

Greater Mississippi Foreign-Trade Zone, Inc.
Grantee, Foreign-Trade Zone No. 158

P.O. Box 820363
Vicksburg, MS 39182

P.O. Box 98109
Jackson, MS 39298-8109

P.O. Box A
Tupelo, MS 38802-1210

November 1, 2013

Mr. Andrew McGilvray
Executive Secretary
Foreign-Trade Zones Board
U.S. Department of Commerce
1401 Constitution Avenue, NW
Room 21013
Washington, DC 20230



Re: Application for waiver under 15 CFR 400.43(f)

Dear Mr. Mc Gilvray:

Enclosed is an Application for Waiver under 15CFR 400.43(f) submitted on behalf of the Foreign-Trade Zone Corporation, which serves as the Zone Project Administrator of the FTZ 158 Zone project, and which provides certain services to a number of Zone Operators.

Also enclosed is a letter from Shane Homan, Secretary of the Greater Mississippi Foreign Trade Zone, Inc., who also serves as Senior Vice-President of Economic Development of the Community Development Foundation of Lee County.

As you are already aware, the Greater Mississippi Foreign-Trade Zone, Inc. is a public non-profit corporation whose Board Members are appointed by various public bodies. These include public entities in Hinds, Lee and Warren Counties, as well as the State government. I believe that you are also aware that the Foreign-Trade Zone Corporation serves at the pleasure of the Board in its capacity as the Zone Project Administrator. As you know from the many cases that you have processed from our Zone project, our policy with regard to public access and Zone participants' choice of service providers is one of easy access and complete freedom of choice. We exist to facilitate access to and ease of use of the U.S. Foreign-Trade Zones program to any company desiring to receive Zone benefits. I believe that the public record of cases brought before your office bears this out.

Telephone: (601) 631-0555
(601) 939-5631
(662) 841-4521

Fax: (601) 631-6953
(601) 939-3713
(662) 841-0693

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What you may not be aware of is some of the history behind the relationship between the FTZ 158 Zone project and the Foreign-Trade Zone Corporation. I first met Craig Pool and Greg Jones when their company, the Huntsville Foreign-Trade Zone Corporation, took on the responsibilities of Zone Project Administrator for FTZ 83 in Huntsville, where I served as the Airport Manager. Although as I was not at all involved in FTZ matters, I could not help but take note of their success in creating innovative solutions that enabled Just-In-Time suppliers to feed tens of thousands of electronic components on a daily basis from their general-purpose zone operations to a nearby automotive electronics manufacturing subzone – all without Customs paperwork. When I later assumed my current position as CEO of the Jackson Municipal Airport Authority and became a member of the Board of what was then the Vicksburg/Jackson Foreign Trade Zone Inc., Grantee of FTZ 158, I had no hesitation in following the lead of our Zone project's founder, Noel Guthrie, in recruiting Mr. Pool and Mr. Jones in helping our Zone project develop. Mr. Guthrie, a project manager with the Mississippi Development Authority had already set the stage for this to happen. He had already recruited Mr. Pool and Mr. Jones to help a couple of designated, yet inactive subzones complete the process of realizing Zone benefits. While the enactment of the Uruguay Round Agreements solved those companies' fundamental tariff issues, our Zone project had a more pressing issue: remaining viable. Our answer was to retain the professional services of the newly created Foreign-Trade Zone Corporation (whose corporate name was the brainchild of my counterpart in Huntsville, Mr. Rick Tucker) to activate our Zone and avoid the consequences of the "sunset" provision of the FTZ Board regulations. This, however, was not the Foreign-Trade Zone Corporation's only task. Its task was our task – that is, deliver the Zones program to companies in central Mississippi who need it. Naturally, our model mimicked the successful model that I saw in Huntsville. An important element of that model is the local capability of offering the entire range of expert services necessary for companies to actually implement Zone procedures. A number of companies (e.g. Nissan North America, Levi Strauss, Ergon Refining) have chosen to use other service providers in helping them obtain Zone status, implement Zone procedures, or provide FTZ software services. I and my fellow Board members are pleased at their success. Those companies who have chosen the Foreign-Trade Zone Corporation for the same services have availed themselves of quality of services that compare favorably with those of other service providers, and those of principals who have an established responsibility to local and state public entities. In this very real sense, the Foreign-Trade Zone Corporation's existing and future services to both Zone participants and the Grantee represent a confluence of interests, not a conflict of interests. Therefore, I respectfully request your approval of the enclosed waiver request.

