized Authority representatives shall comply with Operator's safety requirements and shall not unreasonably interfere with Operator's operations of the GP-FTZ. Operator shall allow officers and employees of the Board and Customs free and unrestricted

access to and throughout the GP-FTZ during normal business hours for the authorized and lawful purpose of examining the GP-FTZ, conferring with Operator, its agents, invitees, and employees; inspecting and checking operations, supplies, equipment and merchandise; and to determine whether the GP-FTZ is being operated in accordance with the Act, the Regulations and the procedures established thereby. All entries onto the GP-FTZ by any person, including Operator's own personnel, shall be in accordance with Operator's established security procedures.

Operator shall provide all facilities, personnel and services necessary to properly operate the GP-FTZ. Operator shall take all necessary precautions to ensure that all merchandise in, and activities within the GP-FTZ are in compliance with all applicable Laws. In the event that Customs initiates proceedings against Operator based on any alleged violation of the Act, the Regulations or any applicable Laws enforced by Customs relating to the operation of the GP-FTZ, Operator shall immediately notify Massport and promptly furnish copies of all notices and correspondence received from the Board or Customs, as well Operator's response thereto. Operator shall ensure that the Board's Rules and Regulations are at all times posted in a conspicuous place in the GP-FTZ.

3.6 Accounts, Records and Inspection

Operator shall maintain its accounts with respect to the operation of the GP-FTZ in accordance with Generally Accepted Accounting Principles except as may be otherwise required by any applicable Laws. Massport or its designee, shall have the right at any time, upon notice and during normal business hours, at its own cost and expense, to conduct investigations, inspections and audits of Operator's activities and records in connection with its operation of the GP-FTZ, and Operator agrees to fully cooperate in connection therewith. Such cooperation shall include, but not be limited to, making available to Massport or its designee, for on-site physical inspection any aspect of Operator's activities relevant to such investigation, inspection or audit; making available for inspection or copying the books, records and accounts which Operator is required to keep under the Regulations; and answering inquiries to be made in such manner or form as Massport deems appropriate (including personal interviews) covering any aspect of Operator's activities. If, as the result of an audit, inspection, or examination, Customs, the Board or Massport determines that the books, records, operational or security procedures, conditions of storage, operations or activities of Operator or the operations or activities at the GP-FTZ are not in conformance with the requirements of the Operating Agreement or any applicable Laws, Operator shall have the right to seek any judicial and/or administrative remedies which will not jeopardize the grant of the GP-FTZ; provided, however, that Massport may order the immediate correction of any documents, procedures, conditions of storage, operations or activities, if Massport, in its sole and absolute discretion, determines that the failure to make an immediate correction threatens Massport's status as Grantee of the FTZ or if Massport risks the possibility of incurring any fine, penalty or liability. Operator shall submit a corrective performance plan in writing within five (5) days of notice by the Board, Customs or Massport, which plan shall be approved by the Board or Customs, if required. Any action(s) required to be taken by Operator under such corrective plan shall not exceed thirty (30) days to be completed. Operator agrees to strictly adhere to any such corrective plan.

3.7 Reporting

Operator shall provide the Board, Customs and any other governmental authority having jurisdiction over the GP-FTZ all reports, schedules, tariffs and other instruments or documents on the operation of the GP-FTZ in such form and containing such information as may be required. Operator shall further provide Massport with any such information as may be necessary to enable Massport to file its annual report with the Board and any other reports which may be required by the Board. All such information shall be submitted in the manner and at the time prescribed by the Act, the Regulations and Massport and shall be certified to be true, correct and accurate by an authorized representative of Operator. Operator shall retain all records pertaining to the operation of the GP-FTZ for five (5) years after the merchandise covered by such records has been withdrawn from the GP-FTZ or such longer period as may be required by the Act, the Regulations or any other applicable Laws. Except for the above-stated requirement, Operator's records shall remain confidential.

3.8 Advertising

Massport shall have the right to use any data provided by Operator related to the operation of the GP-FTZ in its marketing efforts of FTZ No. 27. Massport specifically reserves its right to respond to press inquiries concerning the GP-FTZ. Notwithstanding the foregoing, Massport agrees to consult with Operator whenever practicable to assure the accuracy of the published data concerning the GP-FTZ. Operator shall have the right to market the GP-FTZ and shall submit any material it uses in its marketing efforts to Massport for approval prior to releasing such material for publication in any medium, which approval shall not be unreasonably withheld.

