

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.

**ARKANSAS ECONOMIC DEVELOPMENT
COMMISSION**

TARIFF NO. 2

CHARGES, RATES, RULES AND REGULATIONS

APPLICABLE AT

FOREIGN-TRADE ZONE NO. 14

LITTLE ROCK, ARKANSAS

**OPERATING UNDER GRANT OF AUTHORITY
OF THE UNITED STATES FOREIGN-TRADE ZONES BOARD**

TO THE

ARKANSAS ECONOMIC DEVELOPMENT COMMISSION

FOREIGN-TRADE ZONE ADMINISTRATOR

James Firestone
Director of Operations
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7500 Lindsey Road
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EFFECTIVE AUGUST 15, 2014

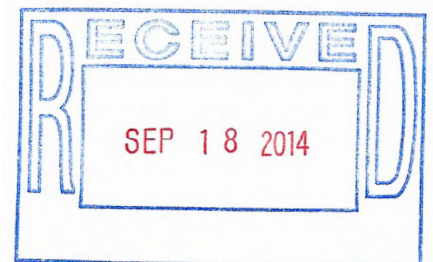


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ADMINISTRATIVE INFORMATION

Foreign-Trade Zone No. 14, located in Little Rock, Arkansas ("FTZ No. 14"), exists under a grant from the Foreign-Trade Zones Board dated October 4, 1972 (Board Order No. 90), to the State of Arkansas, Arkansas Industrial Development Commission. FTZ No. 14 is operated under an Agreement dated September 19, 1997 between the Arkansas Economic Development Commission ("AEDC") (successor agency to the Arkansas Industrial Development Commission) and the Little Rock Port Authority ("LRPA").

This tariff is prepared pursuant to Foreign-Trade Zone Board ("FTZ Board") regulations and is intended to provide information and guidelines, as required, in order to provide for the reasonable FTZ needs of the business community. A complete copy of this zone schedule shall be freely available for public inspection at the offices of the Grantee and the FTZ Administrator of FTZ #14 (listed below) as well as the FTZ Board web site, maintained by the FTZ Board Executive Secretary and staff.

Paper copies of this zone schedule are available at the following locations:

Arkansas Economic Development Commission, Zone Grantee Director's Office
One Capitol Mall
Little Rock, Arkansas 72201
(501) 682 7396 (Voice)
(501) 682-7394 (Fax)

Little Rock Port Authority
7500 Lindsey Road
Little Rock, Arkansas 72206
(501) 490-1468 (Voice)
(501) 490-1800 (Fax)

RULES AND POLICIES OF FTZ # 14

APPLICATION OF RATES, RULES AND REGULATIONS

OPERATION OF ZONE TO BE FAIR AND EQUITABLE: All rates and charges for all services and privileges within the zone shall be fair and reasonable, and the Grantee and Operator shall afford to all who may apply for the use of the zone and its facilities and appurtenances uniform treatment under like conditions, subject to such treaties or commercial conventions as are now in force or may hereafter be made from time to time by the United States with foreign governments. (19 USC § 81n).

ZONE SERVICES SUBJECT TO PHYSICAL LIMITATIONS: All Zone services and facilities shall be administered fairly and reasonably. In addition, the availability of all said services and facilities is subject to the physical limitations of Foreign-Trade Zone No. 14, with said services and facilities available on a first come, first served basis.

FOREIGN-TRADE ZONES BOARD GENERAL REGULATIONS: Foreign-Trade Zone No. 14 is regulated by the Foreign-Trade 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 the Foreign-Trade Zone No. 14 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. 14.

UNITED STATES CUSTOMS & BORDER PROTECTION REGULATIONS: Foreign-Trade Zone No. 14 is subject to special Customs Regulations as defined in U.S. Code of Federal Regulations, Title 19, Customs Duties, Chapter 1, U.S. Customs & Border Protection, Part 146 Foreign-Trade Zones. Copies of these regulations are maintained at the office of Foreign-Trade Zone No. 14 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. 14.

APPLICATION AND INTERPRETATION OF TARIFF: The Little Rock Port Authority, as Foreign-Trade Zone Administrator of FTZ #14, shall be the sole judge to interpret and determine the applicability of any of the rates, rules, regulations, or services provided in this Zone Tariff 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.

Acceptance of this Tariff, with the following use of the zone, constitutes agreement to the terms and conditions as set forth in this Tariff.

TARIFF IN COMPLIANCE WITH FOREIGN-TRADE ZONES BOARD: Foreign-Trade Zone No. 14 Tariff No. 2 is issued in compliance with Foreign-Trade Zones Board guidelines.

GENERAL RULES AND REGULATIONS

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. 14.

All persons or firms conducting business on or in connection with the facilities of FTZ No. 14 shall keep in full force the necessary insurance as spelled out by the Operating 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.

Merchandise stored, manipulated or transferred within the zone is not insured by the Grantee and the Zone Tariff rates do not include insurance on merchandise.

PUBLIC INTEREST, HEALTH AND SAFETY: No operation, or process, or treatment will be permitted in the zone that, in the judgment of the Grantee is detrimental to the public interest, health and safety.

CONFIDENTIAL RELATIONSHIP: Arkansas Economic Development Commission 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.

INDEMNIFICATION: Each Operator/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.

OPERATOR AGREEMENT REQUIRED: All persons and entities who request the Grantee to apply for authority to establish a subzone or usage-driven site must first enter into an agreement with the Grantee governing proposed subzone or usage-driven site operations. This agreement will contain provisions including, but not limited to, those relating to costs incidental to the preparation of the application and any subsequent amendment or modification thereof; costs incidental to public hearings and legal proceedings; charges for providing required Customs services; and charges for Grantee's special services not provided in this Tariff. An example of such services includes, but is not limited to, consultant services such as feasibility studies; cost/savings analysis; development of standard operating procedures; compliance reviews; assistance in preparation of necessary compliance reports; and development of inventory control/recordkeeping systems. The cost for these services will be provided in a written proposal. Applicants for the establishment of a subzone or usage-driven site 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.