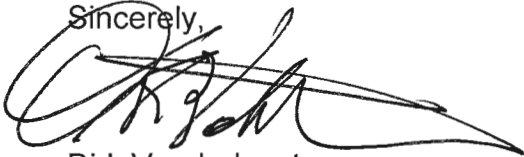
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Finally, I would like you to know that Mr. Greg Jones of the Foreign-Trade Corporation has provided his assistance in the preparation of the enclosed questionnaire. If you have any questions, please feel free to contact him at 251.445.1372, or me at 601.664.3500.

Sincerely,

A handwritten signature in black ink, appearing to read 'Dirk Vanderleest', with a long, sweeping horizontal stroke extending to the right.

Dirk Vanderleest

President

Greater Mississippi Foreign-Trade Zone, Inc.

Grantee, Foreign-Trade Zone No. 158

Enclosures

Questionnaire – Application for Waiver under 15CFR 400.43(f)

Identity of Applicant and Affected FTZ

1. State your name (individual or organization, as appropriate) as the applicant for a waiver.

This application is made by the Greater Mississippi Foreign Trade Zone, Inc. on behalf of the Foreign-Trade Zone Corporation.

2. State the specific FTZ (zone number and city/state) to which your application pertains.

This application pertains to activities of Foreign-Trade Zone No. 158, whose main address is P.O. Box 98109, Jackson, MS 39298-8109. The grantee of the Zone project is the Greater Mississippi Foreign Trade Zone, Inc., a non-profit corporation, organized under the laws of the State of Mississippi, whose Board members are appointed by various public agencies.

Key Functions (15 CFR 400.43(d)(1))

3. If your application for a waiver is approved, do you propose to:
 - a. Take action on behalf of the grantee of the FTZ identified in your response to Question 2, or make recommendations to that grantee, regarding the disposition of proposals or requests by zone participants pertaining to FTZ authority or activity (including activation by CBP)? If yes, explain fully. Explain the specific actions you propose to take, or the specific types of recommendations you propose to make, regarding the disposition of zone participants' proposals/requests.

No. While the Foreign-Trade Zone Corporation reviews requests by Zone participants pertaining to FTZ authority or activations, its function is to ascertain whether those requests meet the minimum standards required by the federal agencies involved. While the Foreign-Trade Zone Corporation may provide relevant information to Zone participants and the Grantee, it does not make recommendations to the Grantee *per se*. It is the sole decision of the Greater Mississippi Foreign Trade Zone, Inc. as grantee to act upon participants' proposals/requests. (To date, all such requests have been approved by the grantee. Moreover, it is the duty of the Foreign-Trade Zone Corporation to make sure that the Greater Mississippi Foreign Trade Zone, Inc. does what it is supposed to do for members of the business community in keeping with the grantee's responsibilities under the Foreign-Trade Zones Act.))

b. Approve, or be a party to, a zone participant's agreement with the grantee of the FTZ identified in your response to Question 2 (or person acting on behalf of that grantee) pertaining to FTZ authority or activity (including activation by CBP)? If yes, explain fully. Explain the specific types of agreement that you propose to approve, or to which you propose to be a party.

Yes. The Foreign-Trade Zone Corporation is a party to all User/Operator Agreements. As a party to such Agreements, the Foreign-Trade Zone Corporation is directly bound by certain provisions that are designed to protect the interests of the Zone Operator or User. (Please see the Sections 3.2, 4.2, and 12.7 of the attached general terms of FTZ 158 Operator Agreements.)

c. Oversee zone participants' operations on behalf of the grantee of the FTZ identified in your response to Question 2? If yes, explain fully. Explain the specific oversight activities that you propose to conduct.

