

PORT OF LONGVIEW

Foreign Trade Zone 120

RULES AND REGULATIONS AND RATES AND CHARGES
ADOPTED BY AUTHORITY OF PORT OF LONGVIEW
BOARD OF COMMISSIONERS

at:

PORT OF LONGVIEW
LONGVIEW, WA 98632

OPERATING UNDER THE AUTHORITY OF A
GRANT BY THE GOVERNMENT OF THE UNITED
STATES TO THE COWLITZ ECONOMIC
DEVELOPMENT COUNCIL AS GRANTEE

Applicable to that Portion of
Foreign Trade Zone 120
Operated by Port of
Longview

Location: Portions of Port of
Longview (map available)

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ITEM 100 GENERAL RULES AND REGULATIONS

(A) COMPLIANCE AND ACCEPTANCE

All persons and merchandise of every description entering, using, or leaving for any purpose whatsoever that portion of Foreign Trade Zone 120 operated by the Port of Longview (“Longview FTZ” or “Zone”) (“User” or “FTZ User”) shall comply with all applicable federal, state, and local laws, and, in particular, with applicable U.S. Customs and Border Patrol (“CBP”) regulations as well as any directives from CBP officials with respect to the Longview FTZ.

The Port of Longview as the Longview FTZ Operator shall be the sole judge to interpret and determine the applicability of any rates, regulations, or services provided for in this Tariff.

Use of the Longview FTZ shall be acceptance of the rules and regulations of this Tariff, provided, however, that the rules and regulations of this Tariff shall be superseded as to particular Users if so provided by those Users’ individual contracts with the Port of Longview.

(B) RELATIONSHIP WITH CBP AND CBP REGULATIONS

General rules and regulations in this Tariff governing operations within the Longview FTZ are issued in conformity with and supplementary to CBP’s regulations and other law applicable to Foreign Trade Zones. Accordingly, this Tariff will control User activities within and relating to the Longview FTZ to the extent not in direct conflict with other applicable law or regulations.

A User of the Longview FTZ may only use the Zone for the purposes permitted in this Tariff, in conformity with the rules and regulations set forth in this Tariff, and only in connection with merchandise that has been lawfully brought into the Zone in accordance with CBP regulations. If CBP or other regulatory authorities determine that particular merchandise may not enter or be held in the Zone, the Port of Longview may refuse entry to that merchandise.

(C) APPLICABILITY OF TERMINAL TARIFF #8 AND USER CONTRACTS

This Tariff is to be read in conjunction with Port of Longview Tariff #8 (“Terminal Tariff #8”). To the extent Terminal Tariff #8 sets forth general rules and regulations with respect to use of the Port of Longview terminal, those general rules and regulations apply equally to use of the Longview FTZ as a part of the terminal. Some portions of this Tariff and Terminal Tariff #8 cover similar topics. When that occurs, FTZ Users must comply with the rules and regulations of both of these tariffs. Where this Tariff

deals specifically with an issue, setting out a Rule or Regulation applicable in the Zone that directly contradicts Terminal Tariff #8 (such as with respect to rates or charges for specific items), that specific Rule or Regulation set forth in this Tariff governs to the exclusion of Terminal Tariff #8.

If an individual User contract contains a provision that directly contradicts the Rules or Regulations of either this Tariff or Terminal Tariff #8, that individual User contract governs to the exclusion of the tariffs.

ITEM 105 DELEGATION OF PORT OF LONGVIEW CBP RESPONSIBILITY FOR ENTRY AND WITHDRAWAL OF ZONE CARGO AND RESULTING INDEMNITY

The Port of Longview may from time to time agree to a User's performance on Port of Longview's behalf of the CBP requirements for entry and withdrawal of Zone cargo and related CBP Zone documentation. If User undertakes to perform these duties, it will do so in a workmanlike manner, comprehensively, with appropriate Customs broker assistance, and with full acceptance of the responsibility to properly perform these functions. In addition to its indemnity responsibilities set forth in Terminal Tariff #8, User will also indemnify and hold harmless the Port of Longview, its employees, officers, directors, commissioners, and agents, from any loss resulting from User's failure to properly perform these duties, including losses related to CBP or penalties, and including Port of Longview's reasonable attorney fees, expert witness fees, and litigation costs and expenses incurred in connection with the loss or penalty. A User undertaking to perform these duties shall provide Port of Longview with such CBP information as it may regularly or from time to time request in connection with the User's performance of these duties or in connection with any merchandise held in the Longview FTZ.