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

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

CONTINGENCIES: Contingencies not covered by this Tariff 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.

OPERATION OF ZONE

RETAIL TRADE WITHIN ZONE: No retail trade shall be conducted within a zone except under 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 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.

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.

PAYMENT OF CHARGES FROM OTHER GOVERNMENT AGENCIES: Charges for services of Government agencies not included in this Tariff should be arranged for and paid for by the tenant who requires and uses such services.

HOURS OF BUSINESS AND SERVICE: Hours of business and service, for Customs purposes, shall be the same as those prescribed in Customs Regulations. The zone shall be available for business activities on a 24 hour basis. Regular or normal business hours shall be between the hours of 8:30 am and 5:00 pm Central Standard Time, Monday through Friday, except on holidays.

HOLIDAYS: The zone office is closed for regular business on the following holidays:

- New Year's Day..... The 1st Day of January
- Martin Luther King's Birthday..... The 3rd Monday of January
- Washington's/President's Day..... The 3rd Monday of February
- + Good Friday..... Friday preceding Easter Sunday
- Memorial Day The Last Monday of May
- Independence Day The 4th Day of July
- Labor Day..... The 1st Monday of September
- Columbus Day The 2nd Monday of October
- Veterans Day The 11th Day of November
- Thanksgiving Day The 4th Thursday of November
- + Day After Thanksgiving..... The 4th Friday of November
- + Christmas Eve The 24th Day of December
- Christmas Day The 25th Day of December

+ Observed by FTZ #14 personnel only (not observed by U.S. Customs & Border Protection personnel).

If a holiday falls on Saturday, the preceding Friday will be observed; and if a holiday falls on Sunday, the following Monday will be observed.

INVENTORY METHODS: Operators/Users of Foreign-Trade Zone No. 14 shall operate a computerized inventory method, capable of producing accurate and timely reports and documents as required by the Foreign-Trade Zone Regulations.

Inventory methods approved by U.S. Customs & Border Protection are as follows: FIFO (First In First Out), Foreign First, Specific Identification. Other inventory methods will require special prior approval by U.S. Customs & Border Protection.

SPECIAL RULES PERTAINING TO MERCHANDISE

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.

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.

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 trap 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 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 #14 by reasons of, or due to, or caused by the operation of FTZ #14. The members of FTZ #14, either singularly or collectively, shall not be personally liable to anyone by reason of, or due to, or caused by the management of FTZ #14.

RATES/CHARGES ASSESSED FOR FTZ # 14

APPLICATION AND ACTIVATION FEES

FTZ No. 14 will operate under the Alternative Site Designation and Management Framework. The following rates represent the application and activation fees associated with Grantee's services for support, documentation, and coordination efforts.

Usage-Driven Site: Minor Boundary Modification (per location).....	\$3,000
ASF Subzone Site: Minor Boundary Modification (per location).....	\$3,000
Magnet Site: Expansion or Application.....	\$5,000
Subzone (outside ASF service area, per location)	\$5,000
Production Notification	\$1,000
Application for Production Authority.....	\$1,000
Activation with CBP	\$500

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.

ANNUAL ZONE FEES

The annual zone fee will become due upon execution of the Operating 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 Operator, the annual service charge may be modified.

The fee will be charged based on the following:

Annual fee for owners of non-activated FTZ sites (per location).....	\$1,000
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The above non-refundable Annual Fee is payable to the property owner of a FTZ Site to the Port within 90 days of the designation of the property by the FTZ Board as part of FTZ #14, unless any part of the site is activated during 90 day period. The annual fee will be paid on the anniversary date of the zone designation and every year thereafter that the site remains non-activated. This annual fee is suspended should any part of the site be activated and remains suspended until the entire site is non-activated, at which time the property owner will commence payment of the annual fee on a yearly basis.

Annual fee for Operators of FTZ sites conducting activities within activated portion of FTZ #14 (per location).....	\$2,500
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The above non-refundable annual fee is payable by the operator to the Port upon the activation of the foreign-trade zone site and the anniversary date of said activation every year thereafter that the site remains activated.

INFORMATION ON A PUBLIC OPERATOR

GENERAL RULES

RUBBISH DISPOSAL: Grantee will not pick up, incinerate, or otherwise dispose of rubbish or waste products resulting from occupant's operations. Occupants must contract with an established firm rendering disposal services.

COMPENSATION INSURANCE: Every person employed by contractors or customers in the Zone shall be properly covered by Workmen's Compensation Insurance.

PUBLIC INTEREST, HEALTH, WELFARE AND SAFETY: No operation, or process, or treatment will be permitted in the Zone that, in the judgment of the Manager, creates a nuisance or is detrimental to the public interest, health, welfare and safety.

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

CLEANLINESS: The area assigned to an Applicant, Lessee or other user of zone property shall be kept clean at all times and failure of Applicant, Lessee or other user to maintain a state of cleanliness in assigned area shall be cause for a review of the lease terms and the imposition of any necessary action at the tenant's expense to bring the property up to the required state of cleanliness.

FREIGHT, CARGO AND MERCHANDISE

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

IMPROPER PACKING: Merchandise not suitably packed for ordinary handling, may, in the discretion of the Manager, be rejected or repacked at the expense of the shipper, consignee, or their agent.

HAZARDOUS MERCHANDISE: Explosives, inflammable, and other hazardous merchandise will not be permitted in the Zone unless complying with all Federal, State, municipal and Grantee regulations.

CONFIDENTIAL RELATIONSHIP BETWEEN ZONE AND CUSTOMERS: The Manager 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.

MAXIMUM FLOOR LOAD AND PILE HEIGHT: The Manager reserves the right to specify the maximum load that may be placed on the warehouse floor or aprons, and the manner in which single heavy pieces shall be moved over said floors or aprons, and he also reserves the right to specify the maximum height to which any commodity may be stacked or piled.