No. The Foreign-Trade Zone Corporation exercises a monitoring function; however, it does not oversee Zone participants' operations – that is, it does not direct or police Zone participants' operations. Each participant that is an Operator or User conducts its own Zone operations, and is directly and solely responsible for operational compliance. When the Foreign-Trade Zone Corporation is made aware of non-compliance, it serves as a resource available to the Operator or User in order to enable the Operator or User to make educated decisions about corrective action. Should a case arise in which Operator or User non-compliance rises to the level of fraudulent or criminal actions, then upon discovery, the Foreign-Trade Zone Corporation would be expected to help the grantee meet its responsibilities to encourage corrective action. Any enforcement responsibilities of the Foreign-Trade Zone Corporation would be on an as needed basis as determined by consultation with, and the direction of, the Grantee.

Key Categories of Persons (15 CFR 400.43(d)(2))¹

4. For the FTZ identified in your response to Question 2, do you currently engage in, or have you during the preceding twelve months engaged in a) offering/providing a zone-related product/service to or b) representing a zone participant? If yes, explain fully. Describe the type

¹ Although the questions in this section are written in the present tense, if you are seeking a waiver because you at some point in the future intend or expect to fall within one of the key categories of persons, then please answer these questions in the context of your intent or expectation.

of zone-related product/service you offered or provided, or the type of representation of zone participant(s) you undertook. How often have you done so? Also explain the importance – in terms of income derived and resources committed – of offering/providing zone-related products/services, or representing zone participants, for the FTZ identified in your response to Question 2.

The Foreign-Trade Zone Corporation does provide ongoing Zone-related services to a number of Zone participants – specifically, a number of participants in the furniture industry. The Foreign-Trade Zone Corporation has provided consulting services in instances in which the Zone participant has requested specific Zone-related services (*e.g.* planning and discussion of enhanced day-to-day procedures). The Foreign-Trade Zone Corporation recently prepared Production Notifications requesting permanent FTZ production authority for Bauhaus USA, Lane Furniture Industries, and H.M. Richards Company; however, these services were conducted on behalf of the Grantee, and were rendered without charge or contractual obligation to the aforementioned companies. The Foreign-Trade Zone Corporation provides its FTZ management software, SmartZone, to a number of Zone participants in the furniture industry under contractual arrangements with each individual Zone participant. All such relationships are entered into with the mutual consent of each party. Other Zone participants utilize other FTZ management services as they wish. With regard to the importance of providing Zone-related services or products, such services and/or products are, in terms of the Foreign-Trade Zone Corporation's services as the Zone Project Administrator, entirely distinct and separate. If the Foreign-Trade Zone Corporation derives income from providing consulting and software services to participants within the FTZ 158 Zone project, then the income derived from those services and products is to its benefit. Likewise, the resources – including personnel, expenses, and overhead – are entirely the responsibility of the Foreign-Trade Zone Corporation. With regard to its services as the Zone Project Administrator, those remain the same whether or not the Foreign-Trade Zone Corporation has any clients from among the population of FTZ 158 Zone participants. Accordingly, the Foreign-Trade Zone Corporation remains entirely responsible for providing the resources necessary to serve the Zone project. Under the Zone Project Administration Agreement between the Foreign-Trade Corporation and the Grantee, the Foreign-Trade Zone Corporation's income is entirely dependent on its success in seeing that members of the greater Mississippi trade community successfully utilize Zone procedures. The Foreign-Trade Zone Corporation's income from its consulting and software product is entirely dependent on its success in seeing that members of the U.S. trade community successfully utilize Zone procedures, regardless of which Zone project sponsors their participation. With regard to the Greater Mississippi Foreign-Trade Zone project, the offer of a complete set of services and products by a firm that also has a responsibility to local and regional public entities

is seen as an asset. At the same time, individual Zone participants are free to use Zone-related services and products from whomever they may choose.

