



OFFICE OF ECONOMIC DEVELOPMENT
CITY OF JACKSONVILLE, FL

June 24, 2016

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:

The City previously provided you its Notice of Default letter, dated June 2, 2016 ("Default Letter"), setting forth various defaults under the Agreement, and providing the Company an opportunity to cure the same as required by the Agreement. Per Section 9.1 of the Agreement, the Company had fifteen (15) business days in order to cure the defaults set forth in the Default Letter, which it has failed to do, which defaults included in part an obligation to create 56 new jobs on or before April 30, 2016, and to submit annual reports regarding the jobs retained and created, which were conditions to retaining the grant funds.

Accordingly, the Company is now in default of the Agreement past any applicable cure periods, and the City hereby demands repayment in full of the NWJEDF Grant previously paid to the Company, in the amount of \$210,549.99. Please forward payment in full to my office within fifteen (15) days of the date of this letter. If you fail to do so, the City will pursue all available legal remedies against the Company to recover the NWJEDF Grant, which may include the filing of a lawsuit against the Company.

Please forward the above amount within the time frames set forth herein to the Office of Economic Development, 117 West Duval Street, Suite 275, Jacksonville, Florida, 32202, attention Sonia Carroll, Finance and Compliance Manager.

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.

COWEALTH LLC

June 24, 2016

Page 2

Please be governed accordingly.

Sincerely,



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)
Sonia Carroll, Office of Economic Development