

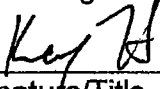
**City of Gahanna
Incentive Application Form**

Rec'd 5/19/10
LFE

1. Company name: NationsHealth, Inc.
2. Company address: 13650 S.W. 8th St., Sunrise, Fla 33325
3. Type of business: Customer call center and mail order pharmacy warehouse and distribution
4. Company contact person: Kelly Fox, Esq. or Kristen Fox, Esq.
5. Telephone number: (614) 416-8044 (office) or (614) 537-4486 (cell)
email: Kelly@foxandfoxlawco.com or Kristen@foxandfoxlawco.com
6. Proposed location of new leased/owned space: 800 Tech Center Drive for call center (lease) and either 915 Taylor Rd or 750 Crossing Point for warehouse/distribution center (lease)
7. Prior or current location: Sunrise, Fla. and 2 other Florida locations
8. Number of employees to be employed at site: 200 for call center and 25 for warehouse/distribution (initial employees, expected to grow to 300 total within 24 months – may add up to 100 temporary call center jobs lasting up to 4 months per year during Medicare Part D open enrollment period)
9. Estimated payroll for employees at site: \$5,400,000 (combined locations)
10. Company Description (i.e. Years in business, ownership): Please describe in detail on a separate sheet of paper. See attached.
11. If leased space provide the terms of the lease: being negotiated
12. Growth Projections (income): See attached Company financial projections

Application Acknowledgement

As an authorized agent of the applicant company, I hereby submit this application for consideration. I understand that any information on this application found to be false or misleading could result in the termination of this program.

	<u>Kelly J. Fox, Esq.</u>	<u>5/18/2010</u>
Signature/Title	Legal Representative	Date

Approved by: _____
City of Gahanna

Project Summary and Fiscal Impact Analysis
Department of Planning Development

	NationsHealth, Inc.	
Project Site:	NationsHealth is proposing to lease 20,000 s.f.+ at 800 Techcenter Drive (tax abated through 2011). This site has been vacant for over 18 months and was the site proposed for the NetJets project. Since NetJets pulled out the facility has been vacant. The company will also lease space at 915 Taylor Road or 750 Cross Pointe Road for their distribution operations.	
Company Description:	NationsHealth provides medical products to Medicare and managed care beneficiaries nationwide via mail order delivery. Products include prescription medicine and medical and diabetic supplies. Company is focused on improving the delivery and cost of healthcare to millions of Medicare beneficiaries. Also, provides services to Medicare Part D prescription drug plan providers and other Medicare benefit sponsors. Established in 2001, the company is currently headquartered and operated out of Sunrise, FL.	
Project Description:	In order to improve operational efficiency and better serve clients, NationsHealth is proposing to relocate their call center and distribution facilities out of Florida to a location in Gahanna. The company needs approximately 20,000 s.f. for the call center and 20,000 s.f. for the distribution facility. The call center would house 200 order processors and management staff and the distribution facility would house 25 pharmacy techs and logistics personnel (see Exhibit I).	
Investment:	\$550,000 including \$300,000 equipment, \$250,000 leasehold improvements	
Jobs:	225 FTE initial job creation between the two locations, up to 350 jobs within three years. Average wage of \$12.00/hour plus \$3.60/hour in benefits.	

Summary of Fiscal Impact Model

Office & Industrial Rebate Program	
.0075% annual payment, 5 year term	
Total Annual Payroll	\$ 5,400,000
Total Annual Income Tax	\$ 81,000
Annual Corporate Profit Tax	\$ 1,187
Gross Tax Receipts	\$ 82,187
Minus value of O&I	\$ (40,500)
Net Revenue after incentive payment	\$ 41,687
NPV of 5-year net revenue after O&I	\$ 190,914
NPV of 10-year net revenue after O&I	\$ 515,593

Staff Recommendation

Staff recommends a Office & Industrial Incentive of .0075%, 5 year to NationsHealth for the creation of 225 new FTE jobs in Gahanna. This project will have a significant job impact to the City, occupy a vacant facility, and add to the City's core of logistics and distribution facilities. Additionally, NationsHealth will utilize a significant amount of technology resources to run their operations which could be a model for similar companies considering a more centralized location for distribution. The City of Gahanna was in competition with FL, KY, SC, and two other central Ohio communities for this project. The value of the negotiated incentives was a major factor in the company choosing to locate in Gahanna.

EXHIBIT I

Project Scope

NationsHealth, Inc.

On _____ 2010, the Gahanna City Council approved an ordinance to allow a .0075 percent, five-year Office & Industrial Incentive to NationsHealth, Inc. (NationsHealth) for the creation of at least \$5,400,000 in new payroll as a result of the company's new location in the City of Gahanna. As part of the incentive agreement, the City of Gahanna requires the company to repay 200 percent of all incentive payments if the company relinquishes its site and is no longer located in Gahanna prior to the end of the agreement period.

