

PORT OF PALM BEACH FOREIGN-TRADE ZONE 135

ZONE SCHEDULE NUMBER 2

Issued by:
Port of Palm Beach
Riviera Beach, FL

ADMINISTRATIVE PAGE

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ZONE SCHEDULE CHANGE LOG

This is the second issuance of a Zone Schedule for Foreign-Trade Zone 135. This schedule supercedes all previous Zone Schedules for FTZ 135 and FTZ 209 which merged with FTZ 135 per Board Order 1184, dated 08/16/2001.

ABBREVIATIONS USED IN ZONE SCHEDULE

\$	Dollars (U.S)
CF	Customs Form
CR	Customs Regulations
Customs	Bureau of Customs and Border Protection
FTZ	Foreign-Trade Zone
No.	Number
U.S.	United States

DEFINITIONS

ACT:

The Foreign-Trade Zones Act of June 18, 1934 (48 Stat. 98-1003; 19 U.S.C. 81a-81u), as amended by Pub. L. 566, 81st Congress, approved June 17, 1950 (64 Stat. 246), and Pub. L. 791, 85th Congress, approved August 28, 1958 (72 Stat. 945).

ACTIVATION:

Approval by the Grantee and the Port Director of the Bureau of Customs and Border Protection for operations and for the admission and handling of merchandise in Zone status.

ADMISSION:

Physical arrival of goods in the Foreign-Trade Zone with the approval of the Zone Operator and Customs. The word "admission" is to be used instead of "entry" of goods into a Zone to avoid confusion with Customs entry processes under Parts 141-144 of the Customs Regulations.

ADMIT:

To bring merchandise into a Zone with Zone status.

PORT DIRECTOR, CUSTOMS:

The Customs official so designated for the Palm Beach Customs Port of Entry. The Port Director is the Board's representative for Foreign-Trade Zone No. 135 and any of its subzones.

AUDIT -INSPECTION INVENTORY CONTROL SYSTEM:

The procedures used to maintain the records necessary for inventory control of merchandise that is under the supervision and control of the Bureau of Customs and Border Protection.

BOARD:

The Foreign-Trade Zones Board established by the Act. The Board consists of the Secretary of Commerce and the Secretary of the Treasury. Each Board member designates an official of his Department, usually an Assistant Secretary, to serve as his alternate.

BULK:

The term used in describing fungible merchandise, which can be poured, scooped or shoveled which generally cannot be counted or identified piece by piece.

CUSTOMS TERRITORY:

The territory of the United States, including Puerto Rico, in which the general tariff law of the United States applies, but which is not included in any Foreign-Trade Zone.

DEFINITIONS (continued)

DOMESTIC EXPORTS:

Domestic merchandise exported from the United States, and particularly such merchandise exported through a Foreign-Trade Zone. It includes merchandise of every description, (except articles specifically and absolutely prohibited by statute), which has been:

- (1) grown, produced or manufactured in the United States and not exported therefrom, or
- (2) previously imported into Customs territory and properly released from Customs custody.

For the purposes of marking and labeling, it includes:

- (1) the product of manipulation or manufacture in the Zone in which only domestic merchandise is used,
- (2) the product of manipulation or manufacture in the Zone in which there is a mixture of foreign and domestic merchandise which results in a change in form or nature of the commodities, and in which the domestic merchandise consists of a component part or parts or a substantial portion of the finished product, and
- (3) foreign merchandise which, by manipulation or manufacture in the Zone, has been changed in form and nature or enhanced in value that the product is deemed to be one of domestic manufacture.

DOMESTIC MERCHANDISE:

Merchandise of every description, (except articles specifically and absolutely prohibited by statute), which has been:

- (1) grown, produced or manufactured in the United States and not exported therefrom, or
- (2) previously imported into Customs territory and properly released from Customs custody.

EXAMINER:

An employee of one of the Board agencies designated under the regulations to conduct or participate in an investigation concerning the establishment or expansion of a Zone or subzone or other matter requiring a fact-finding determination and recommendation for Board action.

DEFINITIONS (continued)

FOREIGN MERCHANDISE:

Merchandise of every description, (except articles specifically and absolutely prohibited by statute), which has not been properly released from Customs custody into the Customs territory.

FOREIGN-TRADE ZONE:

A Foreign-Trade Zone is a restricted access site, in or adjacent to a Customs port of entry, operated under public utility principles under the sponsorship of a corporation granted authority by the Foreign-Trade Zones Board. U. S. Foreign-Trade Zones are restricted areas, under supervision of the Bureau of Customs and Border Protection, in which, when activated under Zone procedures, merchandise is treated for Customs and taxation purposes as if it is outside the Customs territory of the United States. Foreign-Trade Zones are the U. S. version of what are generally known internationally as Customs free trade zones; however, U. S. Foreign-Trade Zones are different in several important respects from other types of free trade zones. Located in or near U. S. Customs Ports of entry, Zones are operated under public utility principles by qualified corporations. Authority for establishing these facilities is granted by the Foreign-Trade Zones Board under the Act and regulations.

The term "Foreign-Trade Zone" typically refers to a Zone environment known as a "General-Purpose Zone". General-Purpose Zones are established to accommodate various Zone activities carried on by multiple users. Storage, distribution, testing, repair, and repackaging are typical of activities carried on within a General-Purpose Zone. "Foreign-Trade Zone" also, as a general term, includes special purpose subzones. If a Zone Site is designed to serve a special type of activity, the term "subzone" may be used. Like the General-Purpose Zone, Subzones are established under the sponsorship of a corporation granted authority by the Foreign-Trade Zones Board (See "Grantee"). When a Zone consists of more than one site under the same Grantee, the sites shall be considered part of the same Zone project.

Foreign and domestic merchandise may be moved into Zones for operations not otherwise prohibited by law involving storage, exhibition, assembly, manufacture or other processing. However, manufacturing or processing activity within a Zone requires prior approval by the Foreign-Trade Zones Board. The usual formal Customs entry procedures and payment of duties are not required on the foreign merchandise unless and until it enters Customs territory for domestic consumption, in which case the importer has a choice of paying the duty rate which applies to either the original foreign material or to the finished product. Quota restrictions do not normally apply to foreign goods admitted to Zones, except that special procedures may apply when manufacturing is involved. Domestic goods moved into a Zone for export may, at the request of the exporter, be considered exported upon entering the Zone for purposes of excise tax rebates and drawback.

