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IN THE CIRCUIT COURT, FOURTH  
JUDICIAL CIRCUIT, IN AND FOR  
DUVAL COUNTY, FLORIDA

CASE NO.:  
DIVISION:

The CITY OF JACKSONVILLE, a  
municipal corporation,

Plaintiff,

vs.

COWEALTH LLC, a Florida limited  
liability company, and BASIC PRODUCTS  
LLC, a Florida limited liability company,

Defendants.

\_\_\_\_\_ /

### **COMPLAINT**

Plaintiff, the CITY OF JACKSONVILLE (the “City”), a municipal corporation, sues Defendants, COWEALTH LLC (“CoWealth”), a Florida limited liability company, and BASIC PRODUCTS LLC (“Basic Products,” and together with CoWealth, “Defendants”), a Florida limited liability company, and alleges as follows:

#### **Parties, Jurisdiction, and Venue**

1. The City is a municipal corporation and political subdivision of the state of Florida.
2. CoWealth is a Florida limited liability company having its principal place of business in Jacksonville, Florida.
3. Basic Products is a Florida limited liability company having its principal place of business in Jacksonville, Florida.

4. This Court has jurisdiction because this is an action for breach of contract seeking monetary damages in excess of \$15,000.00. See §§ 26.012(2)(a) & 34.01(1)(c), Fla. Stat.

5. Venue is proper in Duval County, Florida, because Defendants are located and have their principal places of business in Duval County, Florida, and the City's cause of action accrued in Duval County, Florida. See § 47.011, Fla. Stat. Venue is proper in Duval County, Florida, also because the parties have agreed to venue in Duval County, Florida.

### **General Allegations**

6. On or about June 21, 2011, the City and KJB Specialties, Inc. ("KJB Specialties") entered into that certain Redevelopment Agreement (the "Original Redevelopment Agreement"), which was subsequently amended by that certain First Amendment to Redevelopment Agreement dated November 16, 2011 (the "First Amendment") and further amended by that certain Second Amendment to Redevelopment Agreement (the "Second Amendment") dated April 16, 2012. True and correct copies of the Original Redevelopment Agreement, First Amendment, and Second Amendment (collectively, the "Redevelopment Agreement") are attached hereto as "Composite Exhibit A" and are incorporated herein by this reference.

7. On or about February 16, 2012, KJB Specialties, as assignor, and Defendants, as assignees, entered into that certain Assignment of Rights Under Redevelopment Agreement (the "Assignment Agreement"), whereby KJB Specialties assigned to Defendants the entirety of KJB Specialties' rights under the Redevelopment Agreement, and Defendants agreed to be bound by the terms and conditions of the Redevelopment Agreement as if they had been original signatories thereto. A true and correct copy of the Assignment Agreement is attached hereto as "Exhibit B" and incorporated herein by this reference.

8. The purpose of the Redevelopment Agreement was to provide partial funding for the renovation of an existing facility located at 5638 Commonwealth Avenue, Jacksonville, Florida (the “Project Parcel”), for the construction of improvements thereon, and to provide for the purchasing of the necessary machinery and equipment to enable Defendants to operate a manufacturing facility for the production of proprietary barbeque sauces, seasonings, and fully cooked meat products on the Project Parcel (the “Project”).

9. Pursuant to the Redevelopment Agreement, the City agreed to provide a grant in an amount not to exceed \$260,000.00 (the “Grant”) in order to partially fund the Project.

10. Pursuant to Section 7.3 of the Redevelopment Agreement, Defendants agreed that “[t]he Project will result in the creation of at least fifty-six (56) permanent Jobs new to the City and the State (‘New Jobs’) at the Project Parcel within 36 months of completion of the Project. Furthermore, the fifty-six (56) new jobs created during this time period must be maintained by [Defendants] for at least 24 months beyond the job creation target date.” See Comp. Ex. A, Redevelopment Agreement at § 7.3, p. 14.

11. Similarly, pursuant to Section 9.2(b) of the Redevelopment Agreement, Defendants agreed to create fifty-six (56) new jobs or on or before April 30, 2016 and to maintain those jobs for two years. See Comp. Ex. A, Second Amendment at ¶ B, p. 2.

12. Pursuant to Section 8.1 of the Redevelopment Agreement, Defendants were required to submit to the City’s Housing and Neighborhoods Department (now the Office of Economic Development) annual audited year-end financial statements. See Comp. Ex. A, Redevelopment Agreement at § 8.1, p. 15.

13. Pursuant to Section 8.2 of the Redevelopment Agreement, Defendants agreed to submit to the City’s Housing and Neighborhoods Department (now the Office of Economic

Development) annual reports regarding the jobs retained and created by the Project. See Comp. Exh. A, Redevelopment Agreement at § 8.2, p. 15.

14. Pursuant to Section 9.2 of the Redevelopment Agreement, Defendants agreed that in the event of Defendants' default under the Redevelopment Agreement, the City may recover damages from Defendants including as follows:

(b) Job Retention: In the event [Defendants] fail[] to create 56 New Jobs on or before April 30, 2016, and to maintain the New Jobs for two years, the [Defendants] shall repay to the City a portion of the NWJEDF Grant in the amount of \$4,443.00 per job below the targeted 56 jobs.

See Comp. Exh. A, Second Amendment at ¶ B, p. 2.

15. Section 9.1 of the Redevelopment Agreement provides, in part: “[A] default shall exist for . . . failure to meet reporting requirements . . . .” See Comp. Exh. A, Redevelopment Agreement at § 9.1, p.16.

16. On December 17, 2014, the City paid to Defendants the sum of \$210,549.99 pursuant to the Grant under the Redevelopment Agreement.

17. Defendants have failed to submit annual audited financial statements for the years 2014 and 2015.

18. Defendants belatedly submitted annual surveys and annual jobs reports regarding new jobs for the years 2012, 2013, 2014, and 2015, which indicate that no “New Jobs” were created as a result of the Project. True and correct copies of the annual surveys and annual jobs reports for the years 2012, 2013, 2014, and 2015 are attached hereto as “Composite Exhibit C” and are incorporated herein by this reference.

19. Defendants have failed to create fifty-six (56) new jobs for the Project on or before April 30, 2016.

20. Defendants have failed to maintain fifty-six (56) new jobs for the Project for two years.

21. By letters dated May 3, 2016, June 2, 2016, June 24, 2016, December 2, 2016, and January 5, 2017 the City notified Defendants of the deficiencies alleged in paragraphs 17 through 20, demanded that the defaults be cured, declared the Redevelopment Agreement to be in default, and demanded return of the Grant in the amount of \$210,549.99. True and correct copies of the letters dated May 3, 2016, June 2, 2016, June 24, 2016, December 2, 2016, and January 5, 2017 are attached hereto as “Composite Exhibit D” and are incorporated herein by this reference.

22. All conditions precedent to the maintenance of this action have occurred, have been satisfied, or have otherwise been waived.

**COUNT I**  
**Breach of Contract**

23. The City realleges the allegations of paragraphs 1 through 22 and incorporates them herein by this reference.

24. This is an action for breach of the Redevelopment Agreement.

25. Defendants have breached the Redevelopment Agreement by:

a. Failing to create fifty-six (56) new jobs for the Project on or before April 30, 2016;

b. Failing to maintain fifty-six (56) new jobs for the Project for at least two years; and

c. Failing to submit annual audited financial statements for the years 2014 and 2015.

26. The City has been damaged by Defendants' breach of the Redevelopment Agreement.

WHEREFORE, the City requests the entry of a money judgment against Defendants, jointly and severally, together with pre- and post-judgment interest at the applicable rates and costs.

DATED this 7th day of February, 2017.

**OFFICE OF GENERAL COUNSEL**

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*Jacksonville*  
Where Florida Begins.

**Northwest Jacksonville  
Economic Development Fund  
REDEVELOPMENT AGREEMENT**

**BY AND BETWEEN THE**

**CITY OF JACKSONVILLE,**

**AND**

**KJB SPECIALTIES, INC.**

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COMPOSITE EXHIBIT A

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## REDEVELOPMENT AGREEMENT

THIS REDEVELOPMENT AGREEMENT (the "Agreement") is made this 21 day of June, 2011 (the "Effective Date"), between the CITY OF JACKSONVILLE, a Florida municipal corporation (the "City"), and KJB SPECIALTIES, INC., a Florida corporation (the "Company").

### Article 1.

#### PRELIMINARY STATEMENTS

##### 1.1 The Project.

The Company has submitted a proposal to the Housing and Neighborhoods Department of the City of Jacksonville ("H&N") (the "Proposal") to renovate an existing facility near the intersection of Commonwealth and Edison Streets, as more particularly described on **Exhibit A**, attached hereto (hereinafter sometimes referred to as the "Property" or the "Project Parcel"). The improvements to be constructed on the Property are described on **Exhibit B** attached hereto (the "Improvements"). The Improvements and the obligations of the Company under this Agreement are collectively referred to herein as the "Project." The Project will be accomplished by purchasing the Project Parcel with its existing building containing approximately 34,238 square feet of interior space and renovating the building to accommodate the needs of a food manufacturing operation, and purchasing the necessary machinery and equipment to manufacture proprietary barbeque sauces, seasonings and fully cooked meat products. The Project's costs will consist of an estimated total private capital investment of \$2,430,000.00 by the Company (the "Private Capital Investment") and funding from the Northwest Jacksonville Economic Development Fund in the amount of \$640,000.00, which will consist of a Loan in the amount of \$380,000.00 and a Grant in the amount of a sum not to exceed \$260,000.00.

##### 1.2 Authority.

Pursuant to City Ordinance 2006-356-E, amending Section 110.383, *Ordinance Code of the City of Jacksonville (the "Ordinance Code")*, the Neighborhood Services Division of H&N has been charged with the responsibility for developing and administering redevelopment projects that are funded by the Northwest Jacksonville Economic Development Fund ("NWJEDF"), which do not include the projects described in Section 13 of the Ordinance, which remain the responsibility of the Jacksonville Economic Development Commission.

The City Council has authorized execution of this Agreement pursuant to City Ordinance 2011-290 (the "Ordinance").

##### 1.3 City

The City has determined that the Project is consistent with the goals of the City in that the Project will, among other things:

- Assist an existing family-owned Jacksonville based business to expand;

- Increase the private capital investment in the Northwest Area (the "Target Area");
- Support sustainable job growth by creating 56 new full-time manufacturing jobs with an average annual wage of \$24,800.00; and
- Promote and leverage investment in economically distressed areas.