5. Do you stand to gain from a person's offer/provision of a zone-related product/service to, or representation of, a zone participant in the FTZ identified in your response to Question 2? If yes, explain fully (including an explanation of the nature and extent of the gain you may receive).

The Foreign-Trade Zone does stand to gain when it provides consulting or software services to Zone participants of FTZ 158. The Foreign-Trade Zone Corporation stands to gain in exactly the same manner as it does when it provides similar services to participants of other Zone projects. Likewise, the resources – including personnel, expenses, and overhead – it must devote to providing those services are one and the same as those devoted to clients that are participants of other Zone projects.

6. With respect to the FTZ identified in your response to Question 2, are you related (within the meaning of 15 CFR 400.43(e)) to a) any person that currently engages in, or has during the preceding twelve months engaged in, offering/providing a zone-related product/service to or representing a zone participant or b) any person that stands to gain from a person's offer/provision of a zone-related product/service to or representation of a zone participant? If yes, explain fully.

No. The Foreign-Trade Zone Corporation is organized as a regular corporation under the laws of the State of Alabama. Its shareholders are Craig M. Pool and Gregory Jones. Neither the Foreign-Trade Zone Corporation nor its shareholders have any relationship or stake of ownership to any person or firm that provides Zone-related products or services, or representation of, Zone participants within FTZ 158.

7. Please provide any other information that you would like the FTZ Board to consider in evaluating your request.

Please see the letter of transmittal from Mr. Dirk Vanderleest, President of the Greater Mississippi Foreign Trade Zone, Inc., Grantee of the FTZ No. 158 Zone project, and the letter from Mr. Shane Homan, Senior Vice president of Economic Development of the Community Development Foundation of Lee County, and Corporate Secretary of the Greater Mississippi Foreign Trade Zone, Inc.. These letters should provide some much-needed description of the context in which services to the trade community and the Grantee are provided.

Also, please consider a rather simple matter of reason: Even if the Foreign-Trade Zone Corporation is mistakenly regarded as what has sometimes been referred to as the "Gatekeeper" of the Zone project, it stands to gain nothing unless the "gate" is open. Any action aimed at excluding or in any way discouraging a Zone participant would be self-defeating.

GENERAL TERMS AND CONDITIONS, FTZ 158 OPERATOR AGREEMENT

STATE OF MISSISSIPPI
COUNTY OF HINDS

FOREIGN-TRADE ZONE OPERATOR AGREEMENT

THIS AGREEMENT is made and entered into on this the ____ day of _____, 20xx, by and among the Greater Mississippi Foreign-Trade Zone, Inc., hereinafter referred to as "Grantee", the Foreign-Trade Zone Corporation, hereinafter referred to as "Administrator", and [COMPANY NAME], hereinafter referred to as "Operator."

WITNESSETH:

WHEREAS, the Grantee has received a grant from the U.S. Foreign-Trade Zones Board, which authorizes it to establish, operate, and maintain a foreign-trade zone project which said zone is designated as Foreign-Trade Zone No. 158, hereinafter referred to as "Zone;" and

WHEREAS, the Grantee has entered into an Agreement with the Administrator, which authorizes the Administrator to undertake the exclusive development, management, and administration of foreign-trade zone activities within said Zone and all subzone sites; and

WHEREAS, Operator occupies real property within the service area of Foreign-Trade Zone No. 158 that it wishes to operate as a Foreign-Trade Zone, such property singularly and collectively referred to as the "Site", and desires to conduct certain activities on the Site and to avail itself of the rights and privileges attendant to operating in a foreign-trade zone;

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained herein, the parties hereto agree as follows:

I. AUTHORITY GRANTED/ACCEPTED

1.1 Authority Granted: Grantee hereby grants to Operator the right to utilize the Site as a foreign-trade zone, subject to all terms and conditions of this Agreement, and for the term specified herein and any extension thereof.