CARRIERS

APPLICATION FOR BERTH: Owners, agents or operators of barges desiring a berth at the Port of Little Rock or other wharves owned and operated by Grantee (whether or not adjacent to Zone) must apply to the Terminal Manager, Port of Little Rock, by letter ninety-six hours in advance of date for receiving or discharging cargo.

OUTBOUND MOVEMENTS: Before obtaining clearance from the Zone office, railroad cars will be sealed.

TRUCKING AND LIGHTERAGE: Transfer of foreign merchandise from Customs territory to the Zone must be made by Customs bonded trucks, lighters or other carriers and subject to Customs regulations. Likewise, transfers of foreign merchandise (duty unpaid) to or through Customs territory must be made by Customs bonded trucks, lighters or other carriers and subject to Customs regulations.

PERSONS

ADMITTANCE OF PERSONS: All persons having business in the Zone will enter and leave at the prescribed entrance. The gatekeeper will direct persons whose admittance has not previously been authorized to the Manager for a pass against which the gatekeeper will issue a temporary badge which must be shown to watchmen and guards upon request and which must be surrendered to gatekeeper on departure. Permanent badges are issued to tenants and their employees on application to the Manager. Their names and the names of other persons authorized admittance to the Zone are registered with the gatekeeper.

Only registered persons are admitted to the Zone after regular working hours unless application for a pass shall have been granted during regular working hours, and has been filed with the gatekeeper or is presented to him.

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

SMOKING: Smoking in the Zone is prohibited by Ordinance of the Little Rock Port Authority.

PREFERENTIAL ASSIGNMENT OF SPACE

BASIS FOR PREFERENTIAL ASSIGNMENTS: Manager will assign space for preferential assignment on a month-to-month basis subject to rates, rules and regulations set forth in this Tariff.

APPLICATION FOR PREFERENTIAL ASSIGNMENT: Preferential assignment of compartments or other areas in the Zone may be granted to "Applicants" upon application, subject to all of the rates, rules and regulations provided in this Tariff.

APPLICANT NOT MAKING FULL USE OF AREAS: When the applicant for a preferential assignment is not making full use of same, the Manager, when necessary, may assign other users to the space. Grantee will not refund any amount to Applicant of a preferential assignment for such temporary use by others.

REVOCAION OR TERMINATION BY GRANTEE: Grantee reserves the right to revoke any preferential assignment upon thirty (30) days' notice . When Grantee revokes a preferential assignment, the Applicant shall be entitled to be refunded a proportionate amount of any charges which it shall have paid in advance, such refund to be calculated as of the day when such revocation becomes effective.

REVOCAION OR TERMINATION BY APPLICANT: When the Applicant of a preferential assignment releases same, Grantee will not refund any amount of the advanced charges unless said area shall be reassigned by Preferential Assignment.

NOTICE OF RELEASE BY APPLICANT: Unless Grantee receives written notice thirty (30) days before the expiration of the charge period, Applicant will be charged for the succeeding period.

INSURANCE: Fire and explosion insurance is carried by Grantee on its own property only and does not include insurance on the contents stored therein. Applicant is obligated to put nothing within the Zone which will cause the cancellation or forfeiture of the fire or explosion insurance or affect the premium rate thereof on the building or buildings of which the preferential assignment forms a part. Insurance on commodities or other property stored on

the assigned premises, if desired, must be carried by and at the expense of Applicant or owner of the commodities or other property.

ACCESS TO PREMISES: Applicant shall be allowed access to the premises assigned to Applicant over roadways and tracks leading to and serving the area preferentially assigned, and such reasonable use of such facilities as is compatible with their joint use by all parties requiring them, all under the control and subject to the administration of Grantee.

DAMAGES: In the event of damage to or abuse of the Zone or the equipment or other property of Grantee or others caused by Applicant or Applicant's agents, employees, licensees or invitees, Applicant shall be responsible, and shall pay for the repair and restoration of any property so damaged or destroyed.

ASSIGNMENT: Applicant shall not assign this Preferential Assignment in whole or in part, or sublet the premises or any portion thereof to anyone.

NON-LIABILITY: Applicant agrees that Grantee shall not be liable for any claims for damage or injury (including death) arising from acts or negligence of co-tenants in the Zone, or the occupants or users of adjacent or contiguous premises, nor for the breakdown of cranes or power service, nor for damage done or occasioned by or from plumbing, electric wires, automatic fire or sprinkler apparatus, or any facilities above, upon, or about the Zone or other premises of Grantee, or for any damage occasioned by water being upon or coming through the roof, skylights, trap doors, or otherwise, or from accidents on tracks or roadways or elsewhere on Grantee's property, or from loss or damage from any cause whatsoever.

MAINTENANCE: Grantee agrees to maintain the roof, skylights and trap doors in as good condition and as free from leakage as practicable under normal conditions.

INDEMNITY: Applicant herein agrees to protect, indemnify and keep and save forever harmless Grantee from any and all loss, cost, claims, charges, expenses, penalties and damages imposed for the violation of any law of the United States, or of the State of Arkansas, or of the Ordinances of the City of Little Rock, or of Grantee, if occasioned by any act or omission of Applicant or of those holding or occupying under or employed by Applicant, or of any other person or persons, and not occasioned by any act, omission or negligence of Grantee or its agents; and Applicant shall protect, indemnify and keep and save forever harmless Grantee from any and all loss, cost, claims, charges, expenses, penalties and damages, arising out of any accident or other occurrence causing injury to any persons (fatal or otherwise) or damages to property directly or indirectly due to the use or occupancy of said premises or of the improvements, facilities or equipment placed on the assigned area by any person or persons holding or occupying under Applicant, or to any act of omission or commission of Applicant or of such other person or persons, or due to any failure on Applicant's part in any respect to comply with the requirements and provisions hereof, and not due to the negligence of Grantee or its agents.