DEFINITIONS (continued)**GRANTEE:**

The Port of Palm Beach District to which the privileges of establishing, operating and maintaining Foreign-Trade Zone No. 135 have been granted.

HOLIDAYS:

Those legal holidays* during which the Zone is closed for regular business are as follows:

New Year's Day	1 st Day of January
Martin Luther King Day	3 rd Monday of January
President's Day	3 rd Monday of February
Good Friday	
Memorial Day	Last Monday of May
Independence Day	4 th Day of July
Labor Day	1 st Monday of September
Columbus Day	2 nd Monday of October
Veteran's Day	11 th Day of November
Thanksgiving Day + Following Day	4 th / 5 th Thursday of November
Christmas Day	25 th Day of December

*If a holiday falls on Saturday, the day immediately preceding such Saturday will be observed; and if a holiday falls on Sunday, the following day will be observed. The Zone office will close at 4 P.M. on election days.

IMPORTANT: Holiday's are subject to change periodically. For the most current and up-to-date holiday schedule, please contact the office of the Grantee.

IMPORTS:

Foreign merchandise of every description, (except articles specifically and absolutely prohibited by statute), passing physically into the U.S. territory:

- (1) Subsequently entered into 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 customs territory through the Zone;
- (2) Foreign merchandise which, under the laws and regulations of various other federal agencies having jurisdiction within the Zone, is said to be "imported" into Foreign-Trade Zones, Customs Bonded warehouse or Customs custody. This latter merchandise, in relation to operations of the Zone, is considered to be foreign merchandise until its entry into the commerce of the United States.

DEFINITIONS (continued)

IN-TRANSIT MERCHANDISE:

The term "in-transit merchandise" includes all foreign merchandise transported into and out of the United States, whether in or out of the same port or across the country to another port, with or without transshipment, warehousing, breaking bulk or change in the mode of transportation, which originated in one foreign country and is destined at the time of the original shipment to another foreign country or a Customs bonded facility. The term is particularly applied to foreign merchandise shipped in-transit to or from a Foreign-Trade Zone.

LEASE:

The document of agreement entered into between the Grantee and Operator or User for assignment of space within the Zone.

MANIPULATION:

Means breaking up, repacking, assembling, distributing, sorting or grading, cleaning, mixing with foreign or domestic merchandise, or other processing which does not constitute a manufacture.

NON-PRIVILEGED FOREIGN MERCHANDISE:

- (1) Foreign merchandise properly in the Zone, which does not have status of:
 - (a) privileged-foreign merchandise or
 - (b) zone-restricted merchandise;
- (2) Waste recovered from any manipulation or manufacture of privileged foreign merchandise; or
- (3) Domestic merchandise taken into a Zone whose identity has been lost.

OPEN YARD STORAGE:

The keeping of merchandise in open space within the Foreign-Trade Zone where merchandise not requiring weather protection may be stored.

OPERATOR:

A Zone or subzone Operator is that party which accepts Customs liability for Zone or subzone operations through a bond filed with the U. S. Customs Service. Multiple Operators, including subzone Operators, may be designated by the Grantee to operate foreign-trade zone sites located within FTZ 135 pursuant to a written Operator's Agreement with the Port of Palm Beach.

DEFINITIONS (continued)

PERSON OF RECORD:

The person, firm or corporation in whose name the application to admit merchandise into the Zone is made, recognized by the Zone Operator as having the 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 Customs territory, and 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

PORT OF ENTRY:

A place designated by the U. S. Government at which a Customs officer is assigned with authority to accept entries of merchandise, collect duties, and enforce the various provisions of the Customs laws. The supervising Port of Entry for Foreign-Trade Zone 135 is the Port of Palm Beach Port of Entry.

PORT OF PALM BEACH DISTRICT:

As part of its trade and economic development services, the Port of Palm Beach District serves as the Grantee of Foreign-Trade Zone No. 135 in Riviera Beach, FL.

PRIVILEGED-FOREIGN MERCHANDISE:

Foreign merchandise for which an application has been made for a determination of taxes and liquidation of duties, and which has been taken under supervision by the Port Director of Customs.

QUANTITY:

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

RE-EXPORTS OR RE-SHIPMENTS:

Merchandise from one foreign country initially destined to the United States which, after being unladen, stored, and/or manipulated or manufactured in this country without entry, is transited under a new bill of lading or other new documentation to another foreign country. The term is particularly applied to re- exports or re-shipments 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 a 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.

DEFINITIONS (continued)

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 Customs territory.

SECRETARY:

The Secretary of Commerce.

STORAGE:

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

SUBZONES:

Special-purpose ancillary Zone sites authorized by the Board, through Grantees of public Zones, for operations by individual firms that cannot be accommodated within an existing Zone, when it can be demonstrated that the activity, usually manufacturing, will result in a significant public benefit. They are considered noncontiguous extensions of Zones for single Users, usually at their own facilities, and in a sense, are private rather than public Zone facilities. Separate Zone sites within an industrial or commercial complex subject to common management and covenants may be considered as contiguous, and thus a part of the Zone, rather than as subzones.

TENANT:

A person or firm utilizing Zone facilities pursuant to a lease agreement with the Grantee.

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.

UNIT OF QUANTITY:

The customary groupings of a commodity as a unit to indicate the medium or method of measure.

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 and the Island of Guam.

DEFINITIONS (continued)

USER:

A person or firm using a Zone or subzone. An individual, company or corporation utilizing the services and facilities of the Zone. The user usually deals directly with the operator of the Zone. A user that is the sole occupant of a noncontiguous site or a subzone may be designated by the Grantee as an operator.

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 is also 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. 135.

ZONE PROJECT:

All of the Zone and subzone sites established by the Board under a single grantee, normally in a single port of entry area.

ZONE RESTRICTED MERCHANDISE:

Foreign or domestic merchandise taken into the Zone, under the rules and regulations of the controlling Federal agency, for the sole purpose of exportation or destruction, (except destruction of distilled spirits, wine and fermented malt liquors), storage or storage pending exportation or destruction.