ITEM 110 FTZ TARIFF RATES AND CHARGES

(A) FTZ RATES

Minimum US \$55 per piece of cargo or \$3.00 per metric ton (MT) shall be paid to the Port of Longview by the User for use of the Longview FTZ for that cargo, in order to compensate the Port of Longview for the extra expense incurred to maintain and regulate the Longview FTZ. What constitutes a "piece" of cargo is determined by the Port of Longview in its discretion. This charge is strictly for use of the Longview FTZ and is in addition to other charges prescribed by Terminal Tariff #8, including that tariff's storage charge.

(B) ADDITIONAL CHARGES FOR HAZARDOUS OR RISKY CARGO OR SECURITY

If CBP imposes a charge in connection with particular cargo in the Zone as a result of its being hazardous, being risky, or requiring additional security, or if the Port of Longview determines that particular cargo has these characteristics, the Port of Longview will pass CBP's charge on to the relevant Zone User and/or may itself impose its own charge. These charges must be paid to the Port of Longview by the Zone User.

(C) SPECIAL CHECKING

Where special physical checking or inventory of merchandise in the Zone is required by CBP or CBP regulations, that checking or inventory will be performed at the rate of actual labor costs plus 20%, the latter to compensate the Port of Longview for the additional administrative costs of supervision, arrangements, and dealing with CBP.

(D) COLLECTION OF CHARGES

Except as otherwise provided in individual User contracts, FTZ Zone charges are payable to the Port of Longview in advance and will be assessed against the amount of cargo in the Longview FTZ at the beginning of each calendar month.

(E) PAYMENT OF CHARGES

FTZ Zone charges are due and payable as they accrue. The Port of Longview may require the payment of charges accrued against merchandise before withdrawal of that merchandise.

ITEM 115 STORAGE CHARGES, TRANSFERS, AND ADDITIONAL RELATED CHARGES

(A) STORAGE CHARGES

Storage charges, which are in addition to the special charge pursuant to Item 105(A) of this Tariff for use of the Longview FTZ, are assessed as provided in Terminal Tariff #8 or, if provided for in a User contract with the Port of Longview, as provided for in that contract.

(B) TRANSFER OF OWNERSHIP AND MOVEMENT OF GOODS

Instructions to transfer goods on the books of the Zone are not effective until such instructions are delivered to and accepted by the Port of Longview, and all charges up to the time of any accepted transfer are chargeable to User. If a transfer involves

rehandling the goods, a charge will be assessed pursuant to Terminal Tariff #8. When ownership of merchandise is transferred on the books from one party to another, assuming acceptance of the transfer by the Port of Longview, the original User's contract is closed and a new storage date will commence from the time of transfer. If re-piling of the merchandise is required, a charge will be assessed pursuant to Terminal Tariff #8. The Port of Longview reserves the right to move any goods in storage from any location in the Zone where they may be stored to any other location in the Zone.

(C) LABOR RATES

Rates used for receiving and handling cargo shall be assessed using Terminal Tariff #8. Rates for specific commodities not listed in Terminal Tariff #8 will be quoted on request.

(D) EQUIPMENT RENTAL

If equipment is used in the Longview FTZ, equipment rental and mobilization rates will apply in addition to the charges for labor involved in the move. All equipment rental is subject to applicable state sales/use tax. Rates used for equipment rental are as stated in Terminal Tariff #8 unless provided for in a User contract, in which case the rates are as set forth in that contract.

ITEM 120 OPERATIONS WITHIN THE ZONE

(A) HOURS OF BUSINESS

The Port of Longview shall prescribe hours of business and service from time to time, in accordance with CBP availability and requirements.

(B) ADMITTANCE TO THE ZONE

Anyone desiring admittance to the Zone shall make a request at the Port of Longview administrative office or an area designated by the Port of Longview as a Zone office. Only authorized personnel will be permitted to enter and leave the Zone and be permitted to conduct any operation in the Zone, as prescribed by Port of Longview management and CBP.

(C) TENDER FOR STORAGE

All goods to be held in the Zone shall be presented properly marked and packed for handling. User shall furnish prior to such delivery an invoice or packing list showing quantity, marks, brands, sizes, and value of merchandise. User must indicate any breakdown required and the nature of Zone storage desired; otherwise, the goods will

be stored in bulk or assorted lots in areas of the Zone as determined by the Port of Longview and storage fees will be assessed per Terminal Tariff #8.