Applicant, from the time of its occupancy, shall assume sole responsibility for the condition of these premises, and Grantee shall not be liable for injury or damage, whether to person or property, caused by any vice or defect therein either to Applicant or to anyone in or on the premises by license of Applicant.

RESTORATION UPON TERMINATION: Upon the termination of this assignment, whether by lapse of time, expiration, cancellation, or in any other manner whatsoever, Applicant shall yield up immediate possession of the premises to Grantee, and in case of failure or refusal to do so, shall pay as liquidated damages for the whole time such possession is withheld double the proportionate amount of rent herein specified. This provision shall not constitute a waiver by Grantee of any remedies now or hereafter given to Grantee by the laws of Arkansas.

Upon such termination, Applicant shall restore the premises to their original condition, and/or shall remove all facilities, buildings and structures constructed by Applicant or Applicant's agents, as well as all trash, stocks of materials, supplies, tools, etc., belonging to Applicant or Applicant's agents, and shall leave the site in as good condition as when leased. If the premises shall not have been restored and/or in the event all facilities, buildings and structures, trash, stocks or materials, supplies, tools, etc., placed thereon by Applicant or Applicant's agents shall not have been removed by Applicant prior to the date of termination of this assignment, it will be optional with Grantee either to collect this double rent as liquidated damages until said premises shall be restored and/or the said

facilities, buildings, structures, trash, stocks of materials, supplies, tools, etc. have been removed by Applicant; or to restore said premises and/or to remove said facilities, buildings, structures, trash, stocks of materials, supplies, tools, etc., at Applicant's cost, risk and expense, the double rental to continue until same shall have been accomplished; or to retain the premises in their existing condition, or any part thereof, with payment or reimbursement to Applicant, unless other arrangements have been made in writing between Grantee and Applicant with regard to the condition of the premises and/or the removal of any encumbrances.

LEASES

BASIS FOR LEASES: Grantee will lease space for storage of general commodities or for handling, processing, manipulating and manufacturing goods for a term of not less than one year or for extended periods which may be negotiated subject to rates, rules and regulations set out in this Tariff.

CREDIT AND LEGALITY: All leases shall have the approval as to legality and technicality by Grantee's Attorney. Applicant for a lease must show credit arrangements that are satisfactory to Grantee.

CANCELLATION CLAUSE: In the event Lessee desires a cancellation clause to be written into a lease and such clause is acceptable to Grantee, then Grantee shall likewise have an identical clause included.

OPTION TO RENEW: In the absence of a provision to renew lease, the option to renew said lease shall be at the discretion of Grantee.

PAYMENT OF RENT: Rent shall be paid monthly, quarterly, semi-annually or annually (as agreed) in advance. The acceleration of the rental by Lessee in advance of its due date shall be for the convenience of Lessee, it being well understood that any and all subsequent changes, revisions, amendments, and/or supplements in the rate of rental shall automatically apply to the lease, regardless of said rental having been paid in advance.

WATCHMEN: Watchmen service for the protection of all commodities or other property stored on the leased premises by Lessee shall be at Lessee's own cost, risk and expense. Plant watchmen employed by Grantee shall be responsible only for the protection of the property of Zone.

INSURANCE: Fire and explosion insurance is carried by Grantee on its own property only and does not include insurance on the contents stored therein. Lessee is obligated to put nothing within the Zone which will cause the cancellation or forfeiture of the fire or explosion insurance or affect the premium rate thereof on the building or building of which the leased premises forms a part. Insurance on commodities or other property stored on the leased premises, if desired, must be carried by and at the expense of Lessee or owner of the commodities or other properties.

UTILITIES: The Zone Manager may waive the requirement for the installation of electric metered service in Occupant's own name with consumption billed directly to Occupant only where all of the following three conditions prevail:

- (a) there is an existing installation;
- (b) the consumption is exclusively for normal lighting purposes; and
- (c) estimated consumption is not in excess of \$3.00 per month

For electrical installations by Occupant, written notification to FTZ Administrator required.

NON-LIABILITY: The Little Rock Port Authority being an Agency of the State of Arkansas, is not liable and cannot assume any responsibility for any loss or damage to freight, cargo or merchandise or other property upon the leased premises, 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 or sprinkler apparatus, nor for any loss or damage from any cause whatsoever.

LEASES FOR OTHER THAN STORAGE: Leases, other than for storage of commodities or other property, on form approved by Grantee; shall be subject to negotiation between Grantee and Lessee as to area, term, usage, right of cancellation, option to renew, and such other terms and conditions which may have a bearing on Lessee's operations.

TERMINATION: Upon the termination of any lease, whether by lapse of time, expiration, cancellations, as provided in said lease, or in any other manner whatsoever, Lessee shall yield up immediate possession of the premises to Grantee, and in case of failure or refusal to do so shall pay as liquidated damages for the whole time such possession is withheld double the proportionate amount of rent as specified in said lease.

UNAUTHORIZED OCCUPANCY: In the event any person, firm or corporation shall occupy premises without authorization, or, in the event of a lease, such lessees shall occupy area in excess of the premises leased, then, in that event, such person, firm or corporation shall pay as liquidated damages for the area occupied, double the proportionate amount of monthly rental as specified in the tariff.

The above provisions shall not constitute a waiver by Grantee of any remedies now or hereafter given to Grantee by the laws of Arkansas.

ALTERATION OR MODIFICATION OF PREMISES: Any alteration or modification on or to Grantee's property must have prior written approval of Grantee's Engineering Department.

CONSTRUCTION: Lessee may make, or cause to be made, on the leased premises, such improvements as may be necessary or appropriate in connection with the construction thereon of buildings and other facilities for the carrying on of Lessee's business; provided, that no such construction or improvements on said leased premises not specifically authorized by Grantee, shall be undertaken without Lessee's first having submitted the plans and specifications therefor to, and securing the written approval of, Grantee.