DESCRIPTION OF FOREIGN-TRADE ZONE 135

Foreign-Trade Zone 135 was established by Board Order Number 348 on March 27, 1987. The Grantee is the Port of Palm Beach District. The Port of Palm Beach established the Zone project as part of its continuing efforts to promote trade and economic development in the South Florida area. Foreign-Trade Zone 209 was established by Board Order 757 on August 11, 1995 as a second zone project in the Palm Beach area. By mutual agreement of the Grantee of FTZ 209, the Palm Beach County Department of Airports and the Grantee of FTZ 135, the 2 sites approved as FTZ 209 were merged together under the FTZ 135 designation with the Port of Palm Beach as the sole grantee.

FOREIGN-TRADE ZONE 135 ZONE SCHEDULE NO. 2

The General Purpose Zone consists of 7 sites covering 306 acres within the Port of Palm Beach region. The sites are as follows:

Site 1: 25 acres within the Port of Palm Beach terminal area.

Site 2: 37 acres in an industrial area approximately 2 miles due west of the terminal at Interstate 95 and Highway 710.

Site 3: 11 acres located at 700 Banyan Trail, Boca Raton, Florida.

Site 4: 66 acres located at Martin County Airport, 1801 S.E. Airport Road, Stuart, Florida.

Site 5: 24 acres consisting of 3 sites at the Palm Beach International Airport and at the North Palm Beach County Airport, both located in Palm Beach County, Florida.

Site 1a: 3-acre air cargo facility.
Site 1b: 5-acre new cargo facility.
Site 1c: 16-acre industrial park site.

Site 6: 282 acres at the North Palm Beach County Airport, Beeline Highway and Route 786.

Site 7: 155,000 square-foot warehouse at 1440 West Indiantown Road, Jupiter, Florida.

Site 8: 171 acres at the Palm Beach Park of Commerce, located on Beeline Highway

FTZ 135 is administrated and operated by the Port of Palm Beach.

There are two activated zone sites within FTZ 135. They are:

1. Merchants Export, 200 Dr MLK Blvd., Riviera Beach, Florida.
2. Travelpro USA, 700 Banyan Trail, Boca Raton, Florida

There are no subzones associated with FTZ 135.

ZONE POLICY

SCHEDULE AUTHORITY

This schedule is published pursuant to a Grant issued by the Foreign-Trade Zones Board, U. S. Department of Commerce, Washington, D. C. on 11/28/1998, to the Port of Palm Beach under provisions of Public Law No. 397, 73rd Congress, approved June 18, 1934, as amended. The Zone policy, rules, regulations, rates and charges of this schedule shall apply at Foreign-Trade Zone No. 135 and its subzones unless otherwise provided for.

ZONE OPERATED AS A PUBLIC UTILITY

The rates and charges for space, facilities and services within a Zone shall be fair and reasonable, and the Grantee shall afford uniform treatment under like conditions to all users. The Board shall determine whether the rates and charges are fair and reasonable in the event of a dispute following the procedures outlined at 15 CFR 400.42 (b) (5).

BOARD REGULATIONS

Foreign-Trade Zone No. 135 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. 135 office located at *STREET ADDRESS*, Riviera Beach, FL for reference.

BUREAU OF CUSTOMS AND BORDER PROTECTION REGULATIONS

Foreign-Trade Zone No. 135 is subject to special Customs Regulations as defined in U.S. Code of Federal Regulations, Title 19, Chapter I, U. S. Customs, Part 146 - Foreign-Trade Zones; and the "U. S. Customs Service Foreign-Trade Zones Operations Manual." Copies of these publications are maintained at the Foreign-Trade Zone No. 135 office located at *STREET ADDRESS*, Riviera Beach, FL for reference.

INTERPRETATION OF SCHEDULE

The Grantee shall interpret and determine the applicability of any rates, rules, regulations or services provided for in this schedule. However, any matter involving interpretation or action by Customs or another agency of the U. S. Government will be determined by the Port Director of Customs or his duly appointed representative.

PRIVILEGES OF FOREIGN-TRADE ZONES

Section 3 of the Act, as amended, authorized the following privileges:

"Foreign and domestic merchandise of every description except such as prohibited by law, may, without being subject to Customs laws of the United States, except as otherwise provided in this Act, be brought into a Zone and may be stored, sold, exhibited, broken up, repacked, assembled, distributed, sorted, graded, mixed with foreign and domestic merchandise or otherwise manipulated or be manufactured, except as otherwise provided in this Act, and be exported, destroyed, or sent into Customs territory of the United States, there from, in the original package or otherwise; but when foreign merchandise is so sent from a Zone into Customs territory of the United States it shall be subject to the laws and regulations of the United States affecting imported merchandise:

Provided that whenever the privilege shall be requested there has been no manipulation or manufacture affecting a change in tariff classification, the collector of Customs shall take under supervision and regulations prescribed by the Secretary of the Treasury, and whether mixed or manufactured with domestic merchandise or not, may, under regulations prescribed by the Secretary of the Treasury, be exported or destroyed or may be sent into Customs territory upon the payment of such liquidated duties and determined taxes thereon. If merchandise so taken under supervision has been manipulated or manufactured, such duties and taxes shall be payable on the quantity of such foreign merchandise used in the manipulation or manufacture of the entered articles. Allowance shall be made for recoverable and irrecoverable waste; and if recoverable waste is sent into Customs territory, it shall be dutiable and taxable in its condition and quantity and at its weight at the time of entry. When two or more products results from a manipulation or manufacture of merchandise in a Zone, the liquidated duties and determined taxes shall be distributed to the several products in accordance to their relative value at the time of separation with due allowance for waste as provided for above:

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

Provided further that if in the opinion of the Secretary of the Treasury their identity has been lost, such articles not entitled to free entry by reason of non-compliance with the requirements made hereunder by the Secretary of the Treasury shall be treated, when they re-enter Customs territory of the United States, as foreign merchandise under the provisions of the tariff and internal revenue laws in force at that time:

FOREIGN-TRADE ZONE 135 ZONE SCHEDULE NO. 2

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

- (1) The draw-back, warehousing, and bonding, or any other provisions of the Tariff Act of 1930, as amended, and the regulations there under; and
- (2) The statutes and bonds exacted for the payment of drawback, refund or exemption from liability of internal revenue taxes and for the purposes of the internal revenue laws generally and the regulations there under.