**1.4 Jacksonville Small and Emerging Business Program.**

As more fully described in City Ordinance 2004-602-E, the City has determined that it is important to the economic health of the community that whenever a company receives incentives from the City, that company provides contracting opportunities to the maximum extent possible to Small and Emerging Businesses in Duval County as described in Section 7.1 of this Agreement.

**1.5 Coordination by City.**

The City hereby designates the Director of H&N or her designee to be the Project Coordinator who will, on behalf of the City, coordinate with the Company and administer this Agreement according to the terms and conditions contained herein and in the Exhibit(s) attached hereto. It shall be the responsibility of the Company to coordinate all Project-related activities with the designated Project Coordinator.

**1.6 Maximum Indebtedness.**

The "Maximum Indebtedness" of the City for all fees, reimbursable items or other costs associated with the Project and this Agreement shall not exceed the sum of \$640,000.00.

**1.7 Availability of Funds.**

The City's obligations under this Agreement are contingent upon the availability of lawfully appropriated funds for the Project under the terms of this Agreement.

**Article 2.  
DEFINITIONS**

As used in this Agreement, the following terms shall have the meaning set opposite each:

**2.1 City Council.** The body politic, as the same shall be from time to time constituted, created and acting as the legislative body of the City government pursuant to the City's Charter.

**2.2 Company.** KJB Specialties, Inc., a Florida corporation ..

**2.3 Improvements.** All of the improvements that are incorporated into the Project on the Project Parcel, as defined in Section 1.1 hereof.

**2.4 Housing and Neighborhoods Department.** The City's Housing and Neighborhoods Department and any successor to its duties and authority.

**2.5 New Jobs.** Permanent jobs new to the City and the State.

**2.6 NWJEDF Advisory Board** The Northwest Jacksonville Economic Development Fund Advisory Board and any successor to its duties and authority.

**2.7 Permanent Jobs.** Full-time or equivalent jobs created by the Company at the Project Parcel to be maintained for a minimum of two (2) years.

**Article 3.**

**APPROVALS AND PERFORMANCE SCHEDULES**

**3.1 Performance Schedule.**

The Company and H&N have jointly established the following dates for the performance of each Party's respective obligations under this Agreement (herein called the "Performance Schedule"):

Start of Construction of the Project: On or before **June 1, 2011**

Completion of Construction of the Project: On or before **May 31, 2012**

The City and the Company have approved this Performance Schedule. By its execution hereof, and subject to the terms of this Agreement, the Company hereby agrees to undertake and complete the construction and development of the Project in accordance with this Agreement and the Performance Schedule, and to comply with all of the Company's obligations set forth herein. By the execution of this Agreement, and subject to the terms of this Agreement, the City hereby agrees to complete those acts to be performed by the City within the dates established by the Performance Schedule.

**3.2 Approval of Agreement.**

By the execution hereof, the Parties certify as follows:

(a) Company certifies that:

- (i) The execution and delivery hereof has been approved by all parties whose approval is required under the terms of the governing documents creating the particular Company entity;
- (ii) This Agreement does not violate any of the terms or conditions of its governing documents and the Agreement is binding upon the Company and enforceable against it in accordance with its terms;
- (iii) The person or persons executing this Agreement on behalf of the Company is/are duly authorized and fully empowered to execute the same for and on behalf of the Company; and

- (iv) The Company is duly formed in the State of its formation and is authorized to transact business in the State of Florida and has received all necessary permits and authorizations required by appropriate governmental agencies as a condition to doing business in the State of Florida; and
  - (v) The Company, its business operations, and each person or entity composing the Company are in compliance with all federal, state and local laws.
- (b) H&N certifies that the execution and delivery hereof has been approved at a duly convened meeting of the NWJEDF Advisory Board.
  - (c) The City certifies that the execution and delivery hereof is binding upon the City to the extent provided herein and enforceable against it in accordance with its terms.

**Article 4.  
THE DEVELOPMENT**

**4.1 Scope of Development.**

- (a) The Company shall construct and develop or cause to be constructed and developed, in substantial compliance with the times set forth in the Performance Schedule, all Improvements which the Company is obligated to construct and develop under the Performance Schedule and this Agreement.
- (b) The Company shall construct all Improvements in accordance with all applicable building and permitting codes.

**4.2 Cost of Development.**

Except as otherwise set forth in this Agreement, the Company shall pay the cost of constructing and developing the Improvements at no cost to the City.

**4.3 Approval by Other Governmental Agencies.**

All of the parties' respective rights and obligations under this Agreement are subject to and conditioned upon approval of the Project and all Project Documents by such other governmental agencies, whether state, local or federal, as have jurisdiction and may be required or entitled to approve them. Notwithstanding any provision of this Agreement to the contrary, neither the City nor the Northwest Jacksonville Economic Development Fund Advisory Board guarantees approval of this Agreement or any aspect of the Project by any government authorities and agencies that are independent of the City.

**4.4 Authority of Housing and Neighborhoods Department to Monitor Compliance.**

During all periods of design and construction, the Director of H&N and the City's Director of Planning and Development shall have the authority to monitor compliance by the Company with the provisions of this Agreement and the Project documents. Insofar as practicable, H&N shall coordinate such monitoring and supervising activity with those undertaken by the City so as to minimize duplicate activity. To that end, during the period of construction and with prior notice to the Company, representatives of H&N and the City shall have the right of access to the Project Parcel and to every structure on the Project Parcel during normal construction hours for purposes of periodic inspection and verification of work completion.

**4.5 Timing of Completion.**

The Project Improvements shall be completed substantially in accordance with the terms of this Agreement and the Performance Schedule.

**4.6 Construction and Operation Management.**

Except as otherwise expressly provided herein, the Company shall have discretion and control, free from interference, interruption or disturbance, in all matters relating to the management, development, redevelopment, construction and operation of the Project, provided that the same shall, in any event, conform to and comply with the terms and conditions of this Agreement and all applicable state and local laws, ordinances and regulations, including, without limitation, applicable zoning, subdivision, building and fire codes. The Company's discretion, control and authority with respect thereto shall include, without limitation, the following matters:

- (a) The construction and design of the Project, subject to the express terms and conditions of this Agreement;
- (b) The selection, approval, hiring and discharge of engineers, architects, contractors, subcontractors, professionals and other third parties (collectively the "Vendors") on such terms and conditions as the Company deems appropriate; provided however, that to the extent that the City furnishes to the Company the names and identities of Jacksonville-based Vendors, including, without limitation, Jacksonville-based minority Vendors, and to the extent that Company has the need to enter into contracts with Vendors outside of persons employed by Company or companies affiliated with or controlled by Company or its principals, then Company agrees to include all such Jacksonville-based Vendors in the process established by Company for obtaining bids for any of the Improvements;
- (c) The negotiation and execution of contracts, agreements, easements and other documents with third parties, in form and substance satisfactory to Company; and
- (d) The preparation of such budgets, cost estimates, financial projections, statements, information, and reports as the Company deems appropriate.



#### **4.7 Prohibited Use; Encumbrance Recording**

The Company agrees to record an encumbrance on the Property prohibiting the use of the Property for the uses set forth on Exhibit C, attached hereto, for the term of the grant or loan, unless the funds were used for infrastructure, in which case the encumbrance shall run with the title to the Property.

### **Article 5. NWJEDF GRANT**

#### **5.1 Disbursement of Funds**

The City shall make a NWJEDF Grant to Company in an amount not to exceed \$260,000.00 (the "Grant") for the Improvements more particularly described in Exhibit B, attached hereto. The City's obligation to make the Grant is subject to the terms and conditions of this Agreement. The Company will pay the costs of Improvements exceeding the amount of the Grant. City money shall be the last money used toward the Project. Should the final project costs be less than \$2,900,000.00, the Grant and/or the Loan Amount shall be proportionally reduced, in accordance with the "NWJEDF Guidelines and Processes", dated May 22, 2007, as set forth in City Ordinance 2007-281 (the "Fund Guidelines"), so that the total funding from the NWJEDF shall not exceed twenty-five percent (25%), and the grant shall not exceed ten percent (10%), of the final eligible project costs as approved by the Housing & Neighborhoods Department. The Housing and Neighborhoods Department designee with oversight responsibility shall confirm the Company's required contribution prior to any disbursement of Grant funds.

#### **5.2 Payment of NWJEDF Grant**

The City's obligation to pay the NWJEDF Grant to Company is conditioned upon prior occurrence of the following:

- (a) The Company, the Company's general contractor or the Company's construction lender shall submit paid invoices, contractor's affidavits and/or paid receipts that are acceptable to and approved by H&N.
- (b) All property taxes on the Project and the Project Parcel must be paid current.
- (c) The Company must furnish to H&N evidence satisfactory to H&N that the Company has caused the completion of the Project, including the Improvements contemplated by this Agreement, in accordance with all applicable building permits. Upon receipt of the paid invoices, contractor's affidavits, mechanic's lien releases and/or other evidence, including, without limitation, site inspections and inspection reports that may be required in the discretion of the City or H&N, the Company, the Company's general contractor or the Company's construction lender will be paid by a check from the City.

- (d) Additionally, Company shall take all action necessary to have any construction, mechanic's and materialman's liens, judgment liens or other liens or encumbrances filed against the Property released or transferred to bond within ten (10) days of the date Company receives notice of the filing of such liens or encumbrances. If any such lien or encumbrance is filed, the City shall not be required to make any disbursement of the NWJEDF Grant funds until such lien or encumbrance is bonded over or removed and the City receives a copy of the recorded release. The City shall not be obligated to disburse any of the NWJEDF Grant funds to the Company if, in the opinion of the City, any such disbursement, or the Project or the Project Parcel, would be subject to a construction, mechanic's or materialman's lien or any other lien or encumbrance other than inchoate construction liens. Company shall be fully and solely responsible for compliance in all respects whatsoever with the applicable construction, mechanics' and materialmen's lien laws.

