

**Buddy Thorn**

**From:** Diane Odom [dodom@madison-co.com]  
**Sent:** Thursday, April 04, 2013 3:42 PM  
**To:** 'Gerald Barber'  
**Cc:** 'Buddy Thorn'  
**Subject:** FW: First Choice Medical - Freeport

First Choice mailed Freeport Inventory Movement of Goods and Inventory forms along with an Application Freeport Warehouse License to our office on March 23, 2013 .

The formal Application for Freeport Warehouse Exemption was received on March 28, 2013.

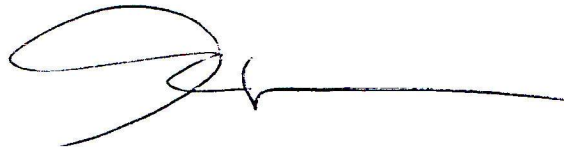
There is some confusion between our office, Gene Magee, attorney for Butler Snow representing First Choice and MCEDA regarding the date for which Application/Forms are to be filed. I agree there is a gray area with the Policy adopted by the Madison County Board of Supervisors in that it only addresses New Enterprises and Expansions.

The fair thing to do is grant the Freeport for First Choice and clarify the policy set forth by the Madison County. We also suggest to make all forms, applications, EVERYTHING with a deadline to be due in our office APRIL 1.

\*\*Please note that we have not received the \$10 fee to issue the Freeport License.

Please advise.

Diane Odom

AGREE  
4/8/2013  


# BUTLER SNOW

March 27, 2013

## VIA HAND DELIVERY

Mr. Arthur Johnson  
Clerk, Board of Supervisors & Chancery Clerk  
Madison County  
146 West Center Street  
Madison, MS  
601-859-1177

Re: First Choice Medical Supply, LLC -  
Free Port Exemption Application

Dear Mr. Johnson:

Enclosed herewith, on behalf of First Choice Medical Supply, LLC, are three (3) duly executed, dated and notarized duplicate originals of the above-referenced Application, as well as a photocopy thereof. Please file these original Applications in the appropriate records of the Madison County Board of Supervisors and **have the photocopy of such Application, which has been stamped to identify it as a "Copy," also stamped and dated as having been "Filed" or "Received" by the County and return such stamped photocopy to me for our files by the messenger delivering these documents to you.**

I also request that, after any appropriate investigation which is to be undertaken on behalf of Madison County, the Application be placed on the agenda of an appropriate meeting of the Board of Supervisors to be considered and acted upon by the Board of Supervisors. Once this Application is ready for presentation to the Board of Supervisors, please notify me with respect to the date of the Board meeting at which it will be presented *if* the presence of a representative of First Choice will be necessary or desirable.

**Also, I am enclosing herewith a proposed Order for use by the Board of Supervisors in its consideration of this Application.** If any revisions are necessary in this proposed Order,

*Post Office Box 6010  
Ridgeland, MS 39158-6010*

W. EUGENE MAGEE  
601.985.4507  
gene.magee@butlersnow.com

*Suite 1400  
1020 Highland Colony Parkway  
Ridgeland, MS 39157*

*T 601.948.5711 • F 601.985.4500 • www.butlersnow.com*

BUTLER, SNOW, O'MARA, STEVENS & CANNADA, PLLC

Mr. Arthur Johnson  
March 27, 2013  
Page 2

please let me know. In the meantime, if you have any questions or if you need any additional information with respect to this matter, please feel free and do not hesitate to contact me.

Sincerely yours,

BUTLER, SNOW, O'MARA, STEVENS &  
CANNADA, PLLC



W. Eugene Magee

WEM:bgk

Enclosures

cc: Mr. Stacey Holt (w/enc.)  
Mr. Gerald Barber (w/enc.)  
Mr. Tim Coursey (w/enc.)

ButlerSnow 15869635v1

**APPLICATION OF FIRST CHOICE MEDICAL SUPPLY, LLC FOR  
A FREE PORT WAREHOUSE LICENSE AND EXEMPTION FROM  
AD VALOREM PERSONAL PROPERTY TAXES, AS  
AUTHORIZED BY §§ 27-31-51, ET SEQ., OF THE  
MISSISSIPPI CODE OF 1972, AS AMENDED**

TO THE HONORABLE BOARD OF SUPERVISORS  
OF MADISON COUNTY, MISSISSIPPI:

COMES NOW First Choice Medical Supply, LLC ("**First Choice**"), by and through Stacey Holt, its Chief Financial Officer, and files, in triplicate and under oath, this its written Application for exemption ("**Free Port Exemption**") from ad valorem personal property taxation ("**Taxes**") pursuant to §§ 27-31-51, *et seq.* (collectively "**Statutes**"), of the Mississippi Code of 1972, as amended ("**Code**"), and respectfully represents unto this Honorable Board of Supervisors ("**Board**") as follows:

I.