Such a transfer may also be considered exportation for the purposes of the Federal laws insofar as Federal agencies charged with the enforcement of those laws deem it advisable. Such articles may not be returned to Customs territory for domestic consumption except where the Foreign-Trade Zones Board deem such return to be in the public interest, in which event, the article shall be subject to the provisions of the Paragraph 1615 (F) of the Tariff Act of 1930, as amended:

Provided further that no operation involving any foreign or domestic merchandise brought into a Zone which operation would be subject to any provision or provisions of Section 1807, Chapter 15, Chapter 16, Chapter 17, Chapter 21, Chapter 23, Chapter 24, Chapter 25, Chapter 26 or Chapter 32 of the Internal Revenue Code if performed in customs territory or involving the manufacture of any article provided for in Paragraph 367 or Paragraph 368 of the Tariff Act of 1930, shall be permitted in a Zone except those operations, (other than rectification of distilled spirits and wines, or the manufacture of production of alcoholic products unfit for beverage uses), which were permissible under this Act prior to July 1, 1949.

Provided further that articles produced or manufactured in a Zone and exported there from shall on subsequent importation into the Customs territory of the United States be subject to the import laws applicable to like articles produced or manufactured in a foreign county, except those articles produced or manufactured in a Zone exclusively with the use of domestic merchandise, the identity of which has been maintained in accordance with the second provision of this section may, on such importation, be entered as American goods returned."

USE OF ZONE FACILITIES

Zone facilities will be used for the sole purpose of receipt, storage, handling, exhibition, manipulation, manufacturing and related processing and shipment of foreign merchandise and domestic merchandise as considered necessary to the conduct of an Operator's or User's normal business in conjunction with the foreign merchandise. Operators or Users shall not use or permit the Zone to be used for any other purpose without the proper written consent of the Grantee. Operators or Users shall not do or permit anything to be done on or about the Zone which will in any way obstruct or interfere with the rights of other Operators or Users or occupants of the Zone or injure or interfere with their operations.

INSPECTION OF ZONE AREA

The Grantee may inspect any area designated as part of the Foreign-Trade Zone 135 at any and all reasonable times to ascertain whether or not the conditions related to its proper use are being observed.

OPERATIONS IN ZONES

MERCHANDISE PERMITTED IN A ZONE

Foreign and domestic merchandise of every description, except as is specifically prohibited by law, may without being subject to the Customs Laws of the United States, except as otherwise provided in the Act and the regulations made there under, be brought into a Zone.

- (1) Merchandise which is specifically and absolutely prohibited by law shall not be admitted into a Zone. Any merchandise so prohibited by law which is found within a Zone shall be disposed of in the manner provided for in laws and regulations applicable to such merchandise. A distinction is made between:
 - (a) Merchandise which is specifically and absolutely prohibited by law on the grounds of policy and morals, such as immoral or subversive literature, obscene articles or lottery matter and
 - (b) Merchandise which is subject to conditional prohibition only, for example, articles which are subject to permits or licenses for the protection of economic or national security or which may be reconditioned to bring them into compliance with the laws administered by various Federal agencies.
 - (c) Port Directors of Customs are required to exclude the first class of articles and may not permit them to be transferred to a Zone if they are aware of their prohibited status, except that the Port Director may permit the temporary deposit of any such merchandise in the Zone pending final determination of its status. The transfer of articles of the second class to a Zone is subject to any requirements of the Federal agency concerned. There is no prohibition against placing over quota merchandise in a Zone pending its rights to transfer to Customs territory pursuant to the applicable quotas provisions.
- (2) The application for the admission of merchandise into a Zone shall be approved or disapproved by the Port Director, as the representative of the Board, where the merchandise is not excluded by any other Federal agency having jurisdiction over the merchandise.
- (3) Zone procedures may not be used to circumvent the laws and regulations. Upon order of the Secretary of the Commerce, or his designee, the Commissioner of Customs, or his designee, shall direct that an importer place goods in a specific status for this purpose, subject to appeal to the Board.

DISPOSITION OF MERCHANDISE IN A ZONE:

In general, merchandise lawfully brought into a Zone may, in accordance with these and other regulations made under the provisions of the Act be exported, destroyed or sent into Customs territory of the United States in the original package or otherwise; but when foreign merchandise and domestic merchandise whose identity has been lost is sent from a Zone into the Customs territory of the United States, it shall be subject to the laws and regulations of the United States affecting imported merchandise.

MANIPULATION, MANUFACTURE AND EXHIBITION OF MERCHANDISE

In general, merchandise lawfully brought into a Zone may, in accordance with these and other regulations made under the provisions of the Act, be stored, sold, exhibited, broken up, repacked, assembled, distributed, sorted, graded, cleaned, mixed with foreign and domestic merchandise or otherwise manipulated or be manufactured or processed except as otherwise provided by the Act.

- (1) Permission for any manufacturing or processing in a Zone shall be obtained from the Foreign-Trade Zones Board prior to such activity commencing under Zone procedures. All requests or applications for manufacturing or processing authority shall be rendered under the auspices of the grantee, and shall include a letter of transmittal or concurrence from the Grantee. Upon Board approval for manufacturing or processing authority under Zone procedures, an application for permission to conduct the manufacturing or processing activity approved by the Board must be submitted to and approved by the Port Director of Customs.
- (2) Permission for any manipulation or exhibition in a Zone shall be obtained from the Port Director of Customs, as the representative of the Board, subject to such application and procedure prescribed by the Secretary of the Treasury for the protection of the revenue.
- (3) In the event of the denial of any application by the Port Director of Customs for any reason, the applicant, the Grantee or an Operator of the Zone may appeal the adverse ruling to the Board. If any revenue protection considerations are involved in such an application, the Board shall be guided by the determinations of the Secretary of the Treasury with respect to them.