### **5.3 Further Disclaimer**

The Grant shall not be deemed to constitute a debt, liability or obligation of the City or of the State of Florida or any political subdivision thereof within the meaning of any constitutional or statutory limitation, or a pledge of the faith and credit or taxing power of the City or the State of Florida or any political subdivision thereof, but shall be payable solely from the funds provided for in this Article 5. The City shall not be obligated to pay the Grant or any installment thereof except from the non-ad valorem revenues or other legally available funds provided for that purpose, and neither the faith and credit nor the taxing power of the City or of the State of Florida or any political subdivision thereof is pledged to the payment of the Grant or any installment thereof. The Company, and any person, firm, or entity claiming by, through or under the Company, or any other person whomsoever, shall never have any right, directly or indirectly, to compel the exercise of the ad valorem taxing power of the City or of the State of Florida or any political subdivision thereof for the payment of the Grant or any installment thereof.

## **Article 6.**

### **NWJEDF LOAN**

#### **6.1 Terms and Conditions**

For the Improvements more particularly described in **Exhibit B**, attached hereto, the City shall make a NWJEDF Loan to the Company, in an amount not to exceed \$380,000.00, (the "Loan") upon the following terms and conditions:

- (a) **Conditions Precedent:** The City's obligation to make the Loan to the Company is conditioned upon the prior occurrence of the following:
- (i) The Company must promptly furnish H&N evidence satisfactory to it that the Company has acquired fee simple title to the Project Parcel and applicable permits have been issued.

- (ii) All property taxes on the Project and the Project Parcel must be current.
- (iii) Additionally, Company shall take all action necessary to have any construction, mechanics' and materialmen's liens, judgment liens or other liens or encumbrances recorded against the subject property released or transferred to bond within ten (10) days of the date Company receives notice of the recording of such liens or encumbrances. If any such lien or encumbrance is filed, the City shall not be required to make any disbursement of the Loan funds until such lien or encumbrance is bonded over or removed and the City receives a copy of the recorded release. The City shall not be obligated to disburse any of the Loan funds to the Company if, in the opinion of the City, any such disbursement, or the Project or the Project Parcel, would be subject to a construction, mechanics' or materialmen's lien or any other lien or encumbrance other than inchoate construction liens. Company shall be fully and solely responsible for compliance in all respects whatsoever with the applicable construction, mechanics' and materialmen's lien laws.
- (iv) Release of City funds shall be pursuant to a Draw Schedule approved by the City as set forth in Section 6.1(i), below. The City shall have received all the invoices, contractor's affidavits, mechanic's lien releases and/or other evidence, including, without limitation, site inspections, inspection reports, and satisfactory approvals by the primary lender or their representative that may be required in the discretion of the City or H&N.
- (v) All outstanding principal and accrued interest on the Loan shall be due and payable upon the sale or transfer of the Project or the Project Parcel.
- (vi) Additional conditions as specified by the NWJEDF Advisory Board. Specifically:
  - (1) City's Office of General Counsel to review and approve primary lender's loan documents
  - (2) AIA contract or acceptable maximum price contracts for the renovation work
  - (3) Contract from the third-party equipment supplier
  - (4) Legal review of newly formed ownership structure by the City's Office of General Counsel
  - (5) Proof of funding commitment from the primary lender
- (b) **Amount:** The principal amount of the NWJEDF Loan will be \$380,000.00.
- (c) **Use of Proceeds:** The proceeds of the NWJEDF Loan shall be used in connection with the construction of the Project located at the Project Parcel, as more specifically described in Exhibit B. The Company will pay the costs of the Improvements exceeding the amount of the NWJEDF Loan.

- (d) **Interest Rate:** Interest shall accrue and be paid on the outstanding balance of the NWJEDF Loan at three percent (3%) per annum. The loan documents shall provide that, from and after the occurrence of any event of an uncured default under the loan documents, the NWJEDF Loan shall accrue interest at the highest rate then permissible under Florida law.
- (e) **Priority:** The NWJEDF Loan will be secured by a Second Priority Mortgage in the amount of the NWJEDF Loan.
- (f) **Terms of Repayment:** The term of the NWJEDF Loan shall be twenty-five (25) years. The interest rate shall be three percent (3%) per annum. Interest only payments for 18 months from construction completion, then fully amortizing over the remaining 23.5 years. Interest only payments in the approximate amount of \$950.00 per month shall commence one (1) month from the date of the final disbursement of Loan funds. Regular amortizing payments of principal and interest in the approximate amount of \$1,880.00 will commence with the nineteenth (19<sup>th</sup>) monthly payment and shall continue until loan maturity. Monthly loan payments shall be due and payable on the first day of each month thereafter in accordance with the amortization schedules attached hereto as **Exhibit G1 and G2**. The City shall update the Amortization Schedule with respect to the loan payment dates shown thereon at the time of final disbursement of the NWJEDF Loan and provide the Company with a copy of the same. Principal plus any and all remaining accrued and unpaid interest will be due in full at maturity.
- (g) **Collateral:** The NWJEDF Loan shall be secured by a second priority mortgage (the "Mortgage") in favor of the City, a promissory note, security agreement, collateral assignment of leases and rents, and mortgage/lien on the machinery, equipment, furniture, fixtures and in subordinate lien position to the primary lender on all other collateral being required to be pledged on the Loan and such other loan documents as may be required by the City or its counsel.
- (h) **Appraisal:** Disbursement of the NWJEDF Loan shall be conditioned upon receipt by the City of an appraisal of the Real Property, reflecting the "as-built" valuation, satisfactory to the Primary Lender and the City which renders a permissible loan to value ratio for the aggregate amount of all loans secured by a mortgage on the Real Property.
- (i) **Loan Disbursements:** Draws shall be made as follows:
- (i) Loan proceeds will be disbursed to Company for the proposed renovations to the Project Site in no more than three (3) separate payments, provided that Company provides or causes to be provided detailed specifications regarding the work completed on the Project. The specifications shall be reasonably satisfactory to the City and H&N.

- (ii) The draw schedule for the project is detailed in **Exhibit H** attached hereto. Company may request the first payment of not more than \$80,000.00 at closing. The second through sixth payment request(s) shall be for \$50,000.00 and shall be made upon completion of at least \$453,333.00 of the work, for each payment requested, in accordance with the specifications and upon receipt by the Housing and Neighborhoods Department of invoices and receipts acceptable to the City and the Housing and Neighborhoods Department evidencing the completion of such work. The seventh and final payment request shall be for up to the undisbursed amount of the NWJEDF Loan and shall be made upon completion of the Project as described and detailed more particularly on **Exhibit B** attached hereto. Before the final Draw is disbursed, the Company and H&N shall have the right to prepare or request a “punch list” of specific items that have not been completed in accordance with specifications or to the City’s satisfaction, and H&N shall have the right to require completion of the punch list items prior to the disbursement of the final Draw.
- (iii) The payment request must be made on standard AIA forms, prepared and certified by a Florida licensed general contractor, or City shall have received paid invoices, contractor’s affidavits, construction and mechanic’s lien releases and/or other evidence, including, without limitation, site inspections and inspection reports that may be required in the discretion of the City or H&N. H&N shall have the right to certify the work completed, as evidenced on a payment request, by use of City or H&N staff or an independent contractor or inspector.

**6.2 Loan Documents**

- (a) All documentation relating to the Loan shall be prepared by counsel for the City and shall contain such representations, warranties, covenants, conditions (e.g., a due on sale clause), events of default, rights, remedies and other terms in addition to those specifically set forth herein as the City deems reasonably necessary or appropriate and shall otherwise be satisfactory in all respects to the City and its Office of General Counsel.
- (b) The loan documents shall include such audited and unaudited financial reporting requirements for the Company and/or the Project as the City may require.

**6.3 Additional Requirements** In addition to the above, the following conditions must be met prior to the City’s funding of the transactions contemplated herein:

- (a) The Company shall have provided surveys, proof of ownership, evidence of permitting and all necessary governmental approvals, including, but not limited

to, a certificate of occupancy or completion, related to the development and renovation of the Project in a form acceptable to the City.

(b) The Company shall provide the City with any and all documents requested by the City, at Company's expense, including, without limitation, the following documents at or before closing on the NWJEDF Loan:

- (i) Mortgage and Security Agreement;
- (ii) Promissory Note;
- (iii) Collateral Assignment of Rents and Leases;
- (iv) Collateral Assignment of Contracts, Licenses and Permits;
- (v) Borrower's Title Affidavit;
- (vi) Environmental Agreement;
- (vii) Borrower's Certificate
- (viii) Anti-Coercion Statement;
- (ix) Agreement to Provide Insurance;
- (x) Guaranties of Payment
- (xi) Title Commitment insuring City's mortgage, subject only to standard exceptions and the First Priority Mortgage (if recorded);
- (xii) Copies of any existing leases;
- (xiii) Survey certified to Lender;
- (xiv) Environmental Phase I certified to Lender;
- (xv) Appraisal;
- (xvi) Licenses, permits, operating contracts;
- (xvii) Evidence of insurance with City listed as additional insured and loss payee;
- (xviii) Opinion of Borrower's Counsel; and
- (xix) Any other documents or reports requested by the City.

#### **6.4 Fees and Costs**

The Company shall pay all of the City's fees, expenses and costs in connection with the documentation, closing, underwriting, administration and collection of the NWJEDF Loan, whether or not the transaction contemplated herein is consummated. Such costs include, without limitation, all attorney's fees and costs, filing fees, title review, intangible tax, recording fees, title, site inspection, survey, letter of credit fees and documentary stamp taxes, if any, which are incurred in connection with this Agreement or the negotiation, documentation and/or closing of the transaction contemplated by this Agreement, whether or not such transaction is closed.

#### **6.5 Closing Conditions**

Prior to making any disbursement under the NWJEDF Loan, the City shall receive, at the Company's expense, such additional items in form and substance satisfactory to the City and its counsel as deemed necessary or appropriate, including, without limitation, evidence that the Project has been and will be operated in accordance with all applicable environmental laws and regulations. The loan documents governing the NWJEDF Loan will include, without limitation, such environmental representations, warranties, indemnities and other provisions as the City may reasonably require.

#### **6.6 Prepayment**

The Loan may be repaid in full or in part without penalty at any time and the repayment funds shall be re-deposited in the Northwest Jacksonville Economic Development Fund.

#### **6.7 Termination**

At the Loan Closing, the Company shall certify to the City that none of the events listed below have occurred, and the City may, at its option, terminate the funding of the transaction contemplated hereunder by written notice to the Company, at the address set forth in Section 11.5 of this Agreement, upon:

- (a) The commencement by or against the Company, any Guarantor or any affiliate of any bankruptcy, insolvency or similar proceedings.
- (b) The Company's, any Guarantor's or any affiliate's assignment for the benefit of its, his or her creditors, or admission in writing of its, his or her inability to pay its, his or her debts as they become due.
- (c) Any change in the financial condition of the Project, the Company, any Guarantor or any affiliates which is, in the sole discretion of the City, material and adverse.