3.9 Indemnification and Insurance

Operator shall defend, indemnify and hold harmless Massport, its members, officers and employees and agents from and against all claims, causes of action, suits, losses, damages, fines and expenses (including attorneys' fees and costs of investigation and litigation) arising from or in connection with Operator's activities within the GP-FTZ, provided that Operator shall not be liable for any loss caused by the sole fault or negligence of Massport. Without limiting the generality of the foregoing, it is understood that Operator recognizes that this indemnity covers all claims and demands by any governmental agency, department or other entity including, without limitation, any claim or demand by Customs for lost duty revenue. In the event any claim or demand is asserted against Massport in connection with the operation of the GP-FTZ, Massport shall promptly notify Operator and shall provide Operator the opportunity to defend against such claim or demand. The foregoing express obligation of indemnification shall not be construed to negate or abridge any other obligation of indemnification by Operator and shall not be limited by any provision of insurance undertaken in accordance with this section. This provision of indemnification shall survive termination or earlier expiration of the Operating Agreement.

Operator shall obtain general comprehensive liability insurance for the coverage of its obligations under the Operating Agreement. Any such insurance shall be with a company that is authorized to do business in Massachusetts and in such form and amounts as are acceptable

to Massport, in its sole discretion; and shall name Massport, its members, officers, employees and agents as additional insureds. The insurance shall further provide that it shall not be altered or canceled by the insurer during its term without first giving at least thirty (30) days prior written notice to Massport. Prior to any alteration or cancellation, Operator shall provide some other form of insurance coverage therefore in such form and amount acceptable to Massport.

3.10 Fines

Without limiting the generality of any other provision in the Operating Agreement, Operator shall reimburse Massport for any fine ultimately imposed on Massport as a result of any act or omission of Operator. In the event any such fine is imposed, Massport shall promptly notify Operator and shall provide Operator the opportunity to defend against such fine.

3.11 Assignment

Except for assignments to a wholly-owned subsidiary or parent company, Operator shall not assign, sell, convey, set over, or encumber, directly or indirectly, any interest in the Operating Agreement, or its interest in the grant of right to use, operate and/or maintain the GP-FTZ, without the prior written consent of Massport, which approval shall be granted at the sole discretion of Massport. Any assignment without the prior express written approval of Massport shall be null and void and shall constitute a default hereunder and the assignee shall acquire no rights against Massport or otherwise as a result of such an assignment.

3.12 Events of Default

Each of the following events shall constitute an "Event of Default" under the Operating Agreement:

- (a) Operator shall fail to pay any fees, payments or other amounts under the Operating Agreement within thirty (30) days of being due;
- (b) Operator shall fail to comply with any of the terms, conditions or provisions of the Operating Agreement;
- (c) Any violation by Operator of the Act, the Regulations or any other applicable Laws;
- (d) Operator shall become insolvent, or shall take the benefit of any present or future insolvency statute, or shall make a general assignment for the benefit of creditors, or file a voluntary petition in bankruptcy under the federal bankruptcy laws or under any other law, federal or state, or consent to the appointment of a receiver, trustee or liquidator of all or substantially all of its property;
- (e) Customs suspends Operator's operations for a period in excess of ten (10) days provided that Operator shall have ninety (90) days to remedy said defect or defects causing the suspension.

3.13 Termination

Upon occurrence of an Event of Default, Massport may terminate the Operating Agreement by giving Operator notice thereof, in which event the grant to establish, maintain and operate the GP-FTZ shall be withdrawn and shall expire on the date set forth in such notice as if such date

were the date originally specified herein for the expiration of the Operating Agreement, and Operator shall then cease its operations in the GP-FTZ and remove its equipment, property and materials from such GP-FTZ. Any such termination shall not relieve Operator of any residual obligations incurred during the period prior to termination or which accrue prior to the effective date of termination, including, but not limited to, any service charges.

The Operating Agreement shall also automatically terminate without liability on the part of Massport to Operator upon notification that the Board has withdrawn or terminated its Grant to Massport to establish and maintain FTZ No. 27.