STATUS OF MERCHANDISE IN A ZONE

- (1) For the purpose of the Act and the regulations of this section, all merchandise within a Zone, except merchandise in transit through a Zone, as provided in Sections 146.14 and 146.13 of Customs Regulations and except merchandise temporarily transferred to a Zone for manipulation, as provided in Paragraph (2) of this section, shall be given a Zone Status as
 - (a) Privileged Foreign Merchandise,
 - (b) Non-Privileged Foreign Merchandise,
 - (c) Domestic Merchandise or
 - (d) Zone Restricted Merchandise.
- (2) Imported Merchandise which has been entered and which has remained in continuous Customs custody may be temporarily transferred to a Zone for manipulation under Customs supervision pursuant to Section 562, Tariff Act of 1930, as amended, and for return to Customs territory. Any such merchandise shall not be considered within the purview of the Foreign-Trade Zones Act, but shall be treated in all respects as though remaining in Customs territory. Therefore, no Zone form or procedure shall be considered applicable, but the merchandise shall remain subject in the Zone to such requirements as are necessary for the enforcement of Section 562 and other pertinent Customs laws.

SUBSEQUENT IMPORTATION OF ZONE MERCHANDISE

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

PUBLIC INTEREST PROVISION

Pursuant to 15(c) of the Act, the Board has authority to restrict or prohibit any Zone operation "That in its judgment is detrimental to the public interest, health or safety".

- (1) Adversely affected parties may submit complaints to the Board under this section, requesting the prohibition or restriction of a Zone activity; or the Board may conduct investigations on its own initiative. A complaint must contain information as to how the Zone activity in question is or would be detrimental to the public interest, health or safety. When good cause is found by the Board or the Executive Secretary, the matter shall be investigated pursuant to these regulations. In deciding whether good cause exists, special consideration shall be given to conducting investigations when the Zone activity in question involves an "import sensitive" industry. In determining whether an industry is import sensitive, the Board and the Executive Secretary shall be guided by references to such industries in trade laws and regulations, and decisions of federal courts and agencies.
- (2) In investigations under this section, either self-initiated or in response to complaints, the factors considered by the Board shall include:
 - (a) Whether the adverse effect is significant in relation to actual and potential public benefits.
 - (b) Whether additional exports from the U. S. will be created.
 - (c) Whether Zone procedures will encourage activity related to import displacement or substitution.
 - (d) Whether employment and investment will be generated or sustained in the U.S.
 - (e) Whether Zone activity will undermine a remedial action or program in effect because of an unfair trade practice, or materially or substantially harm an existing domestic industry.
- (3) Zone activity may be approved for limited periods, subject to extension after a review as to whether the anticipated public benefits have materialized.
- (4) Zone activity, which is exclusively for export, shall be presumed to be in the public interest.
- (5) Interested parties shall have an opportunity to submit comments or participate in any public hearings or proceedings held on such investigations.

RETAIL TRADE WITHIN A ZONE

No retail trade shall be conducted within activated Zone space except under permits issued by the Grantee and approved by the Board. Only domestic, duty-paid and duty-free goods may be sold in such cases. In considering whether to approve requests under this section, the Board shall consider the economic impact on the retail trade outside the Zone in the port of entry area. No approval is required for sales involving domestic or duty-paid food products sold within the Zone or subzone to be consumed on the premises by persons working therein. Grantees shall revoke permits when there is a violation of this restriction. The Port Director of Customs, as a representative of the Board, shall determine which sales are to be classified as retail sales under this section, subject to review by the Board when a question arises. Appeals from this decision may be made to the Executive Secretary. Retail sales within non-activated but approved Zone areas may be prohibited if found by the Board, the Executive Secretary or the Port Director to be incompatible with Zone operations.

RESIDENCE WITHIN A ZONE

No person shall be allowed to reside within the activated area of the Zone except Federal, State or Municipal officers or agents whose resident presence is deemed necessary by the Board or the Bureau of Customs and Border Protection.

CONTROLLED ACCESS TO ZONES

Plans for the controlled access of persons and vehicles to activated Zone areas shall be subject to the approval of the Port Director as part of his review for operation approval. All persons and vehicles entering such areas shall be subject to the requirements of Customs and the Zone Schedule.

CONSTRUCTION OF BUILDINGS AND FACILITIES

Zone Grantee, Operators, and Users may construct buildings and facilities necessary to implement a Zone plan approved by the Board. Any building construction within the General-Purpose Zone shall be subject to approval by the Grantee. Such approval shall not constitute a vested right against the United States and the consideration for the sale of any such buildings or facilities shall not be affected by Zone status. The commencement of operations conducted under zone procedures in any building or facility shall be subject to approval by the Port Director of Customs.

HOURS OF BUSINESS AND SERVICE

Hours of business and service for Customs purposes shall be the same as those prescribed in Customs Regulations. Hours for other business and service shall be those set forth in this Schedule.

SUBJECT TO CUSTOMS SUPERVISION

Zone operations are subject to the control of the Bureau of Customs and Border Protection, exercised mainly through the Port Director who shall be in charge of the Zones within the port for purposes of enforcement of the requirements of the Act and Regulations, the Board and the Bureau of Customs and Border Protection. Requirements for such matters as Zone forms, inventory control systems, cargo security standards and physical security shall be determined by the U. S. Customs regulations found at 19 CFR Part 146.

GENERAL REGULATIONS

APPLICATION OF REGULATIONS

All persons and merchandise of every description entering or leaving the Zone for any purpose whatsoever shall be bound by the lawful regulations of the Foreign-Trade Zones Board, the Bureau of Customs and Border Protection and Grantee of the Zone.

CONFIDENTIAL RELATIONSHIPS

The Grantee and all Operators will take precaution to avoid the divulging of information regarding merchandise and services thereon performed in the Zone. Any Zone employee, whether employed by the Grantee or by any Zone Operator, violating this confidential relationship will be suitably disciplined or discharged.

GOVERNMENT AGENCIES

Operators and Users shall comply with all lawful regulations of government agencies in or about ports of entry insofar as they are not in conflict with Public Law 397 of the 73rd Congress and the Regulations issued there under.

REPORTS TO GOVERNMENTAL AGENCIES

The Grantee is required to submit periodic reports to the Foreign-Trade Zones Board and the Bureau of Customs and Border Protection or may be required to perform other acts in compliance with governmental regulations. Operators and users are required to and shall cooperate with the Grantee in the creation and maintenance of procedures, systems, regulations or programs and provide information and statistics, which the Grantee considers necessary to ensure compliance with governmental requirements.