- (d) If any statement or representation made by the Company or any Guarantor, or related to the Project in connection with or in support of the NWJEDF Loan, shall prove untrue in any material respect.
- (e) Default by the Company or any Guarantor in the performance of any other material covenant, condition or agreement set forth in this Agreement.
- (f) Any default by the Company, any Guarantor, or any affiliates under any other obligation owed by any of them to the City.

Any termination shall not affect the City's rights to enforce the provisions of this Agreement regarding costs and expenses or indemnification. All such rights shall survive any such termination.

#### **6.8 Limitation on Damages**

The Company hereby acknowledges and agrees that the Company's damages for any failure by the City to fund the NWJEDF Loan contemplated in this Agreement shall be limited to Zero Dollars (\$0.00).

#### **6.9 Further Disclaimer**

The NWJEDF Loan shall not be deemed to constitute a debt, liability or obligation of the City or of the State of Florida or any political subdivision thereof within the meaning of any constitutional or statutory limitation, or a pledge of the faith and credit or taxing power of the City or the State of Florida or any political subdivision thereof, but shall be payable solely from the funds provided therefor in this Article 6. The City shall not be obligated to pay the NWJEDF Loan or any installment thereof except from the non-ad valorem revenues or other legally available funds provided for that purpose, and neither the faith and credit nor the taxing power of the City or of the State of Florida or any political subdivision thereof is pledged to the payment of the NWJEDF Loan or any installment thereof. The Company, and any person, firm, or entity claiming by, through or under the Company, or any other person whomsoever, shall never have any right, directly or indirectly, to compel the exercise of the ad valorem taxing power of the City or of the State of Florida or any political subdivision thereof for the payment of the NWJEDF Loan or any installment thereof.



**Article 7.**

**JSEB PROGRAM, COMMUNITY SERVICE COMMITMENT  
AND JOB CREATION COMMITMENT**

**7.1 Jacksonville Small and Emerging Businesses (JSEB) Program.**

The Company, in further recognition of and consideration for the public funds provided to assist the Company pursuant to this Agreement, hereby acknowledges the importance of affording to small and emerging vendors and contractors the full and reasonable opportunity to provide materials and services ("Opportunity"). Therefore, the Company hereby agrees as follows:

- (a) The Company shall obtain from the City's Procurement Division the list of certified Jacksonville Small and Emerging Businesses ("JSEB"), and shall exercise good faith, in accordance with Municipal Ordinance Code Sections 126.601, et seq., to enter into contracts with City certified JSEBs to provide materials or services in an aggregate amount of not less than \$72,200.00 which amount represents 19% of the City's maximum contribution to the Project under the Loan with respect to the development activities or operations of the Project over the term of this Agreement.
- (b) The Company shall submit JSEB report(s) regarding the Company's actual use of City certified JSEBs on the Project, (i) on the date of any request for City funds which are payable prior to the Completion of Construction, (ii) upon Completion of Construction, and, (iii) if the Company has not reached its goal for use of JSEBs set out in Section 7.1 prior to Completion of Construction, quarterly thereafter until said goal is reached. The form of the report to be used for the purposes of this section is attached hereto as Exhibit D (the "JSEB REPORTING FORM").

**7.2 Community Service Commitment.**

The Company has actively participated in the community service activities more particularly described on Exhibit E attached hereto. The Company agrees that, during the term of this Agreement, the Company shall continue to participate in community service activities of the type set forth on Exhibit E.

**7.3 Job Creation Commitment.**

The Project will result in the creation of at least fifty-six (56) permanent Jobs new to the City and the State ("New Jobs") at the Project Parcel within 36 months of completion of the Project. Furthermore, the fifty-six (56) new jobs created during this time period must be maintained by the Company for at least 24 months beyond the job creation target date.

## Article 8.

### REPORTING REQUIREMENTS

#### 8.1 Financial Statements

(a) The Company shall submit to the Housing and Neighborhoods Department on an annual basis during the term of this Agreement, beginning with the year ending December 31, 2010, audited year-end financial statements conducted in accordance with both GAAS and Government Auditing Standards (GAS), and (only if applicable) the Office of Management and Budget Circular A-133, "Audits of Institutions of Higher Education and Other Nonprofit Organizations". Guarantors shall submit personal financial statements as well as applicable federal tax returns. The financial information required hereunder shall be delivered to the Department of Housing and Neighborhoods no later than one hundred twenty (120) days after the close of the Company's fiscal year and forty five (45) days after Guarantors file their U.S. Income Tax Returns.

#### 8.2 Jobs

The Company shall submit to the Housing and Neighborhoods department, annual reports regarding the Jobs retained and created. These reports shall continue until all terms of employment as described in Section 7.3 above have been met or exceeded by the Company. A sample of the general form of this report is attached hereto as Exhibit F.

## Article 9.

### DEFAULTS AND REMEDIES

#### 9.1 General.

A default shall consist of the breach of any covenant, agreement, representation, provision, or warranty contained in (i) this Agreement (including, but not limited to, any failure to meet the reporting requirements described herein), (ii) the documents executed in connection with the Agreement and any other agreement between the City and the Company related to the Project, or (iii) any document provided to the City or the Housing and Neighborhoods Department relating to the Project (collectively, the "Documents"). A default shall also exist if any event occurs or information becomes known which, in the reasonable judgment of the City, makes untrue, incorrect or misleading in any material respect any statement or information contained in any of the documents described in clauses 9.1(i) through 9.1(iii) inclusive, above, or causes such document to contain an untrue, incorrect or misleading statement of material fact or

to omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. Additionally, a default shall exist for the following: non-payment of property taxes; sale/assignment of Project or Project Parcel; misuse/ineligible expenditure of NWJEDF Loan/Grant funds, failure to meet reporting requirements; and, required/pledged capital investment not made.

If any such default or breach occurs under this Agreement, the City may at any time or from time to time proceed to protect and enforce all rights available to the City under this Agreement by suit in equity, action at law or by any other appropriate proceeding whether for specific performance of any covenant or agreement contained in this Agreement, or damages, or other relief, or proceed to take any action authorized or permitted under applicable laws or regulations. Except for any reporting default, the City shall not act upon a default until it has given the Company written notice of the default and 15 business days within which to cure the default. However, if any default cannot reasonably be cured within the initial 15 business days, Company shall have a total of 45 days in which to cure such default, so long as Company has commenced and is diligently proceeding to cure such default within the initial 15-day period. Notwithstanding the foregoing, Company shall immediately and automatically be in default, and the City shall not be required to give Company any notice or opportunity to cure such default (and thus the City shall immediately be entitled to act upon such default), upon the occurrence of any of the following:

- (a) The entry of a decree or order by a court having jurisdiction adjudging the Company or any Guarantor of Company's obligations hereunder or under the Documents, a bankrupt or insolvent, or approving as properly filed a petition seeking reorganization, arrangement, adjustment or composition of or in respect of the Company or Guarantor under the United States Bankruptcy Code or any other applicable federal or state law, or appointing a receiver, liquidator, custodian, assignee, or sequestrator (or other similar official) of the Company or Guarantor or of any substantial part of its property, or ordering the winding up or liquidation of its affairs; and the continuance of any such decree or order unstayed and in effect for a period of 90 consecutive days; and
- (b) The institution by Company or Guarantor of proceedings to be adjudicated a bankrupt or insolvent, or the consent by it to the institution of bankruptcy or insolvency proceedings against it, or the filing by it of a petition or answer or consent seeking reorganization or relief under the United States Bankruptcy Code or any other similar applicable federal or state law, or the consent by it to the filing of any such petition or to the appointment of a receiver, liquidator, custodian, assignee, trustee or sequestrator (or other similar official) of the Company or Guarantor or of any substantial part of its property, or the making by it of an assignment for the benefit of creditors, or the admission by it in writing of its inability to pay its debts generally as they become due.

## 9.2 Specific Default Remedy

Additionally, for any of the specific events of default described in Section 9.1, above, the parties agree that the City's damages recoverable from the Company shall include, but not be limited to, the following:

- (a) **NWJEDF Grant:** In the event the Company sells, leases, or otherwise transfers the Project or Project Parcel (the "Sale") during the first five (5) years after disbursement of the Grant, the City shall be entitled to reimbursement based on a declining scale (e.g. 100% first year, 20% during the 5<sup>th</sup> year). Thus, the City shall be reimbursed in the amount of:
- (i) \$260,000.00, if the Sale occurs within 12 months after disbursement of the NWJEDF Grant;
  - (ii) \$208,000.00, if the Sale occurs after 12 months but within 24 months of disbursement of the NWJEDF Grant;
  - (iii) \$156,000.00, if the Sale occurs after 24 months but within 36 months of disbursement of the NWJEDF Grant;
  - (iv) \$104,000.00, if the Sale occurs after 36 months but within 48 months of disbursement of the NWJEDF Grant;
  - (v) \$52,000.00 if the Sale occurs after 48 months but within 60 months of disbursement of the NWJEDF Grant.
- (b) **Job Retention:** In the event the Company fails to create 56 New Jobs on or before May 31, 2015, and to maintain the New Jobs for two years, the Company shall repay to the City a portion of the NWJEDF Grant in the amount of \$4,443.00 per job below the targeted 56 jobs.

Liens for Company's failure to pay any of the repayments required by this Section shall be filed by City against the Project and Project Parcel and recorded in the current public records of Duval County, Florida.

- (c) **NWJEDF Loan:** In the event the Company sells, leases or transfers the Project or Project Parcel (the "Sale") during the term of the NWJEDF Loan, the NWJEDF Loan shall be due and payable at the closing of the Sale.

The maximum combined repayment due under this Section 9.2 shall not exceed the total amount actually paid to the Company under this Agreement.

## Article 10.

## **ANTI-SPECULATION AND ASSIGNMENT PROVISIONS**

### **10.1 Purpose.**

The Company represents and agrees that its undertakings pursuant to this Agreement are for the purpose of developing the Project Parcel pursuant to this Agreement, and not for speculation in land holding. The Company further recognizes, in view of the importance of the development of the Project Parcel to the general health and welfare of the City, that the qualifications, financial strength and identity of the principal shareholders and executive officers of the Company are of particular concern to the City and the NWJEDF Advisory Board.