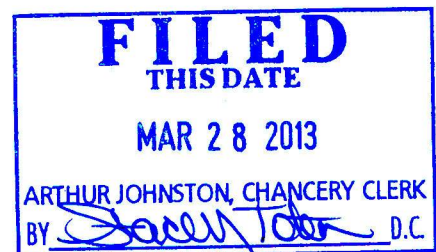
First Choice is a Mississippi limited liability company ("**LLC**") which is duly qualified to do and is doing business in the State of Mississippi ("**State**"). First Choice is a distributor of eldercare medical supplies and equipment ("**Inventories**") to the long-term care, home care, hospice and durable medical equipment markets ("**Enterprise**") and, in connection therewith, in 2012 First Choice began operating a warehouse ("**Warehouse**") at 141 Enterprise Drive, Suite A ("**Facility**") in unincorporated Madison County ("**County**") for the receipt, handling, storage, warehousing, distribution and shipment of certain of First Choice's Inventories. The Facility is owned and leased to First Choice by a related-party/member of the LLC.

II.

First Choice, as a warehouse/distributor, operates the Warehouse as a private warehouse which regularly engages in the receipt, handling, storage, warehousing, distribution, and shipment of First Choice's personal property in the form of its Inventories which have been transferred and consigned to such Warehouse for storage and handling.

III.

A portion of all of such Inventories handled by the Warehouse will be transferred to such Warehouse for storage and handling in transit to a final destination outside the State. Such Warehouse is not a natural or artificial cave or cavity in the earth and, consequently, is eligible for licensing under the provisions of the Statutes as a "free port warehouse."



IV.

First Choice has, contemporaneously with the filing of this Application, also timely applied to the County for a Free Port Warehouse Privilege License ("**License**") by filing its application therefor (a copy of which is attached hereto and incorporated herein by reference for all purposes as if fully copied herein) with the Tax Assessor of the County ("**Assessor**"), in order both to recognize its qualification under the definition of a "free port warehouse" (as set forth in § 27-31-51 of the Code) and to operate as a licensed "free port warehouse" according to the provisions of the Statutes.

V.

As authorized by § 27-31-53 of the Code and in addition to all other exemptions granted under the laws of the State, all of First Choice's Inventories in transit through the State which are (1) moving in interstate commerce through or over the territory of the State, or (2) consigned or transferred to First Choice's private "free port warehouse" located at the Warehouse within the County for storage in transit to a final destination outside the State, whether specified when transportation begins or afterwards ("**Out-of-State Inventories**"), may, in the discretion of, and for such period of time as prescribed by, the Board, be exempt from all Taxes, including any Taxes for school district purposes ("**School Taxes**"), imposed thereon by the County under the Free Port Exemption. Furthermore, such Out-of-State Inventories exempted therefrom should not be deemed to have acquired a situs in the State for the purposes of such Taxes and should not be deprived of the Free Port Exemption because, while in the Warehouse, the Out-of-State Inventories are bound, divided, broken in bulk, labeled, relabeled, or repackaged.

VI.

Pursuant to § 27-31-55 of the Code, First Choice will keep all required books and records and will file all required reports and inventories of its Inventories with the Assessor, which the Assessor can utilize in making a determination of Taxes, if any, on the Inventories to be paid by First Choice at the conclusion of each applicable calendar year. Pursuant to § 27-31-57 of the Code, all of such books and records of First Choice shall be subject to inspection by the duly authorized agents of the appropriate taxing authorities.

VII.

As indicated in its initial Report of Inventory for 2013, which was timely filed with the Assessor contemporaneously with the filing of this Application, on January 01, 2013 First Choice's Inventories totaled Seven Hundred Six Thousand Three Hundred Eighty-Two Dollars and Eighty-One Cents (\$706,382.81) in true value, with approximately eighty-five percent (85%) or Six Hundred Thousand Four Hundred Twenty-Five Dollars and Thirty-Nine Cents (\$600,425.39) of such Inventories to be shipped outside the State and thus constituting Out-of-State Inventories eligible for the Free Port Exemption requested herein.

VIII.