REQUESTS, APPLICATIONS, AND PETITIONS TO GOVERNMENT AGENCIES

All requests, applications, and petitions to government agencies by Zone Operators or Users shall be rendered under the auspices of the Grantee, and shall include a letter of transmittal or concurrence from the Grantee. Such requests include, but are not limited to, applications for manufacturing authority, subzone applications, minor boundary modifications, determinations of or expansions of previously approved scope of authority for Zone procedures, activation, deactivation, or alteration of zone areas, and changes in Zone procedures. All requests to the Foreign-Trade Zones Board of any nature whatsoever shall be rendered only upon prior notification to, and under the auspices of, the Grantee.

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Prior to the rendering of any request, application or petition that would alter or expand the physical bounds of Foreign-Trade Zone 135 to include property not owned by the Grantee, the Grantee requires that a Zone Property Agreement be executed between and among the requester or applicant and the Grantee prior to the submission of said request or application to the Foreign-Trade Zones Board for their consideration. Should the request or application be withdrawn or denied, the Zone Property Agreement will be terminated.

GOVERNMENTAL LICENSES

Operators and Users are responsible to obtain, maintain and keep current any and all licenses, permits, certificates or other authorizations required by any federal, state, or local governments that are, or may be necessary in the conduct of business in or from the Zone.

OPERATOR AGREEMENTS

The Grantee requires that a Zone Operator Agreement be executed between and among the Operator and the Grantee prior to any person or firm conducting Zone business in Foreign-Trade Zone No. 135 or any of its subzones.

PUBLIC INTEREST, HEALTH AND SAFETY

No merchandise, operation or process of treatment will be permitted in the Zone that is detrimental to the public interest, health and safety.

INDEMNIFICATION

Each User and independent Operator shall indemnify and hold harmless the Grantee from and against any and all loss, costs (including attorney's fees), damages, expense and liability, (including statutory liability and liability under Workman'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 Operator or 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 the Operator or User, the Operator's or User's partners, agents, employees, customers, invitees, contractor or subcontractors. Additionally, the Operator or User shall be responsible for and pay any fines, (including Customs fines, penalties and liquidated damages), penalties, claims, legal fees, suits, or other costs, arising out of any action or omission, accident or any other occurrence at its Zone site and shall hold harmless the Grantee from any and all liabilities and costs arising out of any fines, (including Customs fines, penalties, and liquidated damages,) penalties, claims, legal fees, suits or other costs arising out of any action or omission, accident or any other occurrence at the Operator or User's Zone site.

LIABILITY INSURANCE

All persons or firms leasing Port of Palm Beach property or conducting business operations on Port of Palm Beach property, in accordance with an Operator Agreement with the Port of Palm Beach, shall carry and keep in force the following insurance:

- (1) Property insurance to insure the lessee's property against loss or damage by fire or theft.
- (2) Workman's Compensation Insurance, as required by law.
- (3) Liability insurance in the amount of not less than one million (\$1,000,000.00) dollars, that will insure the Grantee as well as the lessee against any claims, demands or causes of action that may arise out of its acts in regards to the use of Port of Palm Beach property. Lessee shall provide that such liability insurance shall name the Grantee as an additional insured and such insurance shall be primary and noncontributing. Additionally, the insurance shall be endorsed to provide a waiver of subrogation in favor of the Grantee. This additional insured requirement is an additional and separate contractual obligation from any indemnity provisions.

Insurance is to be carried by one or more insurance companies authorized to transact business in Florida. Lessee shall provide insurance certificates reflecting the above coverage prior to occupying Port of Palm Beach property. All insurance policies shall be endorsed to provide that thirty (30) days prior written notice shall be given the Grantee in the event of cancellation or material change in policies.

RELEASE OF GRANTEE FROM LIABILITY

In consideration of permission granted independent Operators and Users to enter the Zone and participate in its activities, an independent Operator or User, for itself, its heirs, legal representatives, agents, partners, employees, customers, invitees and assignees, releases premises and discharges the Grantee and its Directors, officers, servants, agents and employees of and from all damage, claim, demand, action and cause of action of any sort of loss, damage or destruction to buildings or contents, or to property or merchandise of any kind located or stored in the Zone by the independent Operator or User or by any other person with the consent or knowledge of the independent Operator or User and without regard to whether such loss or damage be the result of negligence or misconduct of any person in the employ of the Grantee.

REGULATIONS APPLICABLE TO SUBZONES

"Subzones" are special-purpose ancillary Zone sites authorized by the Board, through Grantees of public Zones, for operations by individual firms that cannot be accommodated within an existing Zone, when it can be demonstrated that the activity, usually manufacturing, will result in significant public benefits. They are considered noncontiguous extensions of Zones for single Users, usually at their own facilities, and in a sense, are private rather than public Zone facilities. Separate Zone sites within an industrial or commercial complex subject to common management and covenants may be considered as contiguous, and thus a part of the Zone, rather than as subzones.

In reviewing proposals for subzones, the Foreign-Trade Zones Board and the Grantee will, in addition to the Economic factors for public Zones consider:

- (1) Whether the operation can be accommodated in the public Zone serving the area.
- (2) Whether efforts have been made to accommodate the operation, such as enlarging the public Zone area, the cost of locating in a public Zone not being a determining factor.
- (3) Whether convincing evidence has been presented as to a resulting significant public benefit, including export development and displacement or substitution or imports usually measured in terms of new or sustained employment.

All persons and entities doing business within a subzone established by a Grantee must comply with the provisions of the Foreign-Trade Zones Act; with the rules, regulations and procedures of the Foreign-Trade Zones Board; with such laws and regulations of the United States, the operators, occupants, their employees and invitees, and Users of sub zones; and with such of the provisions of this Schedule and subsequent issues and modifications thereof as may be applicable to the operations conducted in the subzone. If, following the review as outlined above, an applicant desires to have a subzone located within the Grantee's jurisdiction and the Grantee has no site available for its location or where sites available are not suited for proposed operations, the Grantee may assist the applicant in arranging for the acquisition of a suitable and available site.