### **10.2 Assignment; Limitation on Conveyance.**

The Company shall be allowed to transfer all interest in the Project to a Florida legal entity yet to be formed that will function as the operating entity (the "Operating Entity"). The Operating Entity shall be owned and controlled by combination of KJB Specialties, Inc., Jerome Brown and/or any member of the Jerome Brown family. Following that assignment, the Company agrees that, until the later (latest) of (a) substantial completion of the Project, (b) payment in full of the NWJEDF Grant, or (c) repayment of the NWJEDF Loan by Company to the City, it shall not, without the prior written consent of the City, assign, transfer or further convey or encumber (i) the Project or any portion thereof, (ii) the Project Parcel or any portion thereof, (iii) this Agreement or any provision hereof, or (iv) a controlling interest in the Company. If any such prohibited assignment, transfer or conveyance is made, the obligation of the City to pay any further amounts under the NWJEDF Grant shall immediately terminate. Furthermore, the City shall be entitled to recover from the Company the amount by which the consideration paid or payable to the Company for such assignment, transfer or conveyance exceeds the amount paid or payable by the Company to the Housing and Neighborhoods Department in addition to any other amounts available to the City.

**10.3 Guaranties.** The repayment of the Note and Mortgage, if executed by the Operating Entity as defined herein, shall be guaranteed by KJB Specialties, Inc., Jerome Brown and Joann M. Brown, as well as any member of the Jerome Brown family owning any portion of the Operating Entity. If the Operating Entity is never formed and KJB Specialties, Inc. executes the Note and Mortgage, the repayment of the Note and Mortgage shall be guaranteed by Jerome Brown and Joann M. Brown.

## **Article 11.**

### **GENERAL PROVISIONS**

#### **11.1 Non-liability of Northwest Economic Development Trust Fund Advisory Board, Elected Officials or the City.**

No member, official or employee of the NWJEDF Advisory Board, elected official or the City shall be personally liable to the Company or to any Person with whom the Company shall have entered into any contract, or to any other Person, in the event of any default or breach by

the Housing and Neighborhoods Department or the City, or for any amount which may become due to the Company or any other Person under the terms of this Agreement.

**11.2 Retention of Records/Audit**

The Company agrees:

- (a) To establish and maintain books, records and documents (including electronic storage media) sufficient to reflect all income and expenditures of funds provided by the City under this Agreement.
- (b) To retain all client records, financial records, supporting documents, statistical records, and any other documents (including electronic storage media) pertinent to this Agreement for a period of six (6) years after completion of the date of final payment by the City under this Agreement. If an audit has been initiated and audit findings have not been resolved at the end of six (6) years, the records shall be retained until resolution of the audit findings or any litigation which may be based on the terms of this Agreement, at no additional cost to the City.
- (c) Upon demand, at no additional cost to the City, to facilitate the duplication and transfer of any records or documents during the required retention period.
- (d) To assure that these records shall be subject at all reasonable times to inspection, review, copying, or audit by personnel duly authorized by the City.
- (e) At all reasonable times for as long as records are maintained, to allow persons duly authorized by the City full access to and the right to examine any of the Company's contracts and related records and documents, regardless of the form in which kept.
- (f) To ensure that all related party transactions are disclosed to the auditor.
- (g) To include the aforementioned audit, inspection, investigation and record keeping requirements in all subcontracts and assignments.
- (h) To permit persons duly authorized by the City to inspect and copy any records, papers, documents, facilities, goods and services of the Company which are relevant to this Agreement, and to interview any employees and subcontractor employees of the Company to assure the City of the satisfactory performance of the terms and conditions of this Agreement. Following such review, the City will deliver to the Company a written report of its findings and request for development by the Company of a corrective action plan where appropriate. The Company hereby agrees to timely correct all deficiencies identified in the corrective action plan.

**11.3 Non-merger.**

None of the terms, covenants, agreements or conditions set forth in this Agreement shall be deemed to be merged with any deed conveying title to the Project Parcel.

**11.4 Force Majeure.**

No party to this Agreement shall be deemed in default hereunder where such a default is based on a delay in performance as a result of war, insurrection, strikes, lockouts, riots, floods, earthquakes, fires, casualty, acts of God, acts of public enemy, epidemic, quarantine restrictions, freight embargo, shortage of labor or materials, interruption of utilities service, lack of transportation, government restrictions, severe weather and other acts or failures beyond the control or without the control of any party; provided, however, that the extension of time granted for any delay caused by any of the foregoing, in no event shall any of the foregoing excuse any financial liability of a party.

**11.5 Notices.**

All notices to be given hereunder shall be in writing and personally delivered or sent by registered or certified mail, return receipt requested, or delivered by an air courier service utilizing return receipts to the parties at the following addresses (or to such other or further addresses as the parties may designate by like notice similarly sent) and such notices shall be deemed given and received for all purposes under this Agreement three (3) business days after the date same are deposited in the United States mail, if sent by registered or certified mail, or the date actually received if sent by personal delivery or air courier service, except that notice of a change in address shall be effective only upon receipt:

Housing and Neighborhoods Department and City:

Director  
Housing and Neighborhoods Department  
214 N. Hogan Street – Suite 800  
Jacksonville, Florida 32202

With a copy to:

City of Jacksonville  
Office of the General Counsel  
ATTN: Government Operations  
City Hall-St. James Building  
117 West Duval Street, Suite 480  
Jacksonville, Florida 32202

Company:

KJB Specialties, Inc.  
dba Jerome Brown Products  
1551 West Edgewood Avenue  
Jacksonville, FL 32209  
Ms. Joann M. Brown, President

**11.6 Time.**

Time is of the essence in the performance by any party of its obligations hereunder.

**11.7 Entire Agreement.**

This Agreement constitutes the entire understanding and agreement between the parties and supersedes all prior negotiations and agreements between them with respect to all or any of the matters contained herein.

**11.8 Amendment.**

This Agreement may be amended by the parties hereto only upon the execution of a written amendment or modification signed by the parties. Notwithstanding the foregoing, the Director of the Housing and Neighborhoods Department is authorized on behalf of the NWJEDF Advisory Board and the City to approve, in his or her sole discretion, any technical changes to this Agreement. "Technical" changes include, without limitation, non-material modifications to legal descriptions and surveys, ingress and egress, easements and rights of way, and design standards, as long as such modifications do not involve any increased financial obligation or liability to the City or the NWJEDF Advisory Board.

**11.9 Waivers.**

Except as otherwise provided herein, all waivers, amendments or modifications of this Agreement must be in writing and signed by all parties. Any failures or delays by any party in insisting upon strict performance of the provisions hereof, or asserting any of its rights and remedies as to any default, shall not constitute a waiver of any other default or of any such rights or remedies. Except with respect to rights and remedies expressly declared to be exclusive in this Agreement, the rights and remedies of the parties hereto are cumulative, and the exercise by any party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by any other party.

**11.10 Indemnification.**

Company, including its employees, agents and subcontractors, shall indemnify, hold harmless and defend the City and the NWJEDF Advisory Board from and against any loss, claim, action, damage, injury, liability, cost, and expense of whatsoever kind or nature, including, without limitation, attorney's fees and costs, related to any demands, suits and actions of any kind brought against the City or NWJEDF Advisory Board or other damages or losses



incurred or sustained, or claimed to have been incurred or sustained, by any Person or Persons arising out of or in connection with any act or omission of Company, its contractors, subcontractors, agents, officers, employees, representatives, successors or assigns. This indemnification shall survive the termination of this Agreement. The terms "City" and "NWJEDF Advisory Board" as used in this Section 11.10 shall include all officers, board members, City Council members, employees, representatives, agents, successors and assigns of the City and the NWJEDF Advisory Board, as applicable.

**11.11 Insurance.**

The Company agrees to furnish to H&N copies of any insurance policies that the Company carries covering the Project and such policies shall name the City as an additional insured thereunder as its interest may appear.

Without limiting its liability under this Agreement, the Company and its subcontractors shall procure and maintain at their sole expense, during the term of the Agreement, insurance of the types and in the minimum amounts stated below:

<b>SCHEDULE</b>	<b>LIMITS</b>
<b>Workers' Compensation</b> Employers' Liability (including appropriate Federal Acts)	Florida Statutory Coverage \$100,000 Each Accident \$500,000 Disease/Policy Limit \$100,000 Each Employee/Disease
<b>Commercial General Liability</b> (Including Premises Operations and Blanket Contractual Liability)	\$2,000,000 General Aggregate \$2,000,000 Products/Comp. Ops Agg. \$1,000,000 Personal/Advertising Injury \$1,000,000 Each Occurrence \$ 50,000 Fire Damage \$ 5,000 Medical Expenses

(The City of Jacksonville shall be named as an additional insured under all of the above Commercial General Liability coverage)

**Automobile Liability** \$1,000,000 Combined Single Limit  
 (All automobiles- owned, hired or non-owned)

**Professional Liability** \$1,000,000

Professional Liability coverage will be provided on an Occurrence Form or a Claims Made Form with a retroactive date equal to at least the first date of this Agreement and with a three year reporting option beyond the annual expiration date of the policy.

An insurer holding a current certificate of authority pursuant to Chapter 624, Florida Statutes, shall write said insurance. Such insurance shall be endorsed to provide for a waiver of underwriter's rights of subrogation in favor of the CITY. An insurer with an A.M. Best Rating of "A X" or better shall write such Insurance. Prior to commencing any work on the Project, Certificates of Insurance, approved by the City's Division of Insurance & Risk Management and evidencing the maintenance of the required insurance shall be furnished to the CITY. The

certificates shall provide that no material alteration or cancellation, including expiration and non-renewal, shall be effective until thirty (30) days after receipt of written notice by the CITY.

Anything to the contrary notwithstanding, the liability of the Company under this Agreement shall survive and not be terminated, reduced or otherwise limited by any expiration or termination of insurance coverage. Neither approval nor failure to disapprove insurance furnished by the Company shall relieve the Company or its subcontractors from responsibility to provide insurance as required by this Agreement.

