

EXHIBIT B

SOUTH CAROLINA PORTS AUTHORITY
FOREIGN-TRADE ZONE/SUBZONE ZONE GRANTEE SCHEDULE
SCHEDULE PER REGULATIONS
Effective Date July 1,, 2014

Foreign-Trade Zone Nos. 21 and 38



Operating under the authority granted by the
Foreign-Trade Zones Board, U.S. Department of Commerce

For additional information contact:

Suzan E. Carroll-Ramsey

Foreign-Trade Zones Specialist

(843) 577-8144

(843) 577-8710 fax

176 Concord Street

Charleston, SC 29401

E-mail: scarroll-ramsey@scspa.com

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I. **FTZ ZONE GRANTEE POLICIES**

- A. Applications-** FTZ application requirements are based on the FTZ Board Regulations [§400.26 Criteria for evaluation of applications for expansions, Subzones or other modifications of zones](#). The SC Ports Authority cannot guarantee that the FTZ Board will approve the project.
- B. Removing FTZ Status-** The SC Ports Authority reserves the right to remove FTZ status from approved sites under the following conditions:
1. No part of the property has been activated within the time limits set by the FTZ Board (not to exceed five years) from receipt of FTZ Board approval.
 2. There is a default in the agreement between the Zone/Subzone Site Operator and Zone Grantee or between the Property Owner and Zone Grantee.
 3. Property is used for residential purposes, retail sales or any other use or development that is inappropriate for FTZ status.
 4. Failure to pay charges or fees associated with FTZ status.
 5. Failure to submit reports documents required by regulations.
- C. Zone/Subzone Site Operator Agreement**
All Zone/Subzone Site Operators will be required to sign a Zone/Subzone Site Operator /Zone Grantee agreement before the site can be activated with Customs. This agreement states that the Zone Grantee does not participate in the day to day operations of the FTZ and this responsibility, therefore, is placed upon the Zone/Subzone Site Operator to comply with all rules and regulations.
- D. Landowner Agreement**
Landowners will be required to sign a Land Owner/Developer/Zone Grantee agreement before an application is submitted to the FTZ Board. This agreement outlines all responsibilities that the landowner will have to complete in order to maintain FTZ status at the property.
- E. Liability**
FTZ site owner and/or Zone/Subzone Site Operator agrees to protect, indemnify and hold harmless the SC Ports Authority, its elected officials, employees and agents from and against any liability, obligation, damage, penalty, claim, cost, charge or expense, including attorneys' fees and costs, whether insured or not, arising out of or incident to its site.
- F. Payments**
All payments are due according to the terms of the billing document of the SC Ports Authority. Failure to pay any fees, charges and expenses to the SC Ports Authority shall be a basis for termination of appropriate agreement and/or removal of FTZ status.

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G. Annual reports

The FTZ Zone/Subzone Site Operator or owner must submit to the SC Ports Authority no later than March 1st of each year an annual report for the calendar year ending December 31st containing data required by the Board and Customs. All such statements shall be signed by appropriate officials, certifying the accuracy of the reports. The FTZ Zone/Subzone Site Operator or owner shall prepare a narrative and submit photographs as required for the Annual Report to the Board. Land or buildings that have been leased or sold during the year must be described along with naming the new owner or lessee.

H. Construction

All new construction projects will need to be mentioned in the annual report so that the FTZ Board can be informed of the updated condition and structures within FTZ sites.

I. Access

Representatives of the FTZ Board, Customs, and other authorized U.S. government officers, shall have the right to enter the FTZ site for the authorized and lawful purpose of examining same, conferring with FTZ Zone/Subzone Site Operator or owner, its agents, invitees, and employees on such premises, inspecting and checking operations, supplies, equipment and merchandise, and determining whether the business is being conducted in accordance with the procedures established for the operation and management of the FTZ site.

J. Foreign-Trade Zone/Subzone Privileges

The SC Ports Authority makes no representations or warranties as to the particular privileges and benefits which may accrue to FTZ site Zone/Subzone Site Operator or owner from foreign-trade zone site operations as those privileges and benefits may vary as a result of changes in federal law, determinations of the Board and Customs, and operational decisions of the Zone/Subzone Site Operator. The SC Ports Authority shall in no way be liable for any costs or losses sustained by FTZ Zone/Subzone Site Operator or Landowner as a result of FTZ status.