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1.2 Authority Accepted: Operator hereby agrees to accept foreign-trade zone status for the Site and hereby agrees to operate the Site in accordance with the terms and conditions of this Agreement, the effective Zone Schedule, and any applicable standards of operation, rules or regulations which now exist, or which may in the future be instituted or amended by the Grantee, Bureau of Customs and Border Protection, Foreign-Trade Zones Board or any other federal, state, or local authority with jurisdiction over foreign-trade zone operations.

II. EFFECTIVE DATE AND DURATION OF AGREEMENT

2.1 This Agreement shall be effective as of the _____ day of _____, 20xx, and shall continue in effect for a term of Five (5) years unless extended or sooner terminated as herein provided, and automatically renew for successive one (1) year terms, on the same terms and conditions, unless terminated as herein provided. Should this Agreement automatically renew, Operator will be bound by any increase or decrease in published Operator Fees at the time renewal takes place, however said Operator Fees shall not increase annually more than the greater of 10% or a percentage equal to the increase in the Consumer Price Index for Professional Services for each year, as published by the U.S. Bureau of Labor Statistics. Notwithstanding the foregoing, one year from the effective date of this Agreement, any party hereto shall have the absolute right and authority to terminate this Agreement, without cause and without liability to any other party hereto, upon giving ninety (90) days advance, written notice of such termination to all parties.

III. STANDARDS OF OPERATION

3.1 Operational Management Procedures: The Site shall be operated in conformity with all applicable requirements of Federal and State law, including Bureau of Customs and Border Protection rules and regulations. Operator shall establish Foreign-Trade Zone procedures for the site. It shall be the Operator's responsibility to maintain said operating standards.

3.2 Right of Entry: Grantee, Administrator, the Bureau of Customs and Border Protection, the Foreign-Trade Zones Board, and any other federal, state, or local

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authority, or their authorized agents or representatives, shall have the right to enter the Site at all reasonable times, upon reasonable advance notice, to inspect the Site and to ensure that all activities conform to the operating standards promulgated by Grantee or Administrator and the requirements of this Agreement. Where possible, any such entry shall be limited to normal working hours and shall be made in accordance with the established security procedures of Operator.

IV. RECORD KEEPING

4.1 Annual Reporting: Within sixty (60) days after the close of each calendar year during the term of this Agreement, or the expiration hereof, Operator shall submit to the Foreign-Trade Zones Board, via its online electronic interface, such reports as may be required by the Foreign-Trade Zones Board. Said reports shall include, but not be limited to, all information required for the annual report to the Foreign-Trade Zones Board. Administrator or Grantee, at their discretion may require Operator to submit any such reports in electronic or hard-copy form to Grantee or Administrator, either of which may edit such reports in filing the Grantee's overall Annual Report to the Foreign-Trade Zones Board.

4.2 Activity Reports: Within fifteen (15) days after the end of each month during the term of this Agreement, or the expiration thereof, Operator shall, if requested by Grantee or Administrator, submit financial statements or activity reports containing such information as may be required by Grantee to comply with requests of the Foreign-Trade Zones Board, the Bureau of Customs and Border Protection, or any other authorized federal, state, or local agency. All such statements or reports shall be signed by an appropriate officer of the Operator, certifying that said statements or reports are true, correct, and accurate. All such information obtained from Operator shall be kept confidential, except for such information which is required to be made public by the Foreign-Trade Zones Board, the Bureau of Customs and Border Protection, or which shall be determined to be public information under applicable federal, state, or local laws.

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4.3 Notification: Operator shall notify Grantee and Administrator, within 15 days of receipt thereof, of any audit, investigation, or additional reporting requirements instituted by the Bureau of Customs and Border Protection, the Foreign-Trade Zones Board, or any federal, state, or local governmental agency which concerns foreign-trade zone operations within the Site. Operator agrees to furnish, upon Grantee or Administrator's request, copies to Grantee or Administrator of all such requests for documentation, together with any response thereto.