First Choice presently provides jobs and employment in the County for approximately three (3) full-time employees, and its annualized payroll at the Enterprise in the County for such employees for 2013 should be approximately Seventy-Four Thousand Eight Hundred Eighty Dollars and Zero Cents (\$74,880.00). However, the lessor of the Facility has plans to renovate the office space located at the Facility for use by First Choice, which should result in approximately seven to eight (7-8) additional employees being located at the Facility, with an approximate additional annualized payroll of Three Hundred Fifty-Six Thousand Nine Hundred Seventy-One dollars and Zero Cents (\$356,971.00) at the Facility. Therefore, the Warehouse has directly resulted and should result in creating current and future, respectively, jobs and payroll at the Enterprise in the County, as well as indirectly in the creation of other ancillary jobs in the County (collectively "County Jobs"), and in an additional overall positive indirect economic benefit to the County (collectively with the County Jobs, "Economic Impact").

IX.

First Choice is operating the Enterprise in the County which is and will be warehousing Out-of-State Inventories which will be held in its inventory at the Warehouse in the County; has and will be creating and maintaining the County Jobs; and has and will, therefore, due to the Economic Impact, be making a major contribution and commitment to the present and future economic development of the County.

X.

Therefore, pursuant to the provisions of the Statutes, First Choice respectfully requests that, in recognition of the fact that the Free Port Exemption available to First Choice under the Statutes constituted an inducement to First Choice, and thus played a major role in First Choice's decision, to locate its Enterprise in the County, the Board grant to First Choice a License and a Free Port Exemption from all Taxes, including any School Taxes, which would otherwise be imposed by the County on such Out-of-State Inventories of First Choice.

XI.

Since the maximum term of the Free Port Exemption under the Statutes is unlimited, First Choice hereby requests that the Board grant the Free Port Exemption for an unlimited period of time, with such Free Port Exemption to begin January 01, 2013 ("Commencement Date") and continue for an unlimited period thereafter ("Unlimited Term"), as permitted by law.

XII.

Sufficient consideration in the form of the Economic Impact and certain other good and valuable nonmonetary consideration ("Consideration") have been and will be received by the County from First Choice to support the approval of the issuance of the License and the granting of the Free Port Exemption by the County.

XIII.

The Board is authorized and empowered by the provisions of the Statutes both to authorize the issuance of the License to First Choice for the Warehouse and to grant the Free Port Exemption to First Choice, both for the Unlimited Term, with respect to the Out-of-State Inventories of First Choice which are and will be located in the Warehouse so licensed within the County.

WHEREFORE, PREMISES CONSIDERED, First Choice prays (1) that this Application be received, filed, reviewed and approved by the Madison County Economic Development Authority ("**Developer**"), the Assessor, and any and all other appropriate County authorities, and then placed in line for consideration on the agenda of the appropriate Board meeting; and (2) that, upon its approval of this Application, the Board will spread upon its Minutes an order/resolution which:

(A) Finds that the Warehouse is a "free port warehouse" eligible to be licensed as such by the County under the provisions of the Statutes, and is, therefore, eligible for both a License and a Free Port Exemption from all such Taxes, including any School Taxes, imposed by the County on its Out-of-State Inventories, in an amount annually to be determined by the Assessor, as provided by State law;

(B) Approves the issuance of a License to First Choice therefor by the County and the granting to First Choice of the Free Port Exemption sought herein from all Taxes, including any School Taxes, on all of its Out-of-State Inventories beginning with the Commencement Date and continuing for the Unlimited Term;

(C) Finds that this Application for the Free Port Exemption submitted by First Choice, as provided by State law and pursuant to the Statutes, should be approved beginning as of the Commencement Date and continuing for the Unlimited Term, upon the issuance by the County to First Choice of the License;

(D) Finds that the Board recognizes and acknowledges that the Free Port Exemption available to First Choice constituted an inducement to First Choice and thus played a major role in First Choice's decision to locate its Enterprise in the County;

(E) Finds that the Enterprise has and will continue to provide employment and a payroll in the County and that the Board should acknowledge First Choice's contribution and commitment to the economic development of the County by exercising its discretionary authority to grant such Free Port Exemption to First Choice;

(F) Finds that the present and future health, safety, convenience, prosperity, pursuit of happiness and of gainful employment, public interest, and general welfare of the citizens of the County necessitate, as a public purpose, that the County continue to encourage a program of economic development and expansion in order to further both the present and future long-term economic development of the County through the improvement of its tax base by attracting and assisting enterprises providing employment

to its citizens, through the approval of exemptions to assist businesses which are deemed necessary or desirable for the economic development and advancement of the County;

(G) Finds that, in order to promote the economic development of the County so as to provide additional gainful employment for its citizens, the Board should grant the Free Port Exemption to First Choice for the Out-of-State Inventories;

(H) Finds that the Board, does, therefore, desire, on behalf of the County, to issue a License and grant the Free Port Exemption to First Choice;