INDEMNITY: Lessee herein agrees to protect, indemnify and keep and save forever harmless Grantee from any and all loss, cost claims, charges, expenses, penalties and damages imposed for the violation of any law of the United States, or of the state of Arkansas, or of the Ordinances of the City of Little Rock, or of Grantee, if occasioned by any act or omission of Lessee or of those holding or occupying under or employed by Lessee, or of any other person or persons, and not occasioned by any act, omission or negligence of Grantee or its agents; and Lessee shall protect, indemnify and keep and save forever harmless Grantee from any and all loss, cost claims, charges, expenses, penalties and damages, arising out of any accident or other occurrence causing injury to any persons (fatal or otherwise) or damages to property directly or indirectly due to the use or occupancy of said premises or of the improvements, facilities or equipment placed on the assigned area by any person or persons holding or occupying under Lessee, or to any act of omission of commission of Lessee or of such other person or persons, or due to any failure on Lessee's part in any respect to comply with the requirements and provisions hereof, and not due to the negligence of Grantee or its agents.

Lessee, from the time of its occupancy, shall assume sole responsibility for the condition of these premises, and Grantee shall not be liable for injury or damage, whether to person or property, caused by any vice or defect therein either to Lessee or to anyone in or on the premises by license of Lessee.

RESTORATION UPON TERMINATION: Upon the termination of the lease, whether by lapse of time, expiration, cancellation, or any other manner whatsoever, Lessee shall yield up immediate possession of the premises to Grantee, and in case of failure or refusal to do so, shall pay as liquidated damages for the whole time such possession is withheld double the proportionate amount of rent herein specified. This provision shall not constitute a waiver by Grantee of any remedies now or hereafter given to Grantee by the laws of Arkansas.

Upon such termination, Lessee shall restore the premises to their original condition, and/or shall remove all facilities, buildings and structures constructed by Lessee or Lessee's agents, as well as all trash, stocks of materials, supplies, tools, etc., belonging to Lessee or Lessee's agents, and shall leave the site in as good condition as when leased.

If the premises shall not have been restored and/or in the event all facilities, buildings and structures, trash, stocks of materials, supplies, tools, etc., placed thereon by Lessee or Lessee's agents shall not have been removed by Lessee

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prior to the date of termination of this lease, it will be optional with Grantee either to collect this double rent as liquidated damages until said premises shall be restored and/or the said facilities, buildings, structures, trash, stocks of materials, supplies, tools, etc. have been removed by Lessee; or to restore said premises and/or to remove said facilities, buildings, structures, trash, stocks of materials, supplies, tools, etc., at Lessee's cost, risk and expense, the double rental to continue until , same shall have been accomplished; or to retain the premises in their existing condition, or any part thereof, with payment or reimbursement to Lessee, unless other arrangements have been made in writing between Grantee and Lessee with regard to the condition of the premises and/or the removal of any encumbrances.

WAREHOUSE REGULATIONS

TENDER FOR STORAGE AND MANIPULATION:

- (a) The owner or agent shall furnish at or prior to delivery to the Zone, information concerning marks, brands, quantity, weights, measurements, and value of the merchandise to be kept and accounted for separately, otherwise merchandise may be stored in bulk or assorted lots.
- (b) When an agent of the owner is the applicant for admittance or merchandise, he shall clearly indicate the name and address of the party or office to be billed either on the Zone Form 214 which is required for each Lot of merchandise admitted or shall refer on Zone Form 214 to the separate letter giving the billing instructions. In absence of special billing instructions, Agent's office will be invoiced.
- (c) The Grantee undertakes to store and deliver merchandise only in the packages in which they are received, unless the merchandise has been manipulated, repacked or remarked. When manipulation has been completed, the owner or agent shall furnish information to the Grantee giving the new marks, brands, quantities and sizes and delivery shall be made in accordance therewith.

RATES FOR STORAGE AND HANDLING IN AND OUT:

- (a) All merchandise admitted into the Zone, except as otherwise provided in this tariff or by special arrangement with the Zone Manager, shall be placed in storage at rates quoted in the tariff.
- (b) Merchandise may be stored or manipulated in space or enclosures permitted or leased to the owner or agent at rates provided for in Zone Tariff, or under special agreement made with the Manager.
- (c) If the quantity, weight or size of the packages in a lot has been changed during any process of manipulation, new storage rates, based on the quantity, weight and measurement after manipulation shall be charged on the packages created thereby.
- (d) A charge in addition to regular Zone Tariff rates may be made for merchandise stored or manipulated under U. S. Customs supervision.
- (e) Minimum charges as provided for in the Zone Tariff shall be assessed for storage and handling in or out.

STORAGE CHARGES: All charges for storage are on a month-to-month basis unless otherwise provided. Charges shall be made on the basis of the maximum number of units in any particular lot in storage during a storing month. All charges for storage are due on the first day of a storage month.

HANDLING CHARGES: Charges for handling merchandise in or out of storage, see section *SPECIAL SERVICES, CHARGES AND SPECIAL RULES AND REGULATIONS* under *RATES/CHARGES ASSESSED BY PUBLIC OPERATOR*, are assessed when merchandise is admitted and are due on the first day of the first storage period. Under special arrangement with Zone Manager, the charges for handling merchandise in or out of storage may be waived provided storer furnishes the labor and equipment necessary for such handling.

STORAGE PERIOD, EXPIRATION, TRANSFERS:

- (a) All merchandise is stored on a month-to-month basis, unless otherwise provided. A storage month shall extend from the date in one calendar month when the first unit of a particular lot is delivered to the Zone to, but not including, the same date of the next and all succeeding calendar months.
- (b) When merchandise in storage is transferred on the books of the Grantee from one party to another, a new storage date is established on the date of transfer, unless otherwise specified on the delivery order of the original owner of the merchandise.

(c) Except when other procedure is provided, the Manager may, upon written notice to the owner or agent of record and to any other person known to the Manager to claim an interest in the merchandise, require the removal of any goods by the end of the next succeeding storage month.