4.4 Audit: Grantee, Administrator, or their designated representatives reserve the right, at their own expense and upon reasonable advance notice, to audit Operator's books, financial statements, and records for the purpose of verifying the information provided by Operator under this section.

4.5 Conformance: In the event it is determined that the operations of Operator are not in conformance with the requirements of Grantee, the Bureau of Customs and Border Protection, or the Foreign-Trade Zones Board, Operator agrees to take whatever steps are necessary to promptly remedy the situation. In the event the deficiency cannot be corrected within sixty (60) days after notification, Operator shall prepare a written plan of performance outlining the measures to be taken to ensure conformance with said requirement and the time period required therefore, which shall be subject to approval by Grantee, which approval will not be unreasonably withheld or delayed.

4.6 Retention: Operator shall retain all receiving, shipping, financial, and accounting records concerning foreign-trade zone operations for five (5) years after the date of the act or occurrence. All such records shall be made available for inspection and audit by any appropriate governmental agency, the Grantee, the Administrator, or their designated representatives during normal business hours, upon reasonable advance notice and at such party's expense.

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V. ADVERTISING

5.1 Grantee and Administrator reserve the right to advertise the fact that Operator is a foreign-trade zone operator in general promotions for Foreign-Trade Zone No. 158.

VI. OPERATOR FEES

6.1 Operator Fees: Operator agrees to pay the Administrator certain Operator fees in accordance with the terms of Exhibit "A", which is attached hereto and incorporated herein by reference. In addition, within 25 days of receipt of invoice, Operator agrees to reimburse Grantee or Administrator at cost for all customs fees paid by Grantee or Administrator that are incurred as a result of Operator's Operations within Foreign-Trade Zone No. 158. Said customs fees shall include, but not be limited to, activation fees, deactivation fees, alteration fees, transaction fees, annual fees, and bond fees. Operator agrees to pay to Administrator or Grantee interest at the rate of one and one-half percent (1 1/2%) per month on all sums not received by the due date. In addition, any sums not received by Administrator or Grantee by the due date shall constitute a breach of this Agreement and, subject to any right to cure contained herein, shall give rise to any of the remedies provided herein.

VII. INDEMNIFICATION

7.1 Hold Harmless: It is an express condition of this Agreement that Operator shall protect, defend, indemnify, and hold harmless Grantee, the Administrator and their elected officials, directors, officers, agents, representatives, and employees, from and against any and all liabilities, charges, demands, suits, claims, losses, fines, expenses or judgments arising by reason of the injury or death of any person, or loss or damage to any property arising out of, or incidental to the utilization of the Site as a Foreign-Trade Zone, except to the extent caused by or related to the acts or omissions of the Grantee or Administrator. The provisions of this section shall survive the expiration or earlier termination of this Agreement.

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Further, Operator agrees to indemnify and hold the Grantee, the Administrator, and their elected officials, directors, officers, agents, representatives, and employees harmless from any fines, fees, penalties, damages, claims, expenses, or causes of action of any nature whatsoever to the extent arising out of any act, omission or incident of Operator or their officers, representatives, agents, employees, contractors, subcontractors, licensees or invitees, including but not limited to, such fines, duties, liquidated damages or penalties as might be assessed by the Bureau of Customs and Border Protection. The provisions of this section shall survive the expiration or earlier termination of this Agreement.

Operator shall post and maintain for the duration of this Agreement a Customs Bond, at Operator's sole expense, in such amount as shall be determined by the Bureau of Customs and Border Protection.