(I) Finds that First Choice is eligible for a License and Free Port Exemption from all Taxes imposed by the County on its Out-of-State Inventories, including any School Taxes, in an amount to be determined annually by the Assessor, as provided by State law, beginning with the Commencement Date and continuing for the Unlimited Term;

(J) Finds that the financial ability, technical qualifications, and business experience of First Choice are such that the operation of the Enterprise in general and the Warehouse in particular has and will promote the industrialization of the County and State, has and will supply employment to the citizens of the County and State, and has and will promote the development of the County and surrounding community; that the Developer, the Assessor and all other appropriate County authorities have reviewed and approved this Application of First Choice and that the Developer has recommended to the Board that the Free Port Exemption requested by First Choice in this Application should be granted;

(K) Finds that, upon the issuance by the County to First Choice of the License, First Choice will be the operator of a licensed free port warehouse in the County and that First Choice will thus be eligible for a Free Port Exemption from all Taxes, including School Taxes, imposed by the County on its Out-of-State Inventories located in the Warehouse, in an amount annually to be determined by the Assessor, as provided by State law;

(L) Directs that a certified copy of this filed Application and a certified transcript of such approval by the Board of this Application for both the License and a Free Port Exemption, including such resolution/order of approval thereof, be forwarded to the Assessor;

(M) Grants, automatically and without the necessity of any further or additional official action by the Board in order to do so, the Free Port Exemption to First Choice, beginning with the Commencement Date and continuing for the Unlimited Term, upon the issuance of the License by the County to First Choice for the Warehouse;

(N) Declares that the Out-of-State Inventories of First Choice which are subject to the Free Port Exemption:



a. shall not be deemed to have acquired a situs in the State for the purpose of the Taxes; and

b. shall not be deprived of the Free Port Exemption because they are bound, divided, broken in bulk, labeled, relabeled, or repackaged;

(O) Directs that the appropriate authorities of the County issue a License to First Choice and requests that the Assessor take all actions in preparation of the tax rolls necessary and appropriate to implement such Free Port Exemption granted to First Choice beginning on the Commencement Date, and continuing for the Unlimited Term, including making appropriate notations on the tax rolls so the Out-of-State Inventories of First Choice will be treated as provided for in the resolution/order of the Board approving this Application and the issuance of the License;

(P) Declares either that the Free Port Exemption will continue in full force and effect following either a subsequent transfer, by merger or otherwise, of the Warehouse by First Choice to an entity related thereto or the relocation of the Warehouse to another location within the County or that the County will, if necessary and permissible, grant a new License and/or Free Port Exemption to such related entity following a subsequent transfer of the Warehouse thereto or to First Choice for such new location following a relocation of the Warehouse to another location within the County, and upon the same terms and conditions under, which the original Free Port Exemption was granted, subject to the related-entity transferee obtaining from the County a new License for the Warehouse in the name of the related entity transferee or First Choice obtaining a new License for its new location, respectively, which new License the Board declares that the County will issue; and

(Q) Directs the Clerk of the Board to record this Application, together with a copy of the order/resolution of the Board approving this Application, in the Minutes of the Board in a book kept in the Clerk's office for such purposes and to forward a certified transcript of such approval by the Board of both a License and a Free Port Exemption for the Warehouse, including a copy of the order/resolution approving this Application, to the Assessor.

RESPECTFULLY SUBMITTED, on this the 27 day of March, 2013.

FIRST CHOICE MEDICAL SUPPLY, LLC

By: Stacey Holt  
Stacey Holt  
Its: Chief Financial Officer

STATE OF MISSISSIPPI

COUNTY OF Rankin

PERSONALLY appeared before me, the undersigned authority in and for the said County and State, within my jurisdiction, the within named Stacey Holt, who, after being first duly sworn by me, on oath states that he is the Chief Financial Officer of First Choice Medical Supply, LLC, a Mississippi limited liability company, and that for and on behalf of the said company, and as its act and deed, he signed, executed and delivered the above and foregoing Application both for the purposes and on the date and year therein mentioned, after having first been duly authorized by said company so to do.

Stacey Holt  
STACEY HOLT

SWORN TO AND SUBSCRIBED before me, under my hand and official seal of office, this the 27 day of March, 2013.

Kristi Starnes  
NOTARY PUBLIC

(NOTARIAL SEAL)

My Commission Expires:  
04-04-16

ButlerSnow 15799791v1



**APPLICATION  
FREE PORT WAREHOUSE  
LICENSE**

*AS AUTHORIZED BY SECTION 27-31-51, et seq.,  
MISSISSIPPI CODE OF 1972, AS AMENDED*

NAME OF WAREHOUSE First Choice Medical Supply, Inc.