#### **11.12 Severability.**

The invalidity, illegality or unenforceability of any one or more of the provisions of this Agreement shall not affect any other provisions of this Agreement, but this Agreement will be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

#### **11.13 Compliance with State and Other Laws.**

In the performance of this Agreement, the Company must comply with any and all applicable federal, state and local laws, rules and regulations, as the same exist and may be amended from time to time. Such laws, rules and regulations include, but are not limited to, Chapter 119, Florida Statutes, (the Public Records Act) and Section 286.011, Florida Statutes, (the Florida Sunshine Law). If any of the obligations of this Agreement are to be performed by a subcontractor, the provisions of this Section 11.13 shall be incorporated into and become a part of the subcontract.

#### **11.14 Non-Discrimination Provisions.**

In conformity with the requirements of Section 126.404, *Ordinance Code*, the Company represents that it has adopted and will maintain a policy of non-discrimination against employees or applicants for employment on account of race, religion, sex, color, national origin, age or handicap, in all areas of employment relations, throughout the term of this Agreement. The Company agrees that, on written request, it will permit reasonable access to its records of employment, employment advertisement, application forms and other pertinent data and records, by the Executive Director of the Community Relations Commission, or successor agency or commission, for the purpose of investigation to ascertain compliance with the non-discrimination provisions of this Agreement; provided however, that the Company shall not be required to produce for inspection records covering periods of time more than one (1) year prior to the day and year first above written. The Company agrees that, if any of its obligations to be provided pursuant to this Agreement are to be performed by a subcontractor, the provisions of this Section 11.14 shall be incorporated into and become a part of the subcontract.

#### **11.15 Contingent Fees Prohibited.**

In conformity with Section 126.306, *Ordinance Code*, the Company warrants that it has not employed or retained any company or person, other than a bona fide employee working solely for the Company, to solicit or secure this Agreement, and that it has not paid or agreed to pay any person, company, corporation, individual or firm, other than a bona fide employee working solely for the Company, any fee, commission, percentage, gift, or any other

consideration, contingent upon or resulting from the award or making of this Agreement. For the breach or violation of these provisions, the City shall have the right to terminate this Agreement without liability and, at its discretion, to deduct from the contract price, or otherwise recover, the full amount of such fee, commission, percentage, gift or consideration.

**11.16 Ethics.**

The Company represents that it has reviewed the provisions of the Jacksonville Ethics Code, as codified in Chapter 602, *Ordinance Code*, and the provisions of the Jacksonville Purchasing Code, as codified in Chapter 126, *Ordinance Code*.

**11.17 Conflict of Interest.**

The parties will follow the provisions of Section 126.110, *Ordinance Code*, with respect to required disclosures by public officials who have or acquire a financial interest in a bid or contract with the City, to the extent the parties are aware of the same.

**11.18 Public Entity Crimes Notice.**

The parties are aware and understand that a person or affiliate who has been placed on the State of Florida Convicted Vendor List, following a conviction for a public entity crime, may not: submit a bid on a contract to provide any goods or services to a public entity; submit a bid on a contract with a public entity for the construction or repair of a public building or public work; submit bids on leases of real property to a public entity; be awarded or perform work as a contractor, supplier, subcontractor, or consultant under a contract with any public entity; or, transact business with any public entity, in excess of \$25,000.00, for a period of thirty-six (36) months from the date of being placed on the Convicted Vendor List.

**11.19 Incorporation by Reference.**

All exhibits and other attachments to this Agreement that are referenced in this Agreement are by this reference made a part hereof and are incorporated herein.

**11.20 Order of Precedence.**

In the event of any conflict between or among the provisions of this Agreement and those of any exhibit attached hereto or of any amendment, the priority, in decreasing order of precedence shall be: 1) any fully executed amendment; 2) provisions in this Agreement; and 3) exhibits to this Agreement.

**11.21 Counterparts.**

This Agreement may be executed in several counterparts, each of which shall be deemed an original, and all of such counterparts together shall constitute one and the same instrument.

**11.22 Independent Contractor.**

In the performance of this Agreement, the Company will be acting in the capacity of an independent contractor and not as an agent, employee, partner, joint venturer or association of the City or the NWJEDF Advisory Board. The Company and its employees or agents shall be

solely responsible for the means, method, technique, sequences and procedures utilized by the Company in the performance of this Agreement.

**11.23 Exemption of City.**

Neither this Agreement nor the obligations imposed upon the Housing and Neighborhoods Department hereunder shall be or constitute an indebtedness of the City within the meaning of any constitutional, statutory or charter provisions requiring the City to levy ad valorem taxes nor a lien upon any properties of the City. Payment of the Grant and/or Loan by the City is subject to the availability of lawfully appropriated funds. If funds are not available pursuant to a lawful appropriation thereof by the City Council, this Agreement shall be void and the City and the Housing and Neighborhoods Department shall have no further obligations hereunder.

**11.24 Parties to Agreement; Successors and Assigns.**

This is an agreement solely between the Housing and Neighborhoods Department, the City and Company. The execution and delivery hereof shall not be deemed to confer any rights or privileges on any person not a party hereto. This Agreement shall be binding upon Company, and Company's successors and assigns, and shall inure to the benefit of the City and the Housing and Neighborhoods Department, and their successors and assigns. However, Company shall not assign, transfer or encumber its rights or obligations hereunder or under any document executed in connection herewith, without the prior written consent of the City and the Housing and Neighborhoods Department, which consent may be withheld in the sole discretion of the City and the Housing and Neighborhoods Department.

**11.25 Venue; Applicable Law.**

The rights, obligations and remedies of the parties specified under this Agreement shall be interpreted and governed in all respects by the laws of the State of Florida. All legal actions arising out of or connected with this Agreement must be instituted in the Circuit Court of Duval County, Florida, or in the Federal District Court for the Middle District of Florida, Jacksonville Division. The laws of the State of Florida shall govern the interpretation and enforcement of this Agreement.

**11.26 Civil Rights.**

The Company agrees to comply with all of the terms and requirements of the Civil Rights Act of 1964, as amended, and the Civil Rights Act of 1968, as amended, and the anti-discrimination provisions of Chapter 126, Part 4, of the City Ordinance Code, and further agrees that in its operation under this Agreement it will not discriminate against anyone on the basis of race, color, age, disability, sex or national origin.

**11.27 Further Assurances.**

Company will, on request of the City or Housing and Neighborhoods Department:

- (a) Promptly correct any defect, error or omission herein or in any document executed in connection herewith (collectively the "Project Documents");
- (b) Execute, acknowledge, deliver, procure, record or file such further instruments and do such further acts deemed necessary, desirable or proper by the City to carry out the purposes of the Project Documents and to identify and subject to the liens of the Project Documents any property intended to be covered thereby, including any renewals, additions, substitutions, replacements, or appurtenances to the subject property;
- (c) Execute, acknowledge, deliver, procure, file or record any documents or instruments deemed necessary, desirable or proper by the City to protect the liens or the security interest under the Project Documents against the rights or interests of third persons; and
- (d) Provide such certificates, documents, reports, information, affidavits and other instruments and do such further acts deemed necessary, desirable or proper by the City to carry out the purposes of the Project Documents.

**11.28 Construction.**

All parties acknowledge that they have had meaningful input into the terms and conditions contained in this Agreement. Company further acknowledges that it has had ample time to review this Agreement and related documents with counsel of its choice. Any doubtful or ambiguous provisions contained herein shall not be construed against the party who drafted the Agreement. Captions and headings in this Agreement are for convenience of reference only and shall not affect the construction of this Agreement.

**11.29 Further Authorizations.**

The parties acknowledge and agree that the Mayor of the City, or his designee, and the City's Corporation Secretary and the Chairman or Executive Director of the Housing and Neighborhoods Department, or their respective designees, are hereby authorized to execute any and all other contracts and documents and otherwise take all necessary action in connection with this Agreement.

IN WITNESS WHEREOF, this Agreement is executed the day and year above written.

ATTEST:



CITY OF JACKSONVILLE

By: [Signature]  
Neil W. McArthur, Jr.  
Corporation Secretary

[Signature]  
John Peyton, Mayor

Date: 6-20-11

WITNESS:

HOUSING AND NEIGHBORHOODS  
DEPARTMENT

[Signature]  
Print Name: JAMES RICHARDSON

By: [Signature]  
Wight Greger, Director

Date: 06/13/11

[Signature]  
Print Name: Alice W. Newman

WITNESS:

KJB SPECIALTIES, INC.

[Signature]  
Print Name: Schou Brown

By: [Signature]  
Name: JAN BROWN

Its: President

Date: June 9, 2011

Print Name: \_\_\_\_\_

Delegated  
Deputy Chief Administrator  
For: Mayor John Peyton  
Under Authority of:  
Executive Order No. 12

IN COMPLIANCE WITH the Charter of the City of Jacksonville, I do certify that there is or will be an unexpended, unencumbered and unimpounded balance in the appropriation sufficient to cover the foregoing Agreement in accordance with the terms and conditions thereof and that provision has been made for the payment of the monies provided therein to be paid.

[Signature]  
Director of Finance

FORM APPROVED:

[Signature]  
Office of the General Counsel

**LIST OF EXHIBITS**

Exhibit A	Legal Description of the Project Parcel
Exhibit B	Improvements
Exhibit C	Ineligible Business Activities
Exhibit D	JSEB Reporting Form
Exhibit E	Community Service
Exhibit F	Jobs Report
Exhibit G	Amortization Schedule

**EXHIBIT A**  
**LEGAL DESCRIPTION OF THE PROJECT PARCEL**



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- 2. [Basic Search](#)
- 3. [Advanced](#)

**Property Appraiser's Office**

Basic Search | Advanced Search

Tangible Search

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[Home](#) > [Offices](#) > [Property Appraiser](#) > Basic Search

1. Search [coj.net](#)



Tip: Collapse sections you do not want to print.

[Refine Search](#) [New Search](#)

COMMONWEALTH & ELLIS LLC	Primary Site Address	Official Record Book	Title
1. 5638 COMMONWEALTH AVE	1. 5638 COMMONWEALTH AVE	Page	6418
3. JACKSONVILLE, FL 32254	2. Jacksonville FL 32254	15060-02446	

5638 COMMONWEALTH AVE

Property Detail

<b>RE #</b>	059189-0200
<b>Tax District</b>	GS
<b>Property Use</b>	4892 WAREHOUSE, DISTRIBUTION
<b># of Buildings</b>	1
<b>Legal Desc</b>	18-2S-26E 3.76 NW1/4 OF NW1/4
<b>Subdivision</b>	00000 SECTION LAND



The sale of this property may result in higher property taxes. For more information go to [Save Our Homes](#) and our [Property Tax Estimator](#).