(d) The Grantee reserves the right to move, at its own expense of transfer, and upon notice to the owner or agent of record and to the last known holder of the negotiable receipt, if any, any merchandise from any part of the Zone in which it may be stored, to any other part of the Zone. If the transfer is required by the U. S. Customs Regulations, the expense of transfer shall be chargeable to the owner or agent.

MERCHANDISE HELD OR REFUSED BECAUSE ACCOUNT IN ARREARS: Manager reserves the right, in his discretion, to withhold delivery of merchandise held for account of the persons, firms or corporations to be billed, where such account is in arrears. Manager also reserves the right, in his discretion, to refuse admittance of any merchandise from any such persons, firms or corporations who are in arrears in their account or accounts with Grantee.

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

DELIVERY REQUIREMENTS:

(a) No merchandise shall be delivered or transferred except upon receipt by the Grantee or complete instructions properly signed by the owner or agent.

(b) When merchandise is ordered out, a reasonable time shall be given the Grantee to carry out instructions, and if it is unable, due to causes beyond its control, to effect delivery before expiring storage dates, the goods will be subject to charges for another storage month.

(c) When negotiable receipt has been issued, no merchandise covered by that receipt shall be delivered or transferred on the books of the Grantee, unless the receipt, properly endorsed, is surrendered for cancellation or for endorsement of partial delivery thereon.

(d) All charges for extra services are due when incurred.

INSURANCE: Merchandise stored, manipulated or transferred within the Zone is not insured nor do the Zone Tariff Rates include insurance.

GRANTEE'S RESTRICTIONS AND PROHIBITIONS: The Grantee reserves the right to restrict or prohibit the entry or handling of any commodity in the Zone due to its hazardous, obnoxious, or unsanitary conditions or nature.

LIMITATIONS TO GRANTEE RESPONSIBILITY:

(a) The Grantee, being an Agency of the State of Arkansas, is not liable, and cannot assume any responsibility, for any loss or damage from any cause whatsoever; including but not limited to loss or damage caused by: the elements, heat, cold, dampness, evaporation, leakage, seepage, shrinkage, wastage, decay, rain, floods, windstorm, hailstorm, fire, discharge from fire protective or sprinkler systems, defects or leaks in or around buildings or other structures; animals, moths, insects, rodents; pilferage, robbery, larceny, burglary; breakage by improper packing, insufficiency or absence of marks, names, addresses, descriptions; breakdown of plant machinery or equipment, wear and tear; riots, strikes, insurrection, civil and military commotion, criminal acts, shortage of labor, insufficiency of notification, acts of third persons, acts of God or other causes whatsoever.

(b) 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 owner's risk for such damage as might result from general storage conditions.

(c) All storage and other charges shall be paid by the storer or manipulator on merchandise lost or damaged by any of the aforementioned or other causes whatsoever.

(d) Loss or damages occasioned by misunderstanding of orders or instructions given orally or by telephone shall be the responsibility of the party giving the same. All orders or instructions must be made in writing.

(e) All tenants, assignees, and other users of the Zone agree, by their use thereof, to protect, indemnify and keep and save forever harmless Grantee from any and all loss, cost, claims, charges, expenses, penalties and damages imposed for the violation of any law of the United States of America, or of the State of Arkansas, or of the ordinances of

the City of Little Rock or of ordinance of Grantee, if occasioned by any act or omission of said tenant, assignee or other user of Zone, or of those holding or occupying under or employed by said tenant, assignee or other users of said Zone; and said tenants, assignees and other users of Zone shall protect, indemnify and keep and save forever harmless Grantee from any and all loss, cost, claims, charges, expenses, penalties and damages arising out of any accident or other occurrence causing injury to any persons (fatal or otherwise) or damages to property directly or indirectly due to the use or occupancy of said Zone or of the improvements, facilities or equipment located thereon at any time or to the constructions, existence, repair, maintenance, alteration or demolition of said premises or of any improvements, facilities or equipment placed in the zone by any person or persons holding or occupying under said tenant, assignees or other users of Zone or to any act of omission or commission of said tenants, assignees and other users of the Zone or of such other person or persons, or due to any failure of the part of said tenants, assignees or other users of the Zone in any respect to comply with the requirements and provisions of this tariff.

USE OF EMPLOYEES OF GRANTEE: Whenever Grantee leases special equipment with operator who is an employee of Grantee, or Grantee permits use of overhead electric crane with operator who is an employee of Grantee, or where any employee of Grantee, by permission of Grantee, is required to perform a specialized service for applicant, Lessee or other user of Zone, then, during such time the employee of Grantee is being used, he shall be considered to be under the direction, supervision and control of the applicant, Lessee or other user of the Zone, and during such period of said use, said employee shall be deemed to be the employee of applicant, Lessee or other user of the Zone, and during such period of time, said applicant, Lessee or other user of the Zone shall protect, indemnify and keep and save forever harmless Grantee from any and all loss, cost, claims, charges, expenses, penalties and damages arising out of any accident or other occurrence causing injury to any persons (fatal or otherwise) or damages to property directly or indirectly due to the fault or negligence of said employee, or to acts of omission or commission of said employee.

RESTRICTED AND PROHIBITED MERCHANDISE

MERCHANDISE WHICH IS PROHIBITED BY LAW: Merchandise which is prohibited by law shall not be admitted into a Zone: "Prohibited merchandise" is merchandise the importation of which is prohibited by law on grounds of public policy or morals, or any merchandise which is excluded from a zone by order of the Board. "Restricted merchandise" as defined in CD 099 3250-005, is merchandise which may not be authorized for delivery from CBP custody without a special permit, or waiver thereof, by an agency of the U.S. Government. In the absence of the special permit, such merchandise is not admissible into the commerce of the U.S. Merchandise in a Zone may be examined by appropriate officers at any time to enforce the provisions of this paragraph.