The Port of Longview undertakes to store and deliver goods only in the packages in which the goods are received by the Zone, unless the merchandise is manipulated, repacked, or remarked, which can only be accomplished with CBP permission as provided in this Tariff.

(D) CUSTOMS INSPECTION OF MERCHANDISE WHILE IN THE ZONE

The Port of Longview shall at all times be immediately available to make the Zone merchandise subject to inspection required by CBP and shall have the sole responsibility for opening crates, containers, and packages, handling the merchandise, and securing the crates, containers, and packages following the inspection. The Port of Longview shall not be liable for any loss or damage for any reason whatsoever to the goods so handled in the Zone. The Zone User shall be charged for such services in accordance with rates for that type of service set forth in Port of Longview Terminal Tariff #8.

(E) SECURITY

All security within the Longview FTZ shall be provided solely by the Port of Longview unless the Port of Longview permits a User to provide its own or additional security on written request.

(F) PUBLIC INTEREST, HEALTH, AND SAFETY

No operation, process, or treatment will be permitted in the Zone that, in the sole judgment of the Port of Longview (as operator), is detrimental to the public interest, health, or safety.

(G) REMOVAL OF TRASH AND GARBAGE

Those delivering or withdrawing merchandise within the Zone shall not accumulate trash or garbage which, in the opinion of the Port of Longview, constitutes a health or fire menace. The Port of Longview will, with or without notice to User, arrange removal of such trash or garbage, at User's expense.

(H) COMPLIANCE WITH CBP REGULATIONS ON RECEIPT AND WITHDRAWAL

The Port of Longview, or User if these functions are delegated to User as discussed in this Tariff, will be responsible for proper completion and submittal to CBP of the appropriate CBP forms for the receipt and withdrawal of all merchandise admitted to the Zone or any other activity in the Zone in connection with that merchandise. The

Port of Longview will not permit entry of merchandise into or withdrawal of merchandise from the Zone except in accordance with CBP regulations.

(I) STORAGE AND HANDLING

The Port of Longview shall store and handle merchandise in the Zone in a manner that is safe and sanitary and that minimizes any potential damage to the merchandise, avoids hazard to persons, and meets all local, state, and federal requirements applicable to the goods at issue. Aisles must be established and maintained, and doors and entrances must be left unblocked for access by CBP officers and other persons in the performance of their official duties. For Zone merchandise stored within the jurisdictional boundaries of the ILWU, all labor will be performed by the ILWU.

ITEM 125 INSURANCE AND LIABILITY OF USERS

(A) INSURANCE

The Port of Longview shall not be responsible for insuring merchandise in the Zone. FTZ Users each at their sole cost and expense may elect to provide fire and casualty coverage for merchandise in the Zone.

(B) LIABILITY OF USERS

If a User or its designee are permitted to perform operations in the Zone, they shall be liable for (1) loss, damage, or theft by their employees and those of their designees, and (2) injury or death of their employees or those of their designees, except to the extent that any such loss, damage, theft, injury, or death results from negligent acts or omissions of the Port of Longview.

In the event of loss, damage, or theft to property, or injury or death to persons as a result of User or designee operations within the Zone, User will present to the Port of Longview a written inspection of any damage, a report naming all those persons employed by User or its designees with knowledge of the injury or damage (together with contact information for those persons), and all reports made by, on behalf of, or in the possession of User respecting the injury or damage. Failure to provide the Port of Longview (1) with the written inspection and reports, or (2) timely access to damaged property or employees or designees with information, shall negate any liability that Port of Longview might otherwise have.

Should User or its designee cause or contribute to the Port of Longview's losing its CBP bond, User shall indemnify the Port of Longview from and compensate the Port of Longview for, any losses suffered thereby. Should User or its designee cause or

contribute to an increase in the amount of Port bond required by CBP, User shall compensate the Port of Longview for any increase in fees associated with maintaining that increased bond.

ITEM 130 LIMITATION OF LIABILITY

(A) RESPONSIBILITY OF PORT

The Port of Longview will not be responsible for any loss, damage, or delay of merchandise that may arise from any cause beyond its direct authority and control, nor from any cause except for want of due diligence.

Further, the Port of Longview shall not be liable for any merchandise loss, damage, or delay that results from animals, insects, rodents, or vermin; nor from decay, deterioration, evaporation, shrinkage, or loss of quantity, quality, or value from inherent vice of product; nor from fire, frost, leakage, or discharge from fire protective sprinklers, oxidation, or rusting; nor from civil disorder, insurrection, riot, strike, labor slowdowns, or labor stoppage whether or not agents or employees of the Port of Longview are involved; nor from delay caused by shortage of qualified labor.