II. **ZONE GRANTEE FEES AND CHARGES** (These fees do not include feasibility analysis, actual preparation of the Application Requests to the Board and/or U.S. Customs and Border Protection (“Customs”)).

A. New Site Applications

These fees will cover the Zone Grantee’s expenses for processing, submission of applicable new site Applications to the FTZ Board. The Grantee fee also covers the base support service expenses for obtaining approvals/resolutions and any support required in the submission of the applicable Application. The base fee for Zone Grantee support limited to a total of 20 hours. Additional Zone Grantee time and expenses will be billed accordance with Paragraph G. Miscellaneous Expenses –Special Zone Grantee Assistance.

- 1. **Minor Boundary Modification – “Usage- Driven site”**\$ 2,000
- 2. **New Magnet Site Application**\$ 10,000
- 3. **Subzone Applications.....**\$ 10,000

B. Site Activation Fees

The Activation Fee covers Zone Grantee expenses for preparation and processing of the Operator/Zone Grantee Operations Agreement, providing the Zone Grantee Concurrence Letter to Customs, and any necessary Zone Grantee support required in the Customs Activation process limited to a total of 20 hours. Additional time will be billed in accordance with Paragraph G. Miscellaneous Expenses –Special Zone Grantee Assistance.

- 1. **Site Activation Fee.....**\$ 3,500
- 2. **Activation Alteration/Expansion Application.....**\$ 1,500
- 3. **Amendment to Activation Expansion Applications.....**\$ 1,000

C. Production Notification/Application Request. The following fee does not include the actual preparation of the applications. The fees will cover the Zone Grantee’s expenses for approving the submission of the Production Notification/Application Request to the Board, and base support services required in the Production Notification/Application Request approval process. The base fee for Zone Grantee support limited to a total of 20 hours. Additional Zone Grantee time and expenses will be billed accordance with Paragraph G. Miscellaneous Expenses –Special Zone Grantee Assistance.

- **Production Notification/Application Request.....**\$ 3,500

D. Expansion Applications. The following fees do not include actual preparation of the applications. Submission of Applications/Amendments to the Board and/or CBP to expand/modify/amend the designated Zone/Subzone site area or the scope of operations in a Zone/Subzone Site.

- 1. **Expansion Application.....\$ 3,000**
- 2. **Amendment to Expansion Application.....\$ 2,000**

E. Zone Grantee Annual Fees. The Zone Grantee Annual Fee will cover Zone Grantee expenses for oversight and administration of the Site project and submission of the Annual Report to the Board. The annual fee will be effective based upon the date of Zone Site approval by the Board and pro-rated based upon the SCPA's fiscal year of July1 through June 30.

- 1. **Active Site Annual Fee.....\$ 6,500**
- 2. **Inactive Site Annual Fee.....\$ 2,500**

F. Legal Expenses. Applicant, Zone/Subzone Operator agrees to pay, or cause to be paid, all legal expenses and costs which Zone Grantee incurs in conjunction with, or arising out of, any of the services provided in this fee schedule or in accordance with Paragraphs C. Zone/Subzone Site Operator Agreement or D. Landowner Agreement.

G. Miscellaneous Expenses.

- **Production Special Zone Grantee Assistance.** Any additional assistance or interface required with the Board, Customs, or any other governmental agency on procedures or operations within the foreign-trade zone will be provided by the Zone Grantee on an hourly rate plus expenses basis.

III. RATES/CHARGES ASSESSED BY PUBLIC OPERATORS

Premier Logistics Solutions, Inc.

Hanahan, SC 29410

Telephone: (843) 554-7529

Web: www.premier3pl.com

FTZ No. 21, Site No. 5-1

Effective Date: March 1, 2014

Fee Schedule

FTZ Administration Fee – Inbound	\$10.00 per Receipt
FTZ Administration Fee – Outbound	\$10.00 per Shipment
FTZ Filing Fee	\$75.00 per Shipment

Rates / Charges Assessed by Public Operator

Kontane Logistics

1000 Charleston Regional Parkway

Charleston, SC 29492

Telephone: (843) 352-0011

Web site: www.Kontanelogistics.com

FTZ No. 21, Site No. 9

Effective Date: January 1, 2014

Fee Schedule

FTZ Administration Fee – Inbound	\$10.00 per Receipt
FTZ Administration Fee – Outbound	\$10.00 per Shipment
FTZ Filing Fee	\$75.00 per Shipmen

Rates / Charges Assessed by Public Operator

Swafford Warehousing, Inc.