Prior to the rendering of any application for a subzone, the Grantee requires that a Zone Property Agreement be executed between and among the requester or applicant and the Grantee prior to the submission of said request or application to the Foreign-Trade Zones Board for their consideration. Should the request or application be withdrawn or denied, the Zone Property Agreement will be terminated.

All applications for subzone status shall be rendered under the auspices of the Grantee. All subsequent requests, applications, and petitions to government agencies by subzone Users shall be rendered under the auspices of the Grantee, and shall include a letter of transmittal or concurrence from the Grantee. Such requests include, but are not limited to, applications for manufacturing authority, minor boundary modifications,

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determinations of or expansions of previously approved scope of authority for Zone procedures, activation, deactivation, or alteration of zone areas, and changes in Zone procedures. All requests to the Foreign-Trade Zones Board of any nature whatsoever shall be rendered only upon prior notification to, and under the auspices of, the Grantee.

PERSONS ENTERING AND LEAVING ZONE

Employees and other persons entering and leaving the zone shall pass through the designated entrances to the Zone. Employees and other persons shall be subject to such examination upon entering and leaving the Zone, as the Grantee or Operator may deem necessary for the protection of the revenue and security of the Zone.

REGULATIONS PERTAINING TO MERCHANDISE

CUSTOMS PERMIT

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

TRANSPORTATION

Transfer of foreign merchandise between Customs territory and the Zone, or through Customs territory, must be made by Customs bonded trucks or other carriers and in accordance with Customs regulations.

ZONE ACCOMMODATIONS

Before merchandise may enter or exit the Zone, applications must be completed by a Zone User or his agent and approved by the Zone Operator and authorized Customs personnel. The application shall describe the merchandise fully and be accompanied by all supporting documents as required.

TENDER FOR ACCEPTANCE

All merchandise for Zone movement shall be delivered at designated points properly marked and packed and accompanied or preceded by necessary documents for preserving the identity of such merchandise.

CUSTOMS INSPECTION OF MERCHANDISE

The consignee, the Zone User or his agent shall at all times make merchandise available and ready for inspection as may be required by the Bureau of Customs and Border Protection.

INVENTORY PROCEDURES

Zone Operators are responsible for establishing and maintaining an Audit Inspection Inventory Control System acceptable to Customs and the Grantee for all merchandise in their care, custody and control. Inventory actions may be conducted by the Operator or through an agent authorized to maintain inventory records and to represent the Operator in inventory matters. The Grantee will assist Operators in establishing an Audit Inspection Inventory Control System, monitor records, conduct periodic selective inventories of merchandise and advise the Port Director of any inventory discrepancies.

FOREIGN-TRADE ZONE FORMS

The following Customs Forms are available upon request from the Grantee:

- (1) Customs Form 214 - Application for Foreign-Trade Zone Admission and/or Status Designation of Merchandise
- (2) Customs Form 216 - Application for Foreign-Trade Zone Activity Permit (Manipulation, Manufacture, Exhibition or Destruction of Merchandise)

PERMIT TO MANIPULATE, EXHIBIT, MANUFACTURE AND PROCESS

Before merchandise may be manipulated, exhibited, manufactured or processed within the Zone, application must be submitted to the Port Director of Customs. (Manufacturing and processing operations must also have the prior approval of the Foreign- Trade Zones Board.) Upon approval by the appropriate agencies, including the approval of the application by the Port Director of Customs, the contemplated operations will be permitted under Zone procedures.

TRANSITING MERCHANDISE

Merchandise transiting the Zone under the provision of CR 146.14 must leave the Zone within five (5) working days after arrival. Working days do not include Saturday, Sunday or Holidays. Items remaining in the Zone beyond five (5) working days will lose the "transiting" status and will be admitted into the Zone as merchandise under supervision of Customs unless an extension is authorized by the Port Director of Customs.

MARKING

Before entry to Customs territory, all merchandise handled in the Zone must be truly marked in accordance with Customs Regulations as to the country of origin and in accordance with all other government regulations. 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.

PROHIBITED MERCHANDISE

A list of merchandise specifically prohibited from admission to the Zone is available upon request from the Grantee.

REGULATIONS PERTAINING TO ZONE PROPERTY

WAREHOUSE LEASE

The Grantee will permit the use of warehouse space for the purpose of manufacturing, manipulation, processing, handling, exhibition or storage of foreign or domestic merchandise under supervision of the Bureau of Customs and Border Protection. Warehouse space may also be used as office space when utilized in direct support of Zone operations. All leases are subject to approval by the Grantee.

PUBLIC WAREHOUSE OPERATING REQUIREMENTS

Private firms may enter into a lease agreement with the Port of Palm Beach to offer public warehousing facilities and services within the Zone. The warehouse firm will be required to comply with the Foreign-Trade Zone No. 135 public warehouse minimum standards as established by the Grantee.

LAND LEASES

The Grantee will lease land for the purpose of constructing buildings and facilities and open storage when use of such buildings and land involves manufacturing, manipulation, processing, handling, exhibition or storage of foreign and domestic merchandise under supervision of the Bureau of Customs and Border Protection.

ERECTION OF BUILDINGS

The Grantee may, by written approval, under reasonable and uniform regulations for like conditions and circumstances, permit other persons, firms, corporations or associations to erect such buildings and other structures within the Zone as will meet their particular requirements, provided:

- (1) that such permission shall not constitute a vested right against the United States, nor interface with or complicate the revocation of the Grant by the United States;
- (2) that in the event of the United States or the Grantee desiring to acquire the property of the Permittee, no good shall be considered as accruing from the privilege granted to the Zone;
- (3) such permits shall not be granted on terms that conflict with the public use of the Zone as set forth in the Act. Provided further that accepted sanitary practices be followed in the construction, equipment and operation of such buildings and other structures.

ZONE REGULATIONS

All uses and development of the lands of the Port of Palm Beach shall be in compliance with all applicable local Zoning Ordinances.

RATES AND CHARGES

GRANTEE FEES

All Grantee fees as described below are payable to the Port of Palm Beach.