RATES/CHARGES ASSESSED BY PUBLIC OPERATOR

PREFERENTIAL ASSIGNMENT RATES PER MONTH:

Sprinklered Warehouse, per square foot..... \$0.35

RATES OF ANNUAL LEASE RENTALS:

Sprinklered Warehouse, per square foot..... \$3.60
Outside Storage, per square foot \$0.36

SPECIAL SERVICES, CHARGES AND SPECIAL RULES AND REGULATIONS

EQUIPMENT RENTALS & LABOR: When special equipment or labor is furnished by the Grantee to handle merchandise, the person or persons who require such equipment will be billed at rates set forth below:

- (a) Fork-Lift with operator: (Up to 5,000 # capacity, two (2) hour minimum).....\$25.00 /hour or any portion thereof
- (b) Labor, two (2) hour minimum.....\$18.00 /hour or any portion thereof
- (c) Checker, two (2) hour minimum\$21.00 /hour or any portion thereof
- (d) Secretary/Clerical Services, two (2) hour minimum\$13.00 /hour or any portion thereof
- (e) Pallet Boards:\$ 1.00 /month per pallet
- (f) Other material handling rates by quote.
- (g) A minimum charge of \$45.00 will be assessed for any material handling.

SPECIAL PHYSICAL WAREHOUSE CHECKING: Where special physical warehouse checking of storage stocks on hand is required by storer, the charge therefor will be on man-hour basis as set forth under *RATE FOR SPECIAL LABOR AND CLERICAL SERVICES* below.

SPECIAL CLERICAL SERVICES: If extra or special clerical services are required during regular straight time hours and involve excessive or special correspondence, preparation of special reports or statements, or other special attention, the charge will be on man-hour basis as set forth under *RATE FOR SPECIAL LABOR AND CLERICAL SERVICES* below. However, if such service is regularly required on a monthly basis, a reasonable monthly charge may be arranged to cover same with Zone Manager.

CHARGES FOR ISSUANCE OF WAREHOUSE RECEIPTS: Unless special arrangements are made with Zone Manager, a charge of \$2.50 will be made for each receipt requested by storer.

ELECTRIC CURRENT: The Zone Manager may waive the requirement for the installation of electric metered service in Occupant's own name with consumption billed directly to Occupant only in those cases where the following conditions prevail:

- (a) there is an existing installation;
- (b) the consumption is exclusively for normal lighting purposes; and
- (c) estimated consumption is not in excess of \$3.00 per month.

For electrical installations of Occupant, written notification to FTZ Administrator required.

ELECTRICAL INSTALLATIONS: Written notification to FTZ Administrator required.

GAS: Gas may be furnished for other than office heating purposes and when so furnished the user of gas shall be billed by the Manager for all such gas on a monthly basis, in addition to any other charges, on an estimated basis of consumption as determined by the Manager.

GAS INSTALLATIONS: Written notification to FTZ Administrator required.

WATER: Water, when required in excessive amounts, will be metered separately and charged to the occupant at the discretion of the manager.

WATER, DRAINAGE AND SEWERAGE INSTALLATIONS: Written notification to FTZ Administrator required.

SWITCHING CHARGES: The railroad switching service to the Zone is exclusively performed by the Little Rock Port Authority Railroad. This carrier's switching rates and charges are contained in its lawfully published tariff on file with the Interstate Commerce Commission.

CHARGES FOR SPECIAL CUSTOMS OFFICER SERVICES: The Grantee maintains in Zone a regularly assigned United States Customs officer force which is maintained out of rentals for Zone operated warehouse space and on charges for commodity warehouse storage without cost to users during regular business hours set forth in this Tariff.

Customs officers services rendered during legal holidays, Saturdays and Sundays or during overtime hours at the specific request of the user of Zone facilities for such purpose, will be charged to user of such services at the cost billed to Grantee by the United States Customs.

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

Occupants of leased or preferentially assigned open space areas on which occupants erect their own facilities and whose operations require the assignment of additionally assigned Customs personnel for their own exclusive use should arrange, in advance, with Zone Manager of such service.

CHARGES BY OTHER GOVERNMENT AGENCIES: Charges made by government agencies are not included in Grantee's schedules and should be arranged by the owner or his agent with the government agency concerned.

MERCHANDISE ARRIVING AFTER HOURS: Merchandise arriving after working hours, may, by special arrangement, be placed in a designated location and received subject to special charges.

PARKING: The Grantee shall furnish overnight accommodation for bonded truck with load for Customs supervision. Grantee will not be responsible for truck or merchandise. When space is available, Grantee will permit parking of a limited number private vehicles of occupants and their employees at sole discretion of Manager who may refuse to permit such parking by occupants or their employees when requirements are considered excessive or where there are space limitations at or near occupants premises or where such parking hampers normal Zone operations or inconveniences other occupants.

DRAYAGE: The Grantee does not engage in the drayage business. Such services are performed and charges made by private drayage companies for owners of goods.

CONTINGENCIES NOT COVERED BY RULES: Contingencies not covered by these rules will be subject to arrangements or agreements approved by Grantee.

RATE FOR SPECIAL LABOR AND CLERICAL SERVICES: Labor furnished for special services of any description not otherwise provided for will be charged for on a man-hour basis plus 15%.

MINIMUM CHARGES: There will be a minimum charge of \$35.00 per month for storage.

GRANTEE'S RESTRICTIONS AND PROHIBITIONS:

- (a) The Grantee reserves the right in its sole discretion to restrict or prohibit the entry or handling of any commodity in the Zone due to its hazardous, obnoxious, or unsanitary condition or nature.
- (b) No operation will be permitted in the Zone which, in the judgment of the Manager, would tend to be a nuisance or to be detrimental to Zone personnel and/or the public interest, health, welfare and safety.
- (c) Where rates are quoted for classes of commodities which are designated as N.O.S., the Grantee reserves the right to establish rates based on the specific commodity's characteristics and to reject its handling in any container that, in the sole judgment of the Manager, makes such handling hazardous, obnoxious, or detrimental to the health, welfare or safety of Zone Personnel or the public.