PHYSICAL ADDRESS 141 Enterprise Drive, Suite A, Madison, MS

TYPE OF PROPERTY linens for LTC facilities TOTAL VALUE OF  
PROPERTY \$706,382.81  
(01/01/13)

PERCENTAGE OF PROPERTY SHIPMENTS WITHIN MISSISSIPPI 15% (est. 2013)

LOCATION – COUNTY Madison CITY unincorporated county

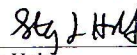
The applicant requests that the Board approve this application and grant the license by declaring that the above warehouse be exempt from all ad valorem taxation on personal property shipped out of the state during the calendar year. The applicant is qualified to make application for exemption and has submitted the license fee. This information is true and correct as certified by the applicant.

This application is submitted on the 27<sup>th</sup> day of March, 2013.

First Choice Medical Supply, Inc.

Applicant (Name of Taxpayer)

By:



Stacey Holt

Title:

Chief Financial Officer

ATTEST:

**ORDER OF THE BOARD OF SUPERVISORS OF MADISON  
COUNTY, MISSISSIPPI, GRANTING A FREE PORT  
WAREHOUSE LICENSE AND EXEMPTION FROM AD  
VALOREM PERSONAL PROPERTY TAXES TO FIRST CHOICE  
MEDICAL SUPPLY, LLC, AS AUTHORIZED BY  
§§ 27-31-51, *ET SEQ.*, OF THE  
MISSISSIPPI CODE OF 1972, AS AMENDED**

The Board of Supervisors next took up for consideration the matter of granting a certain license and related exemption from ad valorem personal property taxes to First Choice Medical Supply, LLC, and the following Order, having first been reduced to writing, was introduced:

ORDER OF THE BOARD OF SUPERVISORS OF MADISON COUNTY,  
MISSISSIPPI, GRANTING A FREE PORT WAREHOUSE LICENSE AND  
EXEMPTION FROM AD VALOREM PERSONAL PROPERTY TAXES TO  
FIRST CHOICE MEDICAL SUPPLY, LLC, AS AUTHORIZED BY  
§§ 27-31-51, *ET SEQ.*, OF THE MISSISSIPPI CODE OF 1972, AS AMENDED

WHEREAS, this Board finds as follows:

I.

First Choice Medical Supply, LLC ("**First Choice**"), by and through Stacey Holt, its Chief Financial Officer, timely filed, in triplicate and under oath, its written application ("**Application**") for exemption ("**Free Port Exemption**") from ad valorem personal property taxation ("**Taxes**") pursuant to §§ 27-31-51, *et seq.* (collectively "**Statutes**"), of the Mississippi Code of 1972, as amended ("**Code**").

II.

First Choice is a Mississippi limited liability company ("**LLC**") which is duly qualified to do and is doing business in the State of Mississippi ("**State**"). First Choice is a distributor of eldercare medical supplies and equipment ("**Inventories**") to the long-term care, home care, hospice and durable medical equipment markets ("**Enterprise**") and, in connection therewith, in 2012 First Choice began operating a warehouse ("**Warehouse**") at 141 Enterprise Drive, Suite A ("**Facility**") in unincorporated Madison County ("**County**") for the receipt, handling, storage, warehousing, distribution and shipment of certain of First Choice's Inventories. The Facility is owned and leased to First Choice by a related party/member of the LLC.

III.

First Choice, as a warehouse/distributor, operates the Warehouse as a private warehouse which regularly engages in the receipt, handling, storage, warehousing, distribution and shipment of First Choice's personal property in the form of its Inventories which have been transferred and consigned to such Warehouse for storage and handling.

IV.

A portion of all of such Inventories handled by the Warehouse will be transferred to such Warehouse for storage and handling in transit to a final destination outside the State. Such Warehouse is not a natural or artificial cave or cavity in the earth and, consequently, is eligible for licensing under the provisions of the Statutes as a "free port warehouse."

V.

First Choice, contemporaneously with the filing of the Application, also timely applied to the County for a Free Port Warehouse Privilege License ("**License**") by filing its application therefor (a copy of which is attached hereto and incorporated herein by reference for all purposes as if fully copied herein) with the Tax Assessor of the County ("**Assessor**"), in order both to recognize its qualification under the definition of a "free port warehouse" (as set forth in § 27-31-51 of the Code) and to operate as a licensed "free port warehouse" according to the provisions of the Statutes.

VI.

