



OFFICE OF ECONOMIC DEVELOPMENT
CITY OF JACKSONVILLE, FL

January 5, 2017

U.S. Certified Mail

Ms. JoAnn M. Brown
COWEALTH LLC
4446 Hendricks Ave., Suite 345
Jacksonville, FL 32207

RE: Default of Redevelopment Agreement dated June 21, 2011 ("Agreement") between the City of Jacksonville ("City") and COWEALTH LLC (the "Company"), as successor in interest to KJB Specialties, Inc.

Dear Ms. Brown:

We are in receipt of the loan payments due to the City for the months of November and December 2016 delivered to our office on Friday, December 30, 2016. In addition, we have confirmed the payment of \$22,519.69 to satisfy the outstanding balance for the 2015 property taxes owed.

Please be advised that loan payments are due on the first day of every month. Therefore, the January 1, 2017 payment is now past due. Property taxes for the calendar year 2016 are due on or before March 31, 2017.

We have also received the required Annual Surveys for the years of 2012, 2013, 2014 and 2015. These reports confirm that no "New Jobs" as defined within the Agreement have been created as a result of the Project. Therefore, in accordance with section 9.2 (b) of the Agreement, the full amount of the NWJEDF Grant, \$210,549.99, must be repaid. As the Agreement does not specifically set forth the terms for repayment of the Grant as a result of a Default for failure to create the required New Jobs, the Office of Economic Development (OED) is requesting payment in full within 60 days of the date on this letter. If the Company does not believe it will be able to meet this obligation, you must submit a written repayment schedule proposal for the City to consider within 30 days of the date on this letter.

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This letter is not a waiver of any of the City's rights, interests or remedies to which it is entitled under the Agreement or the laws of the State of Florida, and the City specifically reserves its right to avail itself of any rights, remedies or privileges provided under the Agreement or by law.

Sincerely,

A handwritten signature in blue ink, appearing to read "Kirk R. Wendland".

Kirk R. Wendland
Executive Director

cc: Guarantors:
Katrina L. Brown, Manager
KJB Specialties, Inc.
Basic Products LLC

City of Jacksonville:
Sam E. Mousa, Chief Administrative Officer (via e-mail)
Mike Weinstein, Director of Finance (via e-mail)
John Sawyer, Assistant General Counsel (via e-mail)
Wendy Khan, Office of Economic Development