In performing the services of receiving and delivery, the Port of Longview will accept no responsibility for concealed damage nor for the condition of contents of containers, whether receipts issued so state or not.

(B) RESPONSIBILITY AS WAREHOUSEMAN

The Port's liability is in any event limited to that of a legal "warehouseman" to the extent the standard of "warehouseman's liability" applies to it under the law.

(C) VALUATION OF MERCHANDISE FOR CLAIMS PURPOSE

Where the Port of Longview is liable under this Tariff for claims with respect to merchandise in the Zone, the value of the claim is limited to the actual cost of the merchandise involved plus freight and insurance, if paid by the claimant. The value of any claim for partial loss or damage of merchandise in a shipment shall be based on proration by weight.

ITEM 135 DELIVERY REQUIREMENTS AND REMOVAL

(A) CBP APPROVAL

Merchandise will not be delivered or transferred out of the Zone unless approved by CBP and all necessary, properly-completed forms and paperwork are on record with the Port of Longview as the Operator of Zone 120.

(B) PORT'S RIGHT TO REQUIRE REMOVAL OF MERCHANDISE

Except where other procedures are provided in this Tariff, the Port of Longview may, on written notice to User and to any other person known by the Port of Longview to claim an interest in the goods, require the removal of any goods by the end of the next succeeding storage month. Such notice shall be given by delivery in person, by electronic mail, or by registered letter addressed to the last known place of business or abode of the person to be notified. With respect to perishable or hazardous goods, only such notice as is reasonable or possible under the circumstances is required.

(C) UNPAID CHARGES ON REMOVAL

In any event, the Port of Longview reserves the right to withhold delivery of merchandise on which charges are unpaid.

ITEM 140 PERMISSION TO MANIPULATE, RECONDITION, REPACK, MANUFACTURE, EXHIBIT, OR DESTROY

(A) CBP APPROVAL

Before merchandise held in the Zone may be manipulated, reconditioned, repacked, manufactured, exhibited, or destroyed, User must present the proper CBP documentation for the requested activity to the Port of Longview for concurrence. Thereafter, the Port of Longview, or User if the Port of Longview has delegated completion and presentation of CBP documentation to User, will present the documented request to CBP. The contemplated activity will be permitted only if approved by CBP.

(B) PROVISION OF NEW INFORMATION ON MANIPULATION, RECONDITIONING, REPACKING, MANUFACTURING, EXHIBITING, OR DESTRUCTION

If manipulation, reconditioning, repacking, manufacturing, exhibiting, or destruction of merchandise is done, User shall furnish information to the Port of Longview giving any new marks, brands, quantities, and sizes, and delivery shall be made in accordance with that information. No merchandise may be removed from the Zone without undergoing proper CBP procedures.

(C) CHARGES

Charges for manipulating, reconditioning, repacking, manufacturing, exhibiting, or destroying goods in storage in the Zone will be made in accordance with Terminal Tariff #8. If Terminal Tariff #8 does not provide the charge, it will be determined by individual agreement between User and the Port of Longview.

ITEM 145 ENFORCEMENT OF CHARGES; LIEN ON GOODS

The Port of Longview shall have a lien on all merchandise of a User held in the Zone or otherwise at the Port of Longview for all charges imposed by this Tariff and may take possession of such merchandise at the risk and expense of User. If Zone merchandise is withdrawn pursuant to CBP regulations with Port charges unpaid, the Port of Longview may refuse to deliver the merchandise to User and take the merchandise into its possession so as to foreclose on its lien. User shall be responsible to reimburse the Port of Longview for any duties or other charges imposed in order to accomplish that withdrawal. Port of Longview may foreclose on its lien in accordance with applicable law and/or pursue such other remedies as may be provided by law.

ITEM 150 ADDITIONAL RATE INFORMATION

(A) WEIGHTS AND MEASUREMENTS

Where any rates are named by weight or measurement, they will be computed on the gross weight or the dimensions as freighted.

Rates and charges on a cubic measurement basis shall be assessed on the gross or overall measurement of individual pieces or packages. Cubic measurement shall be the product of the three dimensions measured at the largest part in each dimension; fractions in each dimension shall be rounded off.

(B) COMPLIANCE WITH THE INTERMODAL SAFE CONTAINER TRANSPORTATION ACT

When weighing cargo for shipment is required to meet compliance with the Intermodal Safe Container Transportation Act, a charge for weighing will be made in accordance with Terminal Tariff #8.