Massport shall have the right to terminate the Operating Agreement upon twenty-four (24) hours' notice to Operator upon (i) a determination that Operator has violated a criminal law; and/or (ii) notice that Operator has an unsatisfied criminal or civil monetary judgment which remains unsatisfied for a period of more than sixty (60) days after a final judgment has been rendered.

3.14 Operator as Independent Contractor

Nothing contained in the Operating Agreement shall create or shall be construed to create any relationship of partnership, any joint venture, or agency between Massport and Operator. Neither party shall hold itself out as having any authority to act on behalf of the other. Operator is and shall be at all times considered an independent contractor, and shall conduct itself accordingly.

3.15 Notices

All notices required shall be in writing and shall be deemed duly given, (i) when sent via facsimile (with a confirmation copy by certified mail, hand delivery or overnight courier, as provided herein); or (ii) when mailed certified mail, return receipt requested; or (iii) when hand delivered; or (iv) when received or refused, if sent by a nationally recognized overnight courier, to:

Grantee: Massachusetts Port Authority
 1 Harborside Drive
 Suite 200S
 Boston, MA 02128-2909
 Attn: Chief Legal Counsel

Or to such other address as Massport may from time to time designate by written notice to Operator.

All such notices shall be effective upon receipt or failure to accept delivery.

3.16 Conflict with Terms of the Grant

In case of any conflict between the terms of the Operating Agreement and the Regulations or the Grant issued to Massport to establish, operate and maintain the Zone, the Regulations and Grant shall control. If any terms of the Operating Agreement or the application thereof to any

person or circumstance shall, to any extent be invalid or unenforceable, the remainder of the Operating Agreement, or the application of such provision to persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and all such remaining provisions of the Operating Agreement shall be valid and enforceable to the fullest extent permitted by law. The Operating Agreement shall bind and shall inure to the benefit of the parties thereto, and their permitted successors and assigns.

3.17 Miscellaneous

Nothing in the Operating Agreement shall preclude Massport from seeking approval of additional Foreign Trade Zone sites and additional Subzones, and authorizing the operation of the same to entities other than Operator. Massport, its members, officers, employees and agents, shall never be charged personally with any liability or held liable under any term or provision of the Operating Agreement or because of any breach or attempted or alleged breach thereof. The Operating Agreement, including exhibits attached thereto, shall constitute the entire agreement between the parties hereto, and all prior agreements unless otherwise specifically provided, shall be superseded by and merged into the Operating Agreement.

The laws of the Commonwealth of Massachusetts shall govern the validity, performance and enforcement of the Operating Agreement. If either party institutes legal suit or action for enforcement of any obligation contained therein, it is agreed that the venue of such suit or action shall be the county in which the GP-FTZ is located, or the U.S. District Court having jurisdiction over such county. Operator and Massport shall waive trial by jury in any action, proceeding or counterclaim brought by either party against the other or any matter whatsoever arising out of or in any way connected with the Operating Agreement, the relationship of Massport and Operator created thereby, Operator's operations at the GP-FTZ, and/or any claim for injury or damage resulting therefrom. In the event Massport commences any action or proceeding for non-payment of the Annual Fee due under the Operating Agreement. Operator shall not interpose any counterclaim of any nature or description, other than a compulsory counterclaim, in any action or proceeding. The foregoing shall not be construed as a waiver of Operator's right to assert such claim in a separate action or proceeding instituted by Operator.

3.18 Non-Discrimination

In accordance with policies adopted by the Massachusetts Port Authority, Operator agrees with respect to its exercise of all uses, rights, privileges and obligations granted or required under the Operating Agreement that Operator, its successors and assigns in interest, licensees, and sub-operators shall:

- (a) Not discriminate against any person, employee, or applicant for employment because of that person's membership in any legally protected class, including, but not limited to, their race, color, gender, religion, creed, national origin, ancestry, age being greater than forty years, sexual orientation, gender expression and identity, handicap, genetic information, or veteran status. Operator shall not discriminate against any person, employee, or applicant for employment who is a member of, or applies to perform service in, or has an obligation to perform service in, a uniformed military

service of the United States, including the National Guard, on the basis of that membership, application, or obligation. Tenant shall undertake affirmative action measures designed to guarantee and effectuate equal employment opportunity for all persons; and