NationsHealth is a provider of medical products nationwide to Medicare and managed care beneficiaries. The company is focused on improving the delivery and cost of healthcare to millions of Medicare beneficiaries in the United States. NationsHealth also provides services, including marketing, insurance agent training and licensing, member enrollment and service, distribution and billing and collections, to Medicare Part D prescription drug plan providers and other Medicare benefit sponsors.

The company will lease approximately 20,000 to 40,000 square foot at 800 Techcenter Drive in Gahanna for their call center operations. The company will also lease 20,000 square feet at either 915 Taylor Road or 750 Cross Pointe Road for their warehouse and distribution center. Nations Health will make a fixed-asset investment of at least \$550,000; including \$300,000 in machinery and equipment, \$250,000 in leasehold improvements.

The company will create 225 full-time equivalent jobs, with potential growth of up to 350 full-time equivalent jobs within three years. The company proposes to hire administrative and operations employees at an average wage of \$12.00 per hour, plus \$3.60 per hour in benefits.

The Office & Industrial Incentive is a major factor in NationsHealth's decision to locate in Gahanna. The City was in competition with sites in Florida, Kentucky, South Carolina and Columbus and Westerville for this project.

Additional public assistance to this project includes a 45 percent, five-year Job Creation Tax Credit which was approved by the Ohio Tax Credit Authority on May 24, 2010.



Description of the Company's business:

Since 2001, NationsHealth, Inc. has been a provider of medical products nationwide to Medicare and managed care beneficiaries with a focus on improving the delivery and cost of healthcare to the approximately 45 million Medicare beneficiaries in the United States. NationsHealth also provides certain services, including marketing, insurance agent training and licensing, member enrollment and service, distribution and billing and collections, to Medicare Part D prescription drug plan providers and other Medicare benefit sponsors. NationsHealth has an agreement with Connecticut General Life Insurance Company ("CIGNA") to service its Medicare Part D prescription drug plans nationally.

Executives' Bios:

Glenn M. Parker, M.D. has served as our Chief Executive Officer since August 31, 2004. Prior to that date, Dr. Parker was the Chief Executive Officer and a preferred member representative of NationsHealth Holdings, LLC since its formation. In July 2001, Dr. Parker founded United States Pharmaceutical Group, L.L.C. In October 1998, Dr. Parker founded ParkStone Medical Info Systems, Inc., a healthcare technology company where he served as Chief Executive Officer until June 2000. From September 1996 to October 1998, Dr. Parker practiced as a physician at Sussman, Staller and Parker. Dr. Parker is licensed as a medical doctor by the Florida Department of Health. Dr. Parker received a B.S. from the University of Florida in 1986 and an M.D. from the New York Medical College in 1993.

Alan Rudy has served as our President since January 29, 2010 and is the founder and CEO of IntoGreat Companies. He was also the founder of Express-Med, Inc., a healthcare home delivery service, which became #1 on the Central Ohio Fast Fifty in 1998, was named on the list four years in a row, made the Inc. 500 and was the largest privately held company in its industry nationwide when Mr. Rudy sold it in 2002. He was also the only outside individual investor and Chairman at Member Health, a company that grew from approximately \$7 million to approximately \$1.2 billion in three years, which was recognized as a fast growth company by being named to the Weatherhead 100 three times and the Inc 500 twice including #1 on each list once. Mr. Rudy graduated with a BS in Chemical Engineering from The Massachusetts Institute of Technology in 1985. He also received an MBA and J.D. from Case Western Reserve University in 1989.

Timothy Fairbanks has served as our Executive Vice President and Chief Financial Officer since July 24, 2009 as well as from August 31, 2004 through May 14, 2008. In addition, Mr. Fairbanks serviced as the Company's Chief Operating Officer from May 15, 2008 to July 23, 2009. Prior to that date, Mr. Fairbanks served as the Chief Financial Officer of NationsHealth Holdings, LLC since May 2004 and has been the head of finance at NationsHealth since November 2002. From 1999 to 2001, Mr. Fairbanks was Vice President in the finance department of PrintSource U.S.A., a commercial printing consolidation company. From 1996 to 1999, Mr. Fairbanks was responsible for various financial aspects of Republic Industries/Republic Services Group. Mr. Fairbanks received a B.S. in Finance from Florida Atlantic University in 1996.

Rodney Carson has served as Executive Vice President of Operations since November 2006. Mr. Carson served as the Company's Senior Vice President of Pharmacy Products and Insurance Services from May 2006 to November 2006 and as its Senior Vice President of Operations at from September 2005 to April 2006. In addition to founding and running his own corporate advisory business prior to joining NationsHealth, Mr. Carson was formerly president of Liberty Medical Supply Pharmacy, the mail order prescription drug division of Liberty Medical Supply from February 2002 through March 2004. Mr. Carson has also served in a variety of corporate finance and advisory functions, including positions at First Union/Wachovia Securites, ABN Amro, and Banque Nationale de Paris. Mr. Carson has a B.S. in Accounting and an M.B.A. from Indiana University and was formerly a licensed C.P.A. and held NASD Series 7 and 63 licenses.