DEFINITIONS

DEFINITION 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) - The “framework” to manage FTZ sites that gives much greater flexibility to use simple minor boundary modifications (instead of more complicated and time-consuming procedures) to bring FTZ designation to locations where a company is ready to pursue using FTZ procedures. Arkansas Economic Development Commission maintains and operates FTZ No. 14 under the ASF.

Annual Report – The Board shall submit an annual report to Congress. Grantee shall submit a complete and accurate annual report to the Board within 90 days after the end of the reporting period. Each zone operator of an activated site or subzone shall post to OFIS a complete and accurate annual report by February 15 of each year covering activity from the previous year. Each non-activated site or subzone partner shall submit a complete and accurate annual report, which is due in the form of a status letter to the Grantee Administrator by February 15 each year covering activity for the previous calendar year. Zone Operators failing to submit timely reports may incur a fine of \$1,000 per day.

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.

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.

DEFINITION OF TERMS

Customs (CBP) - U.S. Customs and Border Protection.

Customs 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 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 tariff 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 #14 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*)

Customs Form 216 - Application for Foreign-Trade Zone Activity Permit

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. Manufacturing 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 #14 have been granted to the Arkansas Economic Development Commission.

DEFINITION OF TERMS

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, 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.

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. 14.

Magnet Site - Type of ASF site intended to attract multiple potential FTZ operators/users. Magnet sites are subject to a default sunset period of 5 years, where designation self-removes if there is no zone activity at the site before the sunset date.

Manipulation - As defined in Section 562 of the Tariff 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 - See Production.

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

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

Non-Privileged Foreign Status Merchandise (NPF) - Foreign merchandise subject to tariff 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 tariff purposes that provides for classification and appraisal in accordance with the condition of merchandise when constructively transferred to the Customs territory of the United States. In a

DEFINITION OF TERMS

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 – The Online FTZ Information System. This is the FTZ Board's online system that will provide information on each zone in one location and also allow for the online submission of annual reports. Grantees submit the annual reports via the OFIS.

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

Operating Agreement – An agreement executed between the Grantee and an operator of either a subzone or a general-purpose zone site. Prior to activation of the site, the operating agreement will be executed. The operating agreement spells out the timeline for payment of annual fees and submission of report via OFIS for activated operators. Activation cannot occur without an executed agreement.

Owner - The owner of the merchandise which is being admitted to, stored in, transferred from or otherwise availing itself of the benefits of the 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 Operator 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 - The Port Director of U.S. Customs & Border Protection, Little Rock, Arkansas.

Privileged Foreign Merchandise (PF) - Foreign Merchandise subject to tariff 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 tariff 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 tariff-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 tariff benefit.

Processing – See Production.

DEFINITION OF TERMS

Production – Activity involving the substantial transformation of a foreign article resulting in a new and different article having a different name, character, and use, or activity involving a change in the condition of the article which results in a change in the customs classification of the article or in its eligibility for entry for consumption.

Production as defined by the Foreign-Trade Zones Board, combines manufacturing and processing activity. The Foreign-Trade Zones Board requires that specific prior authorization be obtained for production activity in the activated zone.

- Manufacturing means activity involving the substantial transformation of a foreign article resulting in a new and different article having a different name, character, and use. U.S. Customs & Border Protection determines what constitutes manufacturing on a case-by-case basis, distinguishing it from other operations such as manipulation, processing, production, and blending.
- Processing means any activity involving a change in condition of merchandise, other than manufacturing, which results in a change in the Customs classification of an article or in its eligibility for entry for consumption.

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 manufactured 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 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 manufactured 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 geographic area (such as specific counties) where FTZ No. 14 is able to propose future FTZ usage-driven sites. Sites located outside the service area may be served as subzones. The FTZ 14 service area includes Clark, Conway, Dallas, Faulkner, Garland, Grant, Hot Spring, Jefferson, Lonoke, Montgomery, Nevada, Pike, Pulaski, Pope, Saline, Yell and White Counties.

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.

DEFINITION OF TERMS

Sunset Limits – FTZ designation self-removes if there is no FTZ activity at the site before the sunset date. For Magnet sites, the default sunset period is 5 years. Usage-Driven sites have a 3-year sunset period. FTZ activity at a site during the sunset period resets the sunset date for an additional 5 years (Magnet) or additional 3 years (Usage-Driven).

Tenant - An individual, company or corporation utilizing the services and facilities of Foreign-Trade Zone No. 14.

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.

Transshipment 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.

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 Tariff 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 (rather than to attract potential future operators/users). A Usage-Driven site is tied to the specific operator/user for which it was designated and could not be used by any other entity. However, a site vacated by one operator/user could easily be designated as a Usage-Driven site for another operator/user through an additional simple minor boundary modification (MBM) action.

User – a party using a zone under agreement with the Zone Grantee or Administrator. The Zone User is the party that receives the benefits associated with zone activity. A Zone User can also be the Zone Operator.

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. 14.

DEFINITION OF TERMS

Zone Administrator - The Administrator of Foreign-Trade Zone No. 14 as appointed by the Arkansas Economic Development Commission. The Little Rock Port Authority is the Administrator of Foreign-Trade Zone # 14.

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 Fees - Zone fees are charged to help offset the Grantee's costs to administer the zone project, facilitate compliance with FTZ requirements, provide marketing and educational seminars, etc. Zone fees apply to all sites and subzones, activated or not, unless terminated, expired, suspended or lapsed. Fees include one-time fees for application and activation services, modifications, and production authority. Annual fees apply to activated and non-activated sites and subzones.

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

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 the Arkansas Economic Development Commission and the U.S. Customs & Border Protection, companies may act as their own Operator of their own facilities within FTZ No. 14.

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 Schedule - The most current version of this document prepared by the Grantee and submitted to the Board and Customs, setting forth the internal rules and regulations of the Zone, and the applicable fee schedules within the Zone, including all Attachments and Appendices.

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.*)

Zone Year - The Zone Year for FTZ Board Annual Report purposes is January 1 through December 31.