**In Progress**

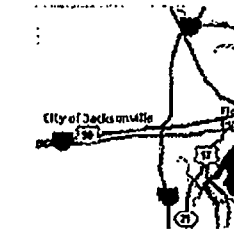
Property values, exemptions and other information listed as 'In Progress' are subject to change. These numbers are part of the 2011 working tax roll and will not be certified until October. [Learn how the Property Appraiser](#)

[Office values property.](#)

**Value Summary**

Value Method	2010 Certified	2011 In Progress
	Income	Income
<b>Total Building Value</b>	\$0.00	\$0.00
<b>Extra Feature Value</b>	\$0.00	\$0.00
<b>Land Value (Market)</b>	\$327,572.00	\$327,572.00
<b>Land Value (Agric)</b>	\$0.00	\$0.00
<b>Just (Market) Value</b>	\$845,143.00	\$1,005,000.00
<b>Assessed Value</b>	\$845,143.00	\$929,657.00
<b>Cap Diff/Portability Amt</b>	\$0.00 / \$0.00	\$75,343.00 / \$0.00
<b>Exemption</b>	\$0.00	See below
<b>Taxable Value</b>	\$845,143.00	See below

JaxGIS Map [map this property](#)



**☑ Taxable Values and Exemptions - In Progress**

If there are no exemptions applicable to a taxing authority, the Taxable Value is the same as the Assessed Value listed above in the Value Summary box.

No applicable exemptions	No applicable exemptions
--------------------------	--------------------------

School
Taxable Value
No applicable exemptions

**☑ Sales History**

Book/Page	Sale Date	Sale Price	Deed/Instrument Type/Code	Qualified/Unqualified	Vacant/Improved
<u>15060-02446</u>	10/30/2009	\$627,200.00	SW - Special Warranty	Unqualified	Improved
<u>12277-01730</u>	1/28/2005	\$950,000.00	SW - Special Warranty	Unqualified	Vacant
<u>12277-01727</u>	1/28/2005	\$100.00	QC - Quit Claim	Unqualified	Vacant
<u>08200-00327</u>	10/10/1995	\$202,000.00	WD - Warranty Deed	Unqualified	Vacant
<u>08200-00315</u>	10/10/1995	\$71,428.00	WD - Warranty Deed	Unqualified	Vacant
<u>06395-01129</u>	8/27/1987	\$118,181.00	QC - Quit Claim	Unqualified	Vacant
<u>05984-01480</u>	7/10/1985	\$263,000.00	WD - Warranty Deed	Unqualified	Improved
<u>04819-00430</u>	2/16/1979	\$125,000.00	WD - Warranty Deed	Unqualified	Vacant
<u>03569-00598</u>	8/24/1973	\$85,200.00	WD - Warranty Deed	Unqualified	Vacant

**☑ Extra Features**

LN	Feature Code	Feature Description	Bldg	Length	Width	Total Units	Value
1	FCRC1	Fence Chain Razor	1	0	0	385.00	\$1,829.00
2	FCBC1	Fence Chain Barbed	1	0	0	54.00	\$193.00

Property Appraiser - Property Details

3	PVAC1	Paving Asphalt	1	0	0	32,170.00	\$17,565.00
4	PVCC1	Paving Concrete	1	0	0	1,700.00	\$1,754.00
5	FCLC1	Fence Chain Link	1	0	0	196.00	\$722.00

Land & Legal

Land

LN	Code	Use Description	Zoning	Front	Depth	Category	Land Units	Land Value
1	4000	LIGHT INDUSTRIAL	IL	0.00	0.00	Common	163,786.00	\$327,572.00

Legal

LN	Legal Description
1	18-2S-26E 3/76
2	NW1/4 OF NW1/4
3	PT RECD O/R 15060-2446

Buildings

Building 1

Building 1 Site Address  
5638 COMMONWEALTH AVE  
Jacksonville FL 32254

<b>Building Type</b>	4802 - WHSE DISTRIB
<b>Year Built</b>	1985

Type	Gross Area	Heated Area
<b>Base Area</b>	22077	22077
<b>Conc Loading Plat, Fin</b>	4500	0
<b>Unfin Loading Platform</b>	1664	0
<b>Average Office</b>	2496	2496
<b>Average Office</b>	5822	5822
<b>Canopy</b>	83	0
<b>Fair Office</b>	2623	2623

Element	Code	Detail
<b>Exterior Wall</b>	25	25 Modular Metal
		15 Concrete Block
<b>Roofing Structure</b>	9	9 Rigid Fr/ Barjoist
		12 Modular Metal
<b>Roofing Cover</b>	12	12 Modular Metal
<b>Interior Wall</b>	7	7 None
<b>Interior Wall</b>	5	5 Drywall

Property Appraiser - Property Details

<b>Addition</b>	1220	1220	<b>Int Flooring</b>	3	Concrete
<b>Unfin Loading Platform</b>	2790	0			Finished
<b>Total</b>	43275	34238	<b>Heating Fuel</b>	4	4 Electric
					3 Forced-
			<b>Heating Type</b>	3	Not
					Ducted
			<b>Air</b>	3	3 Central
			<b>Conditioning</b>		
			<b>Comm Htg &amp;</b>	1	1 Htg &
			<b>AC</b>		A/C Pkg
			<b>Comm Frame</b>	5	5 S-Steel

Element	Code
<b>Baths</b>	36.000
<b>Stories</b>	1.000
<b>Rooms /</b>	3.000
<b>Units</b>	
<b>Avg Story</b>	15.000
<b>Height</b>	
<b>Restrooms</b>	4.000

Traversing Data

2010 Notice of Proposed Property Taxes (Truth in Millage Notice)

taxing District	Assessed Value	Exemption	Taxable Value	Last Year	Proposed	Rollover
Gen Govt Ex B&B	\$1,071,200.00	\$0.00	\$1,071,200.00	\$0.00	\$10,839.79	\$10,839.79

Property Appraiser - Property Details

Public Schools:	\$1,071,200.00	\$0.00	\$1,071,200.00	\$0.00	\$5,726.64	\$5,892.24
By State Law						
By Local Board	\$1,071,200.00	\$0.00	\$1,071,200.00	\$0.00	\$2,675.86	\$2,895.13
FL Inland Navigation Dist.	\$1,071,200.00	\$0.00	\$1,071,200.00	\$0.00	\$36.96	\$40.28
Water Mgmt Dist. SJRWMD	\$1,071,200.00	\$0.00	\$1,071,200.00	\$0.00	\$445.40	\$503.46
General Gov. Voted	\$1,071,200.00	\$0.00	\$1,071,200.00	\$0.00	\$0.00	\$0.00
School Board Voted	\$1,071,200.00	\$0.00	\$1,071,200.00	\$0.00	\$0.00	\$0.00
<b>Totals</b>				<b>\$0.00</b>	<b>\$19,724.65</b>	<b>\$20,170.90</b>

	Just Value	Assessed Value	Exemptions	Taxable Value
Last Year	\$0.00	\$0.00	\$0.00	\$0.00
Current Year	\$1,071,200.00	\$1,071,200.00	\$0.00	\$1,071,200.00

 **Property Record Card (PRC)**

The Property Appraiser's Office (PAO) provides historical property record cards (PRCs) online for 1995-2005. The PAO no longer maintains a certified PRC file due to changes in appraisal software; therefore, there are no PRCs available online from 2006 forward. You may print this page which provides the current property record. (Sections not needed can be minimized.) To print the past-year cards below, set your browser's Page Set Up for printing to Landscape.

 **More Information**

- [Parcel Tax Record](#)
- [GIS Map](#)
- [Map this property on Google Maps](#)
- [City Fees Record](#)

<b>Tools</b>	<b>Have any questions?</b>
<b>Report Search Problems</b>	<b>Contact the Tax Collector about a payment</b>
<b>Property Appraiser Codes</b>	<b>Contact the Property Appraiser about an assessment</b>

VI.15.0

**EXHIBIT B**  
**IMPROVEMENTS**



**Exhibit B - Improvements**

KJB Specialties, Inc dba Jerome Brown Products				
Sources and Uses				
Sources		Uses		
Small Biz Capital (SBA Loan)	\$2,405,000	Land Acquisition Costs		
NWJEDF Loan	\$380,000	Building Acquisition Costs	\$950,000	
NWJEDF Grant	\$260,000	<b>Total Land Acquisition Costs</b>		
Owner's Equity	\$25,000			\$950,000
<b>Total Project Financing</b>	<b>\$3,070,000</b>	Construction Costs		
		Soft Costs		
Financing for Working Capital and Inventory which are ineligible for NWJEDF funding	(\$350,000)	Permits, Surveys, Architectural/Engineering Fees, Ins., etc.	\$110,000	
		Contingencies	\$50,000	
		<b>Total Soft Costs</b>		
		Hard Costs		
		Construction Costs	\$570,000	
		<b>Total Hard Costs</b>		
				\$160,000
		Machinery & Equipment		
		Machinery & Equipment including installation	\$890,000	
		<b>Total Machinery &amp; Equipment Costs</b>		
				\$890,000
		Financing/Carrying Costs		
		Construction Loan Interest Carry	\$50,000	
		Financing/Carrying Costs	\$90,000	
		NWJEDF Closing Costs	\$10,000	
		<b>Total Financing/Carrying Costs</b>		
				\$150,000
		Working Capital		\$250,000
		Inventory		\$100,000
		<b>Total Project Costs</b>		
				\$3,070,000
		Project costs not eligible for NWJEDF funding (working capital and inventory)		(\$350,000)
<b>Total NWJEDF Eligible Project Sources</b>	<b>\$2,720,000</b>	<b>Total NWJEDF Eligible Project Costs</b>		
				<b>\$2,720,000</b>

Percentage of Total NWJEDF Eligible Costs	
Small Biz Capital	75.55%
NWJEDF Loan	13.97%
NWJEDF Grant	9.56%
Owner's Equity	0.92%
<b>Total</b>	<b>100.00%</b>

Owner's Equity previously accepted by primary lender	\$260,000
Excess Value of Bldg *	\$340,000
Equity Requirement of Lending Sources	\$25,000
<b>Total Owner's Equity Position</b>	<b>\$625,000</b>

