



FOREIGN-TRADE ZONE NO. 262



Take Advantage of the Following by Locating Your Operation in DeSoto Trade Center and FTZ No. 262:

The International Trade and Commerce Opportunity that the Memphis Metropolitan Area Provides:

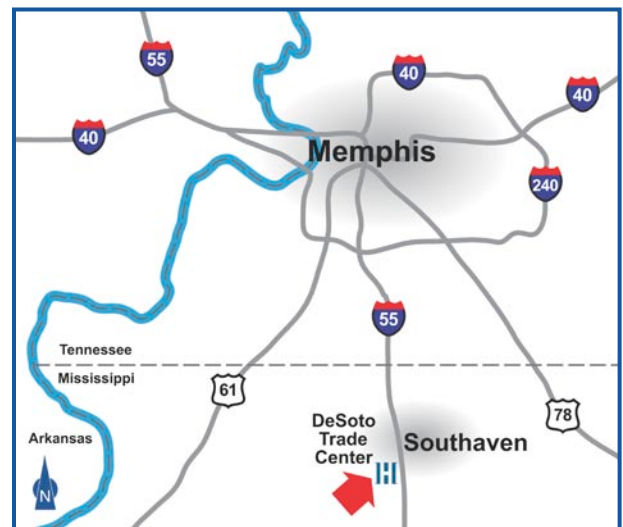
- Distribution Capital of the United States – Located Within 500 Miles of 70% of the Nation’s Population
- World’s Busiest Air Cargo Airport
- Fedex Hub
- Nation’s Third Largest Inland Port
- Intermodal Facilities

Foreign-Trade Zone Savings

- Duty Deferral
- Weekly Entry / MPF Savings
- Reduced Cycle Time
- Relief From Inverted Tariffs
- Duty Exemptions
- Exemption From State and Local Ad Valorem Taxes
- See Reverse Side for a Detailed Description of These Savings

Mississippi Location

- Pro-Business State
- Generous State and Local Tax Incentives
- Excellent and Inexpensive Labor Base



Located in the Memphis MSA

For Development Information:



Three Lincoln Centre
 5430 LBJ Freeway, Suite 800
 Dallas, Texas 75240
 972.201.2990
 972.201.2989 fax
 www.hillwoodinvestmentproperties.com

For a Free FTZ Cost Benefits Analysis Contact:

Toby Rogers
 Hillwood
 972.201.2810
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Foreign-Trade Zone Savings:

Duty Deferral

No Customs duty is charged on merchandise while it is in a Foreign-Trade Zone, and there is no limit on the length of time merchandise may be kept in a Foreign-Trade Zone. Customs duty is paid only when the merchandise exits the zone and enters the commerce of the United States. By deferring the duty, capital is freed for more important needs.

Weekly Entry / MPF Savings

Weekly entry is only available to Foreign-Trade Zone users. Under weekly entry procedures, the zone user files only one Customs Entry and pays one Merchandise Processing Fee (MPF) per week, rather than filing one Customs Entry and one MPF per shipment as the shipments enter the US. The maximum MPF per shipment is \$485. Let's take the example of a user who imports 10 shipments a week. If the user is not located in an FTZ, the user must process each shipment as it enters the U.S. and pay a MPF for each shipment (10 shipments at \$485 a piece = \$4,850 in MPF during the week). An FTZ user can process all 10 shipments at one time during the week and pay one \$485 MPF. The savings is \$4,365 for one week or \$226,980 for a year.

Reduced Cycle Time

Delays relating to U.S. Customs clearances are eliminated. Special direct delivery procedures expedite the receipt of merchandise in company facilities, reducing inventory cycle time.

Relief from Inverted Tariffs

Generally, if a foreign component is brought into a Foreign-Trade Zone or Subzone and manufactured into a product that carries a lower Customs duty rate, then the lower rate applies to the foreign component.

Duty Exemption on Exports

If imported merchandise is exported after being placed in a Foreign-Trade Zone or shipped to another Foreign-Trade Zone and then exported, no Customs duty is ever paid.

Duty Elimination on Waste and Scrap

No Customs duty is charged on most waste and scrap from production in a Foreign-Trade Zone.

No Duty on Rejected or Defective Parts

Merchandise found to be defective or faulty, may be returned to the country of origin for repair or simply destroyed. Whichever choice is made, no customs duty is paid.

Exemption from Local Ad Valorem Taxes

Foreign merchandise stored in Foreign-Trade Zones, or merchandise held in a zone for export, is not subject to any state or local ad valorem tangible personal property taxes.

No Duty on Domestic Content or Value Added

The "value added" to a product in a FTZ (including manufacturing using domestic parts, costs of labor, overhead, and profit) is not included in its dutiable value when the final product leaves the zone. Final duties are assessed on foreign components only.

No Duty on Sales to the U.S. Military or NASA

No duty is charged on foreign merchandise sold from a Foreign-Trade Zone to the U.S. Military or NASA.

