

MINUTES

Kent-Ottawa-Muskegon Foreign Trade Zone Authority #189 January 27, 2014 Telephone Meeting

Board Members Present (on-Line): Ken Rizzio (Ottawa), Daryl Delabbio (Kent), Paul Howland (Kent), Ed Garner (Muskegon), Bonnie Hammersley (Muskegon), Sonja Johnson (Grand Valley State University - GVSU), Arn Boezaart (GVSU), Ron Modreski (GVSU.)

Board Members Absent: Jim Saalfeld (Kent), Ben Cross (Muskegon), Phil Kuyers (Ottawa), Al Vanderberg (Ottawa.)

Chairman Rizzio called the telephone conference meeting to order at 12:06 P.M.

At its December 4, 2013 Board meeting, The KOM FTZ decided to table the discussion on its 2014 budget as well as the discussion on the new fee schedule. During the interlude between the December 4, 2013 meeting and the January 27, 2014 telephone meeting, the Board had the opportunity to crystalize its thinking thanks to a new memorandum prepared by Chairman Rizzio: "Proposed Motion: To approve the following KOM FTZ Fees Schedule for 2014." A copy of this memorandum, dated January 13, 2014 is attached to these minutes.

After the KOM FTZ meeting on December 4, 2013, the Tariff Fee Schedule Subcommittee met and revised:

- the 2014 FTZ budget showing actual expenses incurred by the Board during 2013 which were not recovered though the fee schedule, and
- the proposed 2014 FTZ Tariff Fee Schedule which clarified the National FTZ Board's guidance that the new 2014 Tariff Schedules are no longer allowed to charge different types of users (magnet *versus* subzones *versus* usage driven zones) differently or at a percentage based on revenue collected. In addition, all 2014 Tariff Schedules are to be sent to the National FTZ Board in Washington, D.C. by February 28, 2014 to be in compliance with the new regulations.

Chairman Rizzio then briefed the KOM FTZ about a conversation he had with John J. Zevalkink, CEO of Columbian Logistics Network. Mr. Zevalkink told Mr. Rizzio that Columbian had no intent to be the only general purpose operator of the KOM FTZ; that he has no problems with other companies becoming involved as general purpose operators for Zone #189; and that, one day, he would like to serve on the KOM FTZ. He did mention, however, that the new fee schedule would lead to problems for Columbian.

The Board then turned its attention to discussing the proposed new fee schedule which had been presented in Mr. Rizzio's January 13, 2014 memorandum. In addition, the Board discussed the 2014 KOM FTZ budget.

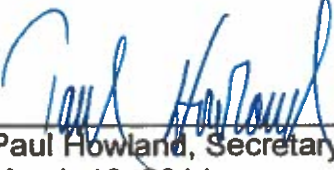
Satisfied with the additional research and information that had been presented to its membership in the January 13, 2014 memorandum, the KOM FTZ voted unanimously to approve the budget (Mr. Howland moved and Mr. Garner seconded.)

The Board then voted unanimously to approve the 2014 Tariff Fee Schedule. (Mr. Howland moved and Mr. Garner seconded the motion.)

In addition, the Board stated that it will review the budget and fee schedule in preparation for the development of the 2015 budget.

Mr. Modreski addressed the members of the Board who were on the conference call, telling them that he was willing to help out and bring the KOM FTZ's activities and benefits to the attention of the West Michigan business community.

The Board voted unanimously to adjourn and at 12:36 P.M. Mr. Rizzio adjourned the meeting.


Paul Howland, Secretary
March 10, 2014