1630 Old Highway 14 South

Greer, SC 29651

FTZ No. 38, Site No. 14

Fee Schedule

FTZ Administration Fee – Inbound	\$10.00 per Receipt
FTZ Administration Fee – Outbound	\$10.00 per Shipment
FTZ Filing Fee	\$75.00 per Shipment

- Additional Services required will be quoted as requested. If not requested but required, these services will be billed based on our hourly rates or per our Standard Charges for Accessorial Services.
- Special Project Rates for oversized, overweight and/or hazardous commodities will be provided upon request.
- Rates for storage, handling and any other accessorial services will be billed based on specific information provided for each specific service requested as required.

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FOREIGN-TRADE ZONE NO. 21, SITE 6
MEADOW STREET BUSINESS PARK, LORIS, S.C.
ZONE SCHEDULE AND PROCEDURES
SECTION IV - MINIMUM CHARGE CATEGORIES

9.0 Charge categories used in the zone:

Admission to the FTZ

A. Handling

(Handling charges cover loading and unloading of containers at zone loading docks and placement in zone.) \$150.00 or \$25.00 per hour per person (the greater of the two) per container. The customer shall pay all processing charges involved in zone admission with an additional 10% handling fee.

B. CF 214

The fee for this document varies, as it is dependent on the type of merchandise admitted to the zone. The fee is to be paid upon arrival of the container at shipping docks. (The remainder of the charges is to be paid two working weeks after arrival at the zone.)

C. CF 216

(The fee for this document will be incurred if the proposed activities are different from the activities that the Operator already has approval for.) The fee for this document is \$200.00, to be paid upon arrival of the container at shipping docks.

D. All other processing charges will be billed to the lessee with payment terms provided on the bill.

Storage

A. Zone Storage Charges

\$8.00 per square foot per year (minimum 1,000 square feet).

B. High Security Zone Storage Charges \$.60 per cubic foot per month (minimum \$1000.00).

(ALL STORAGE CHARGES MUST BE PAID BY MONTHLY INSTALLMENTS, WITH A ONE-MONTH DEPOSIT AND THE FIRST MONTH'S RENT.)

Manipulation

A. Zone Manipulation Space Charges

\$3.00 per square foot per month.

B. High Security Zone Space Charges

\$3.50 per square foot per month or \$2.25 per square foot per week.

Labor Rates

A. Zone Labor

\$40.00 per hour per person.

\$60.00 per hour with a forklift.

Zone labor includes the use of Southern Ammunition employees for movement, packing, labeling, and general warehouse activities.

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B. High Security Zone Labor
\$50.00 per hour per person.
\$70.00 per hour with a forklift.

C. Clerical Labor
\$40.00 per hour per person.

Destruction Requested by Customer for Physical Inventory

Customers shall be responsible for expenses required to destroy or dispose of any waste connected with customers' space.

Entry to U.S. Customs Territory

All processing charges involved in the U.S. entry shall be paid by the customer with an additional 10% handling fee.

A. CF 3461 AND CF 7501

The fee for these documents is \$70.00 to be paid before entry request is made. These Documents will be prepared by the users Customs House Broker. (The remainder shall be paid no less than one working week after entry approval.)

B. All other processing charges will be billed to the lessee with payment terms provided on the bill.

Additional Fees

1. Late Payment Fee - 20% of account receivables past 30 days of age.
2. Service Charge for returned checks - \$50.00

Fees 3-5 will be determined, on a case by case basis, and charged for the following situations:

3. Paperwork Preparation Fee for any item not defined.
4. Hazardous Material Documentation.
5. Special Equipment.

Charges for Special Customs Service

Customs officer's services rendered during national holiday, Saturdays and Sundays or during overtime hours at the specific request of the user of zone facilities for such purposes, will be charged to the user of such services at the cost billed to Operator by the United States Customs plus a 15% management fee.