As authorized by § 27-31-53 of the Code and in addition to all other exemptions granted under the laws of the State, all of First Choice's Inventories in transit through the State which are (1) moving in interstate commerce through or over the territory of the State, or (2) consigned or transferred to First Choice's private "free port warehouse" located at the Warehouse within the County for storage in transit to a final destination outside the State, whether specified when transportation begins or afterwards ("**Out-of-State Inventories**"), may, in the discretion of, and for such period of time as prescribed by, this Board, be exempt from all Taxes, including any Taxes for school district purposes ("**School Taxes**"), imposed thereon by the County under the Free Port Exemption. Furthermore, such Out-of-State Inventories exempted therefrom should not be deemed to have acquired a situs in the State for the purposes of such Taxes and should not be deprived of the Free Port Exemption because, while in the Warehouse, the Out-of-State Inventories are bound, divided, broken in bulk, labeled, relabeled, or repackaged.

VII.

Pursuant to § 27-31-55 of the Code, First Choice will keep all required books and records and will file all required reports and inventories of its Inventories with the Assessor, which the Assessor can utilize in making a determination of Taxes, if any, on the Inventories to be paid by First Choice at the conclusion of each applicable calendar year. Pursuant to § 27-31-57 of the Code, all of such books and records of First Choice shall be subject to inspection by the duly authorized agents of the appropriate taxing authorities.

VIII.

As indicated in its initial Report of Inventory for 2013 which was timely filed with the Assessor contemporaneously with the filing of the Application, on January 01, 2013, First Choice's Inventories totaled Seven Hundred Six Thousand Three Hundred Eighty-Two Dollars and Eighty-One Cents (\$706,382.81) in true value, with approximately eighty-five percent (85%)

or Six Hundred Thousand Four Hundred Twenty-Five Dollars and Thirty-Nine Cents (\$600,425.39) of such Inventories to be shipped outside the State and thus constituting Out-of-State Inventories eligible for the Free Port Exemption requested in the Application.

IX.

First Choice presently provides jobs and employment in the County for approximately three (3) full-time employees, and its annualized payroll at the Enterprise in the County for such employees for 2013 should be approximately Seventy-Four Thousand Eight Hundred Eighty Dollars and Zero Cents (\$74,880.00). However, the lessor of the Facility has plans to renovate the office space located at the Facility for use by First Choice, which should result in approximately seven to eight (7-8) additional employees being located at the Facility with an approximate additional annualized payroll of Three Hundred Fifty-Six Thousand Nine Hundred Seventy-One dollars and Zero Cents (\$356,971.00) at the Facility. Therefore, the Warehouse has directly resulted and should result in creating current and future, respectively, jobs and payroll at the Enterprise in the County, as well as indirectly in the creation of other ancillary jobs in the County (collectively "**County Jobs**"), and in an additional overall positive indirect economic benefit to the County (collectively with the County Jobs, "**Economic Impact**").

X.

First Choice is operating the Enterprise in the County which is and will be warehousing Out-of-State Inventories which will be held in its inventory at the Warehouse in the County; has and will be creating and maintaining the County Jobs; and has and will, therefore, due to the Economic Impact, be making a major contribution and commitment to the present and future economic development of the County.

XI.

Therefore, pursuant to the provisions of the Statutes, First Choice respectfully requested in the Application that, in recognition of the fact that the Free Port Exemption available to First Choice under the Statutes constituted an inducement to First Choice, and thus played a major role in First Choice's decision, to locate its Enterprise in the County, this Board grant to First Choice a License and a Free Port Exemption from all Taxes, including any School Taxes, which would otherwise be imposed by the County on such Out-of-State Inventories of First Choice.

XII.

Since the maximum term of the Free Port Exemption under the Statutes is unlimited, First Choice requested that this Board grant the Free Port Exemption for an unlimited period of time, with such Free Port Exemption to begin January 01, 2013 ("**Commencement Date**") and continue for an unlimited period thereafter ("**Unlimited Term**"), as permitted by law.

XIII.

Sufficient consideration in the form of the Economic Impact and certain other good and valuable nonmonetary consideration ("**Consideration**") have been and will be received by the

County from First Choice to support the approval of the issuance of the License and the granting of the Free Port Exemption by the County.

XIV.

This Board is authorized and empowered by the provisions of the Statutes both to authorize the issuance of the License to First Choice for the Warehouse and to grant the Free Port Exemption to First Choice, both for the Unlimited Term, with respect to the Out-of-State Inventories of First Choice which are and will be located in the Warehouse so licensed within the County.

XV.

First Choice provides employment and a payroll in the County, and this Board should acknowledge First Choice’s contribution and commitment to the economic development of the County by exercising its discretionary authority to authorize the issuance of the License to First Choice and to grant First Choice such requested Free Port Exemption.

XVI.

The Madison County Economic Development Authority ("**Developer**") has reviewed and approved the Application and has recommended to this Board that the Free Port Exemption requested by First Choice in the Application for its Out-of-State Inventories should be granted.

XVII.