- (b) Conspicuously post notices to employees and prospective employees setting forth the Fair Employee Practices Law of the Commonwealth of Massachusetts, to the extent required by applicable law; and
- (c) Provide all information and reports pertinent to Massport's Equal Employment, Anti-Discrimination and Affirmative Action requirements requested by Massport and will permit access to its facilities and any books, records, accounts or other sources of information which may be determined by Massport to affect Operator's obligations herein; and
- (d) Comply with all federal and state laws and Massport regulations pertaining to Civil Rights, Discrimination, and Equal Opportunity, including, but not limited to, 49 CFR Part 21; 49 CFR Parts 23 and 26; 14 CFR Part 152, Subpart E and 41 CFR Part 60, Subpart C, Executive Orders 11246 and 11478, and Section 504 of the Rehabilitation Act of 1973, and any executive orders and rules and regulations of appropriate federal and state agencies unless otherwise exempt therein.

Operator's non-compliance with the provisions of the non-discrimination provisions of the Operating Agreement shall constitute an Event of Default thereof, for which Massport may, in its sole discretion, upon failure to cure said Default within five (5) days of written notice thereof, terminate the Operating Agreement upon ten (10) days written notice.

Operator shall indemnify and hold harmless Massport from any claims and demands of third persons resulting from Operator's non-compliance with the non-discrimination provisions of the Operating Agreement; and in case of termination or cancellation of the Operating Agreement as a result of non-compliance with the provisions of this Section, Operator shall further indemnify and hold harmless Massport against any loss or damage suffered by reason of such termination.

3.19 Certificate of Compliance with Massachusetts Employment Security Law

Pursuant to G.L.C. 151A, §19A(b), Operator shall certify, under the penalties of perjury that Operator has complied with all applicable Laws of the Commonwealth relating to unemployment compensation contributions and payments in lieu of contributions. Operator shall also provide Authority with the current Commonwealth of Massachusetts Department of Labor and Workforce Development identification number in effect.

Compliance may be certified if Operator has entered into and is complying with a repayment agreement satisfactory to the Commonwealth of Massachusetts Director of Unemployment Assistance, or if there is a pending adjudicatory proceeding or court action contesting the amount due pursuant to G.L.C. 151A, §19A(c), or certify, to the satisfaction of Massport that the Massachusetts Employment Security Law does not apply to Operator because Operator does not have any individuals performing services for it within the Commonwealth to the extent that it would be required to make any contributions or payments to the Commonwealth.

3.20 Certificate of Compliance with Massachusetts Child Care Law

Pursuant to Chapter 521 of the Massachusetts Acts of 1990, as amended by Chapter 329 of the Massachusetts Acts of 1991, Operator shall certify that one of the following items applies:

1. Operator employs fewer than fifty (50) full-time employees; or
2. Operator offers either a dependent care assistance program or a cafeteria plan whose benefits include a dependent care assistance program; or
3. Operator offers child care tuition assistance, or on-site or near-site subsidized child care placements.

3.21 Certificate of Compliance with Revenue Enforcement and Protection Program

Pursuant to G.L.C. 62C, §49A, Operator shall certify Operator's Social Security or Federal Identification No. and that to the best of his/her knowledge and belief Operator has filed all state tax returns and paid all state taxes required by applicable Laws, or certify, to the satisfaction of Massport, that the Massachusetts Revenue Enforcement and Protection Program does not apply to Operator because Operator does not derive taxable income from Massachusetts Sources such that it is subject to taxation by the Commonwealth.

SECTION 4: SUPPLEMENTAL OPERATING POLICY, RULES & REGULATIONS FOR JET FUEL STORAGE AND DISTRIBUTION USES WITHIN FTZ

4.1 Applicable Zone Activity

The scope of activities included in this Section includes the receipt, processing and distribution of jet fuel.

4.2 Supplemental Policy, Rules and Regulations

The operating policy, rules and regulations set forth in Section 3 above shall also apply to Operators of the activities set forth in Section 4.1. above.