VIII. INSURANCE

8.1 Operator agrees to obtain and continuously maintain in effect during the term of this Agreement and any extension thereof, insurance against such risks as are customarily insured against by businesses of like size and type, paying as the same come due all premiums with respect thereto, with a uniform standard extended coverage endorsement limited only as may be provided in the standard form of extended coverage at the time in use in the State of Mississippi, or through its self-administered claims program. Any such policies shall be obtained and maintained in generally recognized, responsible insurance companies to assume the risks undertaken. Operator shall obtain and continuously maintain in effect during the term of this Agreement comprehensive public liability insurance with respect to its use and occupation of the Site with limits sufficient to reasonably cover all activities of Operator, but in no event less than One Million (\$1,000,000.00) Dollars per occurrence as to bodily injury, including death, and damage to property, with an aggregate limit of Three Million (\$3,000,000.00) Dollars. Upon request, Operator shall provide a certificate of insurance to the Grantee or Administrator naming them as additional insureds, and the insurance

GENERAL TERMS AND CONDITIONS, FTZ 158 OPERATOR AGREEMENT

carrier shall be required to give the Grantee thirty (30) days advance, written notification of any cancellation or modification of the policy.

IX. TERMINATION

9.1 Default: In the event of Operator's breach of any of the provisions of this Agreement, Grantee or Administrator shall give to Operator written notice of default. In the event said default is not remedied within ten (10) days from the date of notice of default, Grantee or Administrator shall have the right to terminate this Agreement. Grantee and Administrator reserve the right to assert whatever remedies are available, in equity or at law, to collect any sums due hereunder, to enforce any provisions of this Agreement, to collect damages for breach of contract, or to effect or obtain any other available remedy.

An assignment for the benefit of creditors, the appointment of a receiver, any proceedings in bankruptcy, whether voluntary or involuntary, or any act of Operators insolvency shall be deemed to be a breach of this Agreement.

9.2 Attorneys' Fees: Operator agrees to pay reasonable attorneys' fees and all costs of legal proceedings if it becomes necessary to employ an attorney or legal process to collect any amounts due hereunder or to enforce any provisions of this Agreement upon default by Operator.

9.3 Withdrawal of Grant: If the Foreign-Trade Zone grant to Grantee should be revoked or canceled, this Agreement shall terminate upon notification by Grantee, and Operator shall have no claim against the Grantee or Administrator by reason of such revocation or termination, and Operator shall have no further interest in the subject matter of this Agreement, except to remit to Administrator or Grantee such sums as may be due pursuant to this Agreement, by virtue of services provided before the date of such revocation or cancellation.

X. NOT JOINT VENTURER

10.1 Grantee, Administrator, and Operator are not, and shall never be considered as, joint venturers, partners, or agents of each other, and none shall have the power to bind or obligate the other except as set forth in this Agreement

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or in the Agreement between the Grantee and Administrator. During the term of this Agreement, and two years after its termination date, Operator, its employees, agents, or contractors agree not solicit or seek to employ, either directly or on the behalf of any other entity, employees of Administrator. Operator will inform its employees, agents, or contractors of this provision. Operator recognizes that violating the terms of this paragraph could cause irreparable harm and significant injury to Administrator that may be difficult to ascertain.

XI. NONDISCRIMINATION

11.1 Nondiscrimination: Operator, for itself, its successors in interest and assigns, as part of the consideration hereof, does hereby covenant and agree that (1) no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of , or be otherwise subjected to discrimination in the use of said facilities, (2) that in the construction of any improvements on, over, or under such land and the furnishing of services thereon, no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination.

XII. MISCELLANEOUS

12.1 Waiver: No failure of any party hereto to exercise any right or power given it hereunder, or to insist upon strict compliance by any other party hereto of any obligations hereunder, and no custom or practice at variance with the terms hereof, shall constitute a waiver of any party's right to demand exact compliance with the terms hereof.

12.2 Integration: This Agreement contains the entire agreement of the parties, and no representation, inducement, promise, or agreement, oral or otherwise, not embodied herein shall be of any force or effect, and cannot be altered or amended except in writing and signed by all parties hereto. The terms of this Agreement take precedence over any conflicting provisions contained in the Zone Schedule issued by Grantee.

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12.3 Binding Effect: This Agreement shall be binding upon and inure to the benefit of the parties hereto, their respective successors and assigns. Provided, however, that this paragraph is in no way to be construed as granting to Operator the right to assign this Agreement or any interest herein without the express prior written approval of Grantee, which may be withheld for any reason.