All conditions and qualifications contained in the Statutes for the issuance of the License and the granting of the Free Port Exemption have been satisfied by First Choice.

NOW, THEREFORE, BE IT RESOLVED by this Board of Supervisors of Madison County, State of Mississippi, as follows:

- 1. That the Application for the Free Port Exemption submitted by First Choice, as provided by State law and pursuant to the Statutes, be and the same is hereby approved beginning as of the Commencement Date and continuing for the Unlimited Term, upon the filing by First Choice with the County of its application for, and the issuance by the County to First Choice of, the License.
- 2. That this Board hereby approves, upon the filing by First Choice with the County of its application for a License for the Warehouse, the issuance of a License to First Choice by the County and grants to First Choice the Free Port Exemption from all Taxes, including any School Taxes, on all of its Out-of-State Inventories, pursuant to the Statutes, for the Unlimited Term.
- 3. That this Board hereby:

(A) Finds that the Warehouse is a "free port warehouse" eligible to be licensed as such by the County under the provisions of the Statutes, and is, therefore, eligible for both a License and a Free Port Exemption from all such Taxes, including any School Taxes, imposed by the County on its Out-of-State Inventories, in an amount annually to be determined by the Assessor, as provided by State law;

(B) Approves the issuance of a License to First Choice therefor by the County and the granting to First Choice of the Free Port Exemption sought in the Application from all Taxes, including any School Taxes, on all of its Out-of-State Inventories beginning with the Commencement Date and continuing for the Unlimited Term;

(C) Finds that the Application for the Free Port Exemption submitted by First Choice, as provided by State law and pursuant to the Statutes, should be approved beginning as of the Commencement Date and continuing for the Unlimited Term, upon the issuance by the County to First Choice of the License;

(D) Finds that this Board recognizes and acknowledges that the Free Port Exemption available to First Choice constituted an inducement to First Choice and thus played a major role in First Choice's decision to locate its Enterprise in the County;

(E) Finds that the Enterprise has and will continue to provide employment and a payroll in the County and that this Board should acknowledge First Choice's contribution and commitment to the economic development of the County by exercising its discretionary authority to grant such Free Port Exemption to First Choice;

(F) Finds that the present and future health, safety, convenience, prosperity, pursuit of happiness and of gainful employment, public interest, and general welfare of the citizens of the County necessitate, as a public purpose, that the County continue to encourage a program of economic development and expansion in order to further both the present and future long-term economic development of the County through the improvement of its tax base by attracting and assisting enterprises providing employment to its citizens, through the approval of exemptions to assist businesses which are deemed necessary or desirable for the economic development and advancement of the County;

(G) Finds that, in order to promote the economic development of the County so as to provide additional gainful employment for its citizens, this Board should grant the Free Port Exemption to First Choice for the Out-of-State Inventories;

(H) Finds that this Board, does, therefore, desire, on behalf of the County, to issue a License and grant the Free Port Exemption to First Choice;

(I) Finds that First Choice is eligible for a License and Free Port Exemption from all Taxes imposed by the County on its Out-of-State Inventories, including any School Taxes, in an amount to be determined annually by the Assessor, as provided by



State law, beginning with the Commencement Date and continuing for the Unlimited Term;

(J) Finds that the financial ability, technical qualifications, and business experience of First Choice are such that the operation of the Enterprise in general and the Warehouse in particular has and will promote the industrialization of the County and State, has and will supply employment to the citizens of the County and State, and has and will promote the development of the County and surrounding community; that the Developer, the Assessor and all other appropriate County authorities have reviewed and approved the Application of First Choice; and that the Developer has recommended to this Board that the Free Port Exemption requested by First Choice in the Application should be granted;

(K) Finds that, upon the issuance by the County to First Choice of the License, First Choice will be the operator of a licensed free port warehouse in the County and that First Choice will thus be eligible for a Free Port Exemption from all Taxes, including School Taxes, imposed by the County on its Out-of-State Inventories located in the Warehouse, in an amount annually to be determined by the Assessor, as provided by State law;

(L) Directs that a certified copy of the filed Application and a certified transcript of this approval by this Board of the Application for both the License and a Free Port Exemption, including this Order of approval thereof, be forwarded to the Assessor;

(M) Grants, automatically and without the necessity of any further or additional official action by this Board in order to do so, the Free Port Exemption to First Choice, beginning with the Commencement Date and continuing for the Unlimited Term, upon the issuance of the License by the County to First Choice for the Warehouse;

(N) Declares that the Out-of-State Inventories of First Choice which are subject to the Free Port Exemption:

(a) shall not be deemed to have acquired a situs in the State for the purpose of the Taxes; and