In addition, Massport, in order to expedite Zone procedures, will authorize Operator, its employees or agents, as its true and lawful attorneys-in-fact, to execute Customs' documentation in the name of Massport. Operator shall keep Massport advised of the names of each employee or agent designated to execute such Customs' documentation. Without limiting Massport's rights as set forth by the Act and the Operating Agreement, the parties specifically recognize that Massport is not obligated to, and does not intend to, monitor the day-to-day activity of the Zone site. The appearance of the name of Massport on any Customs forms shall not be construed as a representation that Massport has any knowledge of the quantity, character, status, designation, identification or time of admission, transfer or release of goods into or from the Zone site. Any information contained in any such documentation submitted to Customs shall be the representation solely of Operator and not of Massport.

SECTION 5: OPERATING POLICY, RULES & REGULATIONS FOR SUB-ZONES WITHIN THE FTZ

The operating policy, rules and regulations set forth in Sections 3 and 4 above shall also apply to Sub-zone activities, as applicable.

SECTION 6: ANNUAL FEE AND ADMINISTRATIVE COSTS

6.1 GP-FTZ Warehousing/Distribution Activities Annual Fees and Administrative Costs

In consideration of the grant of license to operate and maintain services in the GP-FTZ as defined in Section 3.1, Operator shall pay Massport an annual administrative fee ("Annual Fee") of \$5,000.00.

Operator shall pay the Annual Fee in advance on a yearly basis, as of the effective date of the Operating Agreement between Massport and Operator. Operator agrees that the operation and maintenance of the GP-FTZ shall be at its sole cost and expense and that Massport shall not be obligated to provide any equipment, labor, materials or other goods or services in connection with Operator's operations or in the administration of the GP-FTZ. Operator shall pay directly to Customs any charges by Customs for the expense of maintaining Customs service at the GP-FTZ which charges may include, but not be limited to, expenses concerning or relating to any of the following: assignment to the GP-FTZ of Customs employees; obtaining a surety bond; keeping of books, records and accounts in the manner required by the Regulations; security; costs incurred pursuant to the Regulations, such as the cost of providing Customs services; and any other expenses related to the administration or operation of the GP-FTZ or Operator's compliance with the terms of the Act, the Regulations, and the Operating Agreement. Operator, at its own expense, shall maintain any bond or bonds requested or required by Customs and/or Massport for guaranteeing payment of any such sums as Customs and/or Massport may from time to time require. In the event Massport incurs any unexpected costs and expenses directly attributable to Operator's operation of the GP-FTZ, Massport shall have the right to request prompt reimbursement from Operator for the actual amount of such expenses and costs plus an administrative fee equal to fifty (50%) percent of such costs incurred. In the event Operator, as a result of its operation of the GP-FTZ, fails to make any payment which may be required of Massport as grantee of FTZ # 27 under the Act or Regulations, or any other applicable Law, including, without limitation, unpaid customs duties for which Massport, as Grantee of the FTZ #27, could ultimately be held responsible. Massport shall have the right, but not the obligation, to make such payment upon written notice to Operator. Notwithstanding the foregoing, Operator shall reimburse Massport for the actual amount of any such payment immediately upon demand therefore plus an administrative fee equal to fifty (50%) percent of such amount.

6.2 GP-FTZ Jet Fuel Storage and Distribution Activities Annual Fees and Administrative Costs

Deliberately left blank.

6.3 Sub-Zone Operations Annual Fees and Administrative Costs

In consideration of the grant of license to operate and maintain services in an approved and activated Subzone, Operator shall pay Massport an annual administrative fee ("Annual Fee") of \$5,000.00 as of the effective date of the Subzone Operating Agreement between Massport and Operator.

SECTION 7: INFORMATION ON PUBLIC OPERATORS

Any Operator providing public services within FTZ #27 shall be required to provide to the Authority a copy of its Zone Procedures Manual for each of the FTZ sites under its control, which shall be made available to the Public upon request. The Zones Procedures Manual shall include, but is not limited to, rules and procedures governing Zone operations, as well as any charges applicable to such operations.

As of the effective date of this Zone Schedule, there are no Public Operators in FTZ #27.

SECTION 8: RATES/CHARGES ASSESSED BY PUBLIC OPERATORS

As of the effective date of this Zone Schedule, there are no Public Operators in FTZ #27. Accordingly, at this time there are no rates/charges being assessed by Public Operators