12.4 Nonassignability: Operator shall not assign this Agreement or any interest hereunder to any other party without the prior written approval of Grantee, which may be withheld for any reason.

12.5 Construction: This Agreement shall be governed by and construed in accordance with the laws of the State of Mississippi, except where federal law has preempted such application. If any provision of this Agreement is held to be invalid, illegal, or unenforceable in any respect by a court of competent jurisdiction, such holding shall not affect the validity of any other provision of this Agreement which shall continue in full force and effect.

12.6 Notices: All notices required or permitted by this Agreement, unless otherwise provided, shall be mailed to Grantee by first class mail at the following address:

Greater Mississippi Foreign-Trade Zone, Inc.

P.O. Box 98109

Jackson, MS 39298-8109

All notices required or permitted by this Agreement, unless otherwise provided, shall be mailed to Administrator by first class mail at the following address:

Foreign-Trade Zone Corporation

2062 Old Shell Road

Mobile, AL 36607

All notices required or permitted by this Agreement, unless otherwise provided, shall be mailed to Operator by first class mail at the following address:

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[OPERATOR NAME AND ADDRESS]

12.7 Confidentiality: Grantee and Administrator hereby acknowledge and agree that they and their respective directors, officers, agents, representatives, and employees are subject to the Trade Secrets Act as it relates to confidentiality of information concerning Operator's operations at the zone site.

IN WITNESS WHEREOF, the parties hereto set their hands on the date first written above.



Community Development Foundation
398 East Main Street, CDF Center
Tupelo, MS 38804

August 30, 2013

Mr. Dirk Vanderleest
President
Greater Mississippi Foreign Trade Zone, #158
dvanderleest@jmaa.com

Dear Dirk,

The Community Development Foundation would like to submit some additional information to include in the waiver request that you are submitting on behalf of the FTZ Corporation. CDF has worked with the FTZ Corporation in the effort save furniture-related jobs in northeast Mississippi. To date, more than 1,000 furniture related jobs have been saved through the FTZ program, and the FTZ program is enabling cut-and-sew jobs to actually come back from China.

CDF realizes that a waiver from the FTZ Board is required in order to exempt the FTZ Corporation from FTZ Board regulations that prohibit potential “conflicts of interest”. In our experience, the work that the FTZ Corporation has done in northeast Mississippi has been an example of a joint effort among private companies, local public entities, the Zone Grantee, the State of Mississippi, and the consultant/Zone Project Administrator. It was beneficial that the consultant for the furniture companies also had a responsibility to the community and to the State of Mississippi.

CDF adheres to the Greater Mississippi Foreign-Trade Zone policy when meeting with existing users and potential users that they have freedom select their Zone-related consultants, service providers, and software companies. This is a prudent policy, and CDF would be very concerned of limiting this choice for our local companies.

In the absence of this waiver, one of two things would occur:

- 1) Our local private company FTZ users would be forced by the federal government to eliminate business with their existing private FTZ software company for another private competitor. This is a capital cost that will create financial and operating hardships on our local companies.
- 2) The Greater Mississippi Foreign-Trade Zone would lose a layer of liability protection that comes with the participation of the FTZ Corporation as a party to its Operator Agreements.

662.842.4521 Phone
800.523.3463 Toll-free
662.841.0693 Fax
info@cdfms.org
www.cdfms.org



Community Development Foundation

398 East Main Street, CDF Center
Tupelo, MS 38804

We understand that these waivers were created to maintain the purpose and intent of FTZ Board regulations. As outlined in the reasons above, we believe this was not the purpose and intent of the regulations and creates a great opportunity for the FTZ Board to grant this waiver. If you have any additional questions, please contact me at 662.842.4521.

Sincerely,

COMMUNITY DEVELOPMENT FOUNDATION

A handwritten signature in blue ink that reads "Shane Homan". The signature is fluid and cursive, written over a light blue rectangular background.

Shane Homan

Senior VP, Economic Development

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