(b) shall not be deprived of the Free Port Exemption because they are bound, divided, broken in bulk, labeled, relabeled, or repackaged;

(O) Directs that the appropriate authorities of the County issue a License to First Choice and requests that the Assessor take all actions in preparation of the tax rolls necessary and appropriate to implement such Free Port Exemption granted to First Choice beginning on the Commencement Date, and continuing for the Unlimited Term, including making appropriate notations on the tax rolls so the Out-of-State Inventories of

First Choice will be treated as provided for in this Order of this Board approving the Application and the issuance of the License;

(P) Declares either that the Free Port Exemption will continue in full force and effect following either a subsequent transfer, by merger or otherwise, of the Warehouse by First Choice to an entity related thereto or the relocation of the Warehouse to another location within the County or that the County will, if necessary and permissible, grant a new License and/or Free Port Exemption to such related entity following a subsequent transfer of the Warehouse thereto or to First Choice for such new location following a relocation of the Warehouse to another location within the County, and upon the same terms and conditions under, which the original Free Port Exemption was granted, subject to the related-entity transferee obtaining from the County a new License for the Warehouse in the name of the related entity transferee or First Choice obtaining a new License for its new location, respectively, which new License this Board declares that the County will issue; and

(Q) Directs the Clerk of this Board to record the Application, together with a copy of this Order of this Board approving the Application, in the Minutes of this Board in a book kept in the Clerk's office for such purposes and to forward a certified transcript of such approval by the Board of both a License and a Free Port Exemption for the Warehouse, including a copy of the order/resolution approving this Application, to the Assessor.

After a full discussion of this matter, Supervisor \_\_\_\_\_ moved that the foregoing Order be adopted, and said Motion was seconded by Supervisor \_\_\_\_\_. The President of the Board then put the question to a roll call vote, and the result was as follows:

Supervisor John Bell Crosby	voted: _____
Supervisor Ronny Lott	voted: _____
Supervisor Gerald Steen	voted: _____
Supervisor Karl M. Banks	voted: _____
Supervisor Paul Griffin	voted: _____

Whereupon, this Order having received the affirmative vote of a majority of the members of the Board of Supervisors present, the President declared that the foregoing Order was passed and adopted, in a regular meeting of the Board of Supervisors of Madison County, State of Mississippi, on the \_\_\_\_ day of \_\_\_\_\_, 2013.

(SEAL)

ADOPTED:

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Gerald Steen, President of the Board  
of Supervisors of Madison County,  
Mississippi

ATTEST:

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Arthur Johnson, Chancery Clerk and  
Clerk of the Board of Supervisors of  
Madison County, Mississippi

ButlerSnow 15799793v1

**FREE PORT WAREHOUSE**  
**REPORT OF INVENTORY**  
JANUARY 1, 2013

Name of Warehouse First Choice Medical Supply, Inc.

Location \* City unincorporated county County Madison

Mailing Address P. O. Box 2538, Ridgeland, MS 39158

- |    |   |                     |
|----|---|---------------------|
| 1. | Total value of personal property as of 1/1/2013.                            | <u>\$706,382.81</u> |
| 2. | Estimated percentage of personal property to be shipped within Mississippi. | <u>15%</u>          |
| 3. | Amount of personal property to be assessed (Multiply Item 1 times Item 2).  | <u>\$105,957.42</u> |

This report is prepared and filed under the terms and provision of Section 27-31-55, Mississippi Code of 1972, as amended. It is certified that the above information is true and correct. This report is submitted on the 27<sup>th</sup> day of March, 2013.

By Stacey Holt  
Stacey Holt

Title Chief Financial Officer

\* Physical Address: 141 Enterprise Drive, Suite A, Madison, MS

**This report shall not be submitted later than March 31 of each year  
to the Tax Assessor.**

NO. \_\_\_\_\_

**FREE PORT WAREHOUSE  
LICENSE**

NAME OF WAREHOUSE First Choice Medical Supply, Inc.

PHYSICAL ADDRESS 141 Enterprise Drive, Suite A, Madison, MS

LOCATION – COUNTY Madison

CITY unincorporated county

*This free port warehouse is to be operated according to the provisions of Section 27-31-51, et seq., Mississippi Code of 1972, as amended. This license shall not make lawful any act or anything declared to be unlawfully by the State of Mississippi. This license is not transferable. If the warehouse changes ownership, a new license must be applied for and obtained.*

*This license is issued and the exemption becomes effective\* on the first day of January, 2013.*

*Issued By* \_\_\_\_\_

THIS LICENSE MUST BE PUBLICLY DISPLAYED AT ALL TIMES

\*By Order of the Board of supervisors, exemption becomes effective January 01, 2013.