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

Contractual Pricing

Any customer having significant volume or level of activity may request a quotation of contractual pricing for a specific time frame (normally no less than one year). All customers having similar volume and circumstances will be afforded to the same contractual terms.

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IV. APPENDIX - DEFINITIONS

§400.2 Definitions.

(a) Act means the Foreign-Trade Zones Act of 1934, as amended (19 U.S.C. 81a-81u).

(b) Activation limit is the size of the physical area of a particular zone or subzone authorized by the Board to be simultaneously in activated status with CBP pursuant to 19 CFR 146.6. The activation limit for a particular zone/subzone is a figure explicitly specified by the Board in authorizing the zone (commonly 2,000 acres) or subzone or, in the absence of a specified figure, the total of the sizes of the approved sites of the zone/subzone.

(c) Alternative site framework (ASF) is an optional approach to designation and management of zone sites allowing greater flexibility and responsiveness to serve single-operator/user locations. The ASF was adopted by the Board as a matter of practice in December 2008 (74 FR 1170, January 12, 2009; correction 74 FR 3987, January 22, 2009) and modified by the Board in November 2010 (75 FR 71069, November 22, 2010).

(d) Board means the Foreign-Trade Zones Board, which consists of the Secretary of the Department of Commerce (chairman) and the Secretary of the Treasury, or their designated alternates.

(e) Board Order is a type of document that indicates a final decision of the Board. Board Orders are generally published in the Federal Register after issuance.

(f) CBP means U.S. Customs and Border Protection.

(g) Executive Secretary is the Executive Secretary of the Foreign-Trade Zones Board.

(h) Foreign-trade zone (FTZ or zone) includes one or more restricted-access sites, including subzones, in or adjacent (as defined by §400.11(b) (2)) to a CBP port of entry, operated as a public utility (within the meaning of §400.42) under the sponsorship of a Zone Grantee authorized by the Board, with zone operations under the supervision of CBP.

(i) Grant of authority is a document issued by the Board that authorizes a Zone Grantee to establish, operate and maintain a zone, subject to limitations and conditions specified in this part and in 19 CFR parts 146. The authority to establish a zone includes the responsibility to manage it.

(j) Magnet site means a site intended to serve or attract multiple operators or users under the ASF.

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(k) Modification: A major modification is a proposed change to a zone that requires action by the FTZ Board; a minor modification is a proposed change to a zone that may be authorized by the Executive Secretary.

(l) Person includes any individual, corporation, or entity.

(m) Port of entry means a port of entry in the United States, as defined by part 101 of the customs regulations (19 CFR part 101), or a user fee airport authorized under 19 U.S.C. 58b and listed in part 122 of the customs regulations (19 CFR part 122).

(n) Private corporation means any corporation, other than a public corporation, which is organized for the purpose of establishing, operating and maintaining a zone and which is chartered for this purpose under a law of the state in which the zone is located.

(o) Production, as used in this part, means 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.

(p) Public corporation means a state, a political subdivision (including a municipality) or public agency thereof, or a corporate municipal instrumentality of one or more states.

(q) Service area means the jurisdiction(s) within which a Zone Grantee proposes to be able to designate sites via minor boundary modifications under the ASF.

(r) State includes any state of the United States, the District of Columbia, and Puerto Rico.

(s) Subzone means a site (or group of sites) established for a specific use.

(t) Usage-driven site means a site tied to a single operator or user under the ASF.

(u) Zone means a foreign-trade zone established under the provisions of the Act and these regulations. Where used in this part, the term also includes subzones, unless the context indicates otherwise.

(v) Zone Grantee is the corporate recipient of a grant of authority for a zone. Where used in this part, the term "Grantee" means "Zone Grantee" unless otherwise indicated.

(w) Zone operator is a person that operates within a zone or subzone under the terms of an agreement with the Zone Grantee (or third party on behalf of the Zone Grantee), with the concurrence of CBP.

(x) Zone site (site) means a physical location of a zone or subzone. A site is composed of one or more generally contiguous parcels of land organized and functioning as an integrated unit, such as all or part of an industrial park or airport facility.

(y) Zone user is a party using a zone under agreement with a zone operator.

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