FEES RELATED TO THE ALTERATION OR EXPANSION OF THE ZONE (INCLUDING SUBZONES AND MANUFACTURING AUTHORIZATION)

All persons and entities who request the Grantee to apply for authority to alter or expand the physical boundaries of the general purpose foreign-trade zone to include property not owned by the Grantee or for the establishment of a subzone must enter into a Zone Property Agreement with the Grantee. This agreement will contain provisions including but not limited to, administrative fees, marketing, right to sell or lease the property once designated as part of Foreign-Trade Zone 135 and the activation (or lack thereof) of the property.

Upon execution of the Zone Property Agreement or upon agreement by the Grantee to submit a request for manufacturing authorization, an application fee will be charged. This fee will cover the costs incident to the preparation of the applications or modification and any subsequent amendments or modifications thereof; costs incident to public hearings and legal proceedings; and charges for Grantee's special services not provided in this schedule. Due to the nature of the information required, applicants for the establishment of a subzone will bear application costs related to the preparation of the subzone application in addition to the application fees cited below.

Subzone Application	\$ 10,000
General Purpose Expansion Application	\$ 10,000
Manufacturing Authorization Request	\$ 5,000
Minor Boundary Modification Request	\$ 2,500

The application fees are payable to the Grantee in advance of the filing of the application request with the Foreign-Trade Zones Board.

The person or entity requesting the alteration, expansion or subzone authorization will also be responsible for paying any application or filing fees required by any governmental agency (other than the Grantee), including but not limited to, the Foreign-Trade Zones Board.

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ACTIVATION FEE

Each Operator of Foreign-Trade Zone 135 , including its subzone operators, shall pay the Grantee an activation fee following the Grantee's review of the Operator's Procedures Manual, its Inventory and Recordkeeping System. and the other documentation necessary for activation of the Operator's Zone Site by Customs. Upon receipt of the Activation Fee from the Operator, the Grantee shall issue the Grantee's Letter of Concurrence required for activation.

Manufacturing Subzone/General Purpose Zone Activation	\$ 5,000
Distribution Subzone/General Purpose Zone Activation	\$ 3,000

DEACTIVATION FEE

Each Operator of Foreign-Trade Zone 135 , including its subzone operators, shall pay the Grantee a deactivation fee prior to the actual submission of documentation to Customs requesting deactivation of the zone site. The deactivation fee will be waived if liability for zone operations is being transferred to a new Operator. The deactivation fee will cover the Grantee's costs associated with the final review by the Grantee to ensure that all Customs' obligations have been met by the Operator prior to deactivation.

Manufacturing Subzone/General Purpose Zone Deactivation	\$ 5,000
Distribution Subzone/General Purpose Zone Deactivation	\$ 5,000

ANNUAL FEE

Each Operator of an activated site within Foreign-Trade Zone 135 (including subzone Operators) and each Property Owner of an inactive site shall pay the Grantee an annual fee. The annual fee shall be assessed to cover the administration of the Zone by the Grantee and will be fair and reasonable, affording uniform treatment under like conditions. The Annual fee shall be based on, but not limited to, the costs of services provided to the Operator(s) and Property Owners, usage of the zone, the potential liability associated with the Zone use, preparation of the Annual Report required by the Board and other support services as deemed necessary. The Annual Fee will be payable the anniversary date of either the Operator's or Zone Property Owner's Agreement, whichever is applicable.

Manufacturing Subzone/General Purpose Zone Operator	\$ 6,000
Distribution Subzone/General Purpose Zone Operator	\$ 4,000
Inactive Operator*	\$ 2,500
Non-activated Zone Property Owner **	\$ 1,000

* An inactive Operator would have not processed any transactions nor have any merchandise with zone status located within the zone during the previous 12 month period

** Property owners included in either the original grant of authority for FTZ #135 or #209 are exempt from this fee

OTHER FEES AND CHARGES

RESPONSIBILITY FOR DUTY AND TAXES

Operators and Users of the Zone are responsible and liable for payment of any duties, taxes, fines, penalties, or liquidated damages due any agency of the federal, state or local government arising from use of the Zone, including liabilities on merchandise which is not accounted for to the satisfaction of the Bureau of Customs and Border Protection. In the event the Grantee is required to pay any duty or tax to the Bureau of Customs and Border Protection, the person responsible for payment of the duty or tax will immediately reimburse the Grantee for such payments. Such person shall be liable to the Grantee for all costs, expenses and attorney fees which may be incurred or sustained by the Grantee by reason of collection of such duty or taxes. Any sums due to the Grantee under the provisions of this paragraph shall constitute a lien against the interest of the Operator or User in the Zone and all its property situated in the Zone to the same extent and the same condition as delinquent rent would constitute a lien on such premises and property.

CUSTOMS FEES

Operators shall reimburse the Grantee for any Customs fees connected with its conducting business within the Zone. Such Customs Fees may include activation and deactivation fees, alteration fees, transaction fees and annual fees. Whenever the Grantee pays fees to Customs which concern the entire general purpose Zone or the entire Zone project, reimbursement Operators to the Grantee will be done by apportionment.

CUSTOMS BOND FEE

Each Operator will provides a Foreign-Trade Zones Operator's Bond to the Bureau of Customs and Border Protection which is applicable to all merchandise in the Operator's facility that is under Customs supervision. The amount of the bond required for a specific facility is established by the Bureau of Customs and Border Protection and the appropriate cost of the bond will be payable by the Operator.

FOREIGN-TRADE ZONES BOARD FEES

Any fees or charges imposed by the Foreign-Trade Zones Board shall be payable by the Applicant/User of the affected Zone Site, or as apportioned by the Grantee among the Zone Sites.

CHARGES BY OTHER GOVERNMENT AGENCIES

Charges made by government agencies that are not included in this Schedule should be arranged for and paid by the Operator or User who requires the use of such services.

FINES, PENALTIES AND LIQUIDATED DAMAGES

Fines, Penalties, or liquidated damage claims assessed by any governmental agency that affect Zone merchandise or Zone activities will be paid by the incurring party. The Grantee will not be liable or responsible for any fines, penalties, forfeiture or liquidated damage claims incurred by any Operator or User.

ENFORCEMENT OF CHARGES

Zone fees and charges are due and payable when invoiced. All fees and charges are non-refundable. Failure to pay fees and charges on a timely basis may also result in the cancellation of the Operator Agreement, deactivation of a Zone Site, eviction or other remedies deemed appropriate by the Grantee.