**Actual Owner's Equity as a Percentage of Eligible Costs** **22.98%**

\* = Bldg "as-is" appraised value is \$1,290,000 and purchase price is \$950,000

## **EXHIBIT C – INELIGIBLE BUSINESS ACTIVITIES**

### **Ineligible businesses:**

- Nightclubs
- Bars
- Tattoo parlors
- Body piercing shops
- Adult entertainment
- Adult gaming rooms
- Pawn Shops
- Check Cashing establishments
- Pay Day Loans
- Bikini bars
- Used car lots



## **Exhibit E – Community Service**

KJB Specialties, Inc dba Jerome Brown Products has been a strong supporter of the community over the years. The relationship established with Sam's Club and Wal-Mart has only helped to fortify the level of support they have been able to provide. They have pledged to continue this community support upon receipt of NWJEDF funding. Activities they have participated in have included, but are not limited to:

- ❖ Fundraisers and activities for the American Cancer Society and Children's Miracle Network
- ❖ Fundraisers and activities for Edward Waters College
- ❖ Provided catering services and fundraisers for several Duval County Public Schools including Ed White, Raines and Ribault High Schools
- ❖ Various activities with and for Sickle Cell Anemia Foundation



Exhibit G1 - Amortization Schedule (18 months)

**Balloon Payment Loan Calculator**

**KJB Specialties, Inc**

**Inputs**

Loan Amount	\$380,000	
Annual Interest Rate	3.00%	
Amortization Period	300	months
# of Regular Payments	18	months
Begin Date	6/1/2012	

**Assumptions**

- \* Interest compounds monthly
- \* Payments made at beginning of month
- \* Balloon amount paid a month after the last regular monthly payment
- \* This amortization table may be changed to reflect actual draws as they are received

**Summary**

Monthly Payment	\$950.00	<input checked="" type="checkbox"/> Interest Only
Balloon Payment	\$ 380,950.00	
Balloon Payment w/Rounding	<b>\$380,950.00</b>	
Total Payments	\$ 398,050.00	
Total Interest Paid	\$ 18,050.00	

**Amortization Schedule**

Month	Date	Payment	Interest	Principal	Balance
	6/1/2012				\$ 380,000.00
1	7/1/2012	950.00	950.00	0.00	380,000.00
2	8/1/2012	950.00	950.00	0.00	380,000.00
3	9/1/2012	950.00	950.00	0.00	380,000.00
4	10/1/2012	950.00	950.00	0.00	380,000.00
5	11/1/2012	950.00	950.00	0.00	380,000.00
6	12/1/2012	950.00	950.00	0.00	380,000.00
7	1/1/2013	950.00	950.00	0.00	380,000.00
8	2/1/2013	950.00	950.00	0.00	380,000.00
9	3/1/2013	950.00	950.00	0.00	380,000.00
10	4/1/2013	950.00	950.00	0.00	380,000.00
11	5/1/2013	950.00	950.00	0.00	380,000.00
12	6/1/2013	950.00	950.00	0.00	380,000.00
13	7/1/2013	950.00	950.00	0.00	380,000.00
14	8/1/2013	950.00	950.00	0.00	380,000.00
15	9/1/2013	950.00	950.00	0.00	380,000.00
16	10/1/2013	950.00	950.00	0.00	380,000.00
17	11/1/2013	950.00	950.00	0.00	380,000.00
18	12/1/2013	950.00	950.00	0.00	380,000.00
19	1/1/2014	380,950.00	950.00	380,000.00	0.00

Exhibit G2 - Amortization Schedule (23.5 yrs)

**Balloon Payment Loan Calculator**

**KJB Specialties, Inc**

**Inputs**

Loan Amount	\$380,000	
Annual Interest Rate	3.00%	
Amortization Period	282	months
# of Regular Payments	282	months
Begin Date	1/1/2013	

**Assumptions**

- \* Interest compounds monthly
- \* Payments made at beginning of month
- \* Balloon amount paid a month after the last regular monthly payment
- \* This amortization table may be changed to reflect actual draws as they are received

**Summary**

Monthly Payment	\$1,879.49	<input type="checkbox"/> Interest Only
Balloon Payment	\$	
Balloon Payment w/Rounding	\$ (0.40)	
Total Payments	\$ 530,015.78	
Total Interest Paid	\$ 150,015.78	

**Amortization Schedule**

Month	Date	Payment	Interest	Principal	Balance
	1/1/2013				\$ 380,000.00
1	2/1/2013	1,879.49	950.00	929.49	379,070.51
2	3/1/2013	1,879.49	947.68	931.81	378,138.70
3	4/1/2013	1,879.49	945.35	934.14	377,204.56
4	5/1/2013	1,879.49	943.01	936.48	376,268.08
5	6/1/2013	1,879.49	940.67	938.82	375,329.26
6	7/1/2013	1,879.49	938.32	941.17	374,388.09
7	8/1/2013	1,879.49	935.97	943.52	373,444.57
8	9/1/2013	1,879.49	933.61	945.88	372,498.69
9	10/1/2013	1,879.49	931.25	948.24	371,550.45
10	11/1/2013	1,879.49	928.88	950.61	370,599.84
11	12/1/2013	1,879.49	926.50	952.99	369,646.85
12	1/1/2014	1,879.49	924.12	955.37	368,691.48
13	2/1/2014	1,879.49	921.73	957.76	367,733.72
14	3/1/2014	1,879.49	919.33	960.16	366,773.56
15	4/1/2014	1,879.49	916.93	962.56	365,811.00
16	5/1/2014	1,879.49	914.53	964.96	364,846.04
17	6/1/2014	1,879.49	912.12	967.37	363,878.67
18	7/1/2014	1,879.49	909.70	969.79	362,908.88
19	8/1/2014	1,879.49	907.27	972.22	361,936.66
20	9/1/2014	1,879.49	904.84	974.65	360,962.01
21	10/1/2014	1,879.49	902.41	977.08	359,984.93
22	11/1/2014	1,879.49	899.96	979.53	359,005.40
23	12/1/2014	1,879.49	897.51	981.98	358,023.42
24	1/1/2015	1,879.49	895.06	984.43	357,038.99
25	2/1/2015	1,879.49	892.60	986.89	356,052.10
26	3/1/2015	1,879.49	890.13	989.36	355,062.74
27	4/1/2015	1,879.49	887.66	991.83	354,070.91
28	5/1/2015	1,879.49	885.18	994.31	353,076.60

Exhibit G2 - Amortization Schedule (23.5 yrs)

29	6/1/2015	1,879.49	882.69	996.80	352,079.80
30	7/1/2015	1,879.49	880.20	999.29	351,080.51
31	8/1/2015	1,879.49	877.70	1,001.79	350,078.72
32	9/1/2015	1,879.49	875.20	1,004.29	349,074.43
33	10/1/2015	1,879.49	872.69	1,006.80	348,067.63
34	11/1/2015	1,879.49	870.17	1,009.32	347,058.31
35	12/1/2015	1,879.49	867.65	1,011.84	346,046.47
36	1/1/2016	1,879.49	865.12	1,014.37	345,032.10
37	2/1/2016	1,879.49	862.58	1,016.91	344,015.19
38	3/1/2016	1,879.49	860.04	1,019.45	342,995.74
39	4/1/2016	1,879.49	857.49	1,022.00	341,973.74
40	5/1/2016	1,879.49	854.93	1,024.56	340,949.18
41	6/1/2016	1,879.49	852.37	1,027.12	339,922.06
42	7/1/2016	1,879.49	849.81	1,029.68	338,892.38
43	8/1/2016	1,879.49	847.23	1,032.26	337,860.12
44	9/1/2016	1,879.49	844.65	1,034.84	336,825.28
45	10/1/2016	1,879.49	842.06	1,037.43	335,787.85
46	11/1/2016	1,879.49	839.47	1,040.02	334,747.83
47	12/1/2016	1,879.49	836.87	1,042.62	333,705.21
48	1/1/2017	1,879.49	834.26	1,045.23	332,659.98
49	2/1/2017	1,879.49	831.65	1,047.84	331,612.14
50	3/1/2017	1,879.49	829.03	1,050.46	330,561.68
51	4/1/2017	1,879.49	826.40	1,053.09	329,508.59
52	5/1/2017	1,879.49	823.77	1,055.72	328,452.87
53	6/1/2017	1,879.49	821.13	1,058.36	327,394.51
54	7/1/2017	1,879.49	818.49	1,061.00	326,333.51
55	8/1/2017	1,879.49	815.83	1,063.66	325,269.85
56	9/1/2017	1,879.49	813.17	1,066.32	324,203.53
57	10/1/2017	1,879.49	810.51	1,068.98	323,134.55
58	11/1/2017	1,879.49	807.84	1,071.65	322,062.90
59	12/1/2017	1,879.49	805.16	1,074.33	320,988.57
60	1/1/2018	1,879.49	802.47	1,077.02	319,911.55
61	2/1/2018	1,879.49	799.78	1,079.71	318,831.84
62	3/1/2018	1,879.49	797.08	1,082.41	317,749.43
63	4/1/2018	1,879.49	794.37	1,085.12	316,664.31
64	5/1/2018	1,879.49	791.66	1,087.83	315,576.48
65	6/1/2018	1,879.49	788.94	1,090.55	314,485.93
66	7/1/2018	1,879.49	786.21	1,093.28	313,392.65
67	8/1/2018	1,879.49	783.48	1,096.01	312,296.64
68	9/1/2018	1,879.49	780.74	1,098.75	311,197.89
69	10/1/2018	1,879.49	777.99	1,101.50	310,096.39
70	11/1/2018	1,879.49	775.24	1,104.25	308,992.14
71	12/1/2018	1,879.49	772.48	1,107.01	307,885.13
72	1/1/2019	1,879.49	769.71	1,109.78	306,775.35
73	2/1/2019	1,879.49	766.94	1,112.55	305,662.80
74	3/1/2019	1,879.49	764.16	1,115.33	304,547.47
75	4/1/2019	1,879.49	761.37	1,118.12	303,429.35
76	5/1/2019	1,879.49	758.57	1,120.92	302,308.43
77	6/1/2019	1,879.49	755.77	1,123.72	301,184.71
78	7/1/2019	1,879.49	752.96	1,126.53	300,058.18
79	8/1/2019	1,879.49	750.15	1,129.34	298,928.84
80	9/1/2019	1,879.49	747.32	1,132.17	297,796.67



Exhibit G2 - Amortization Schedule (23.5 yrs)

81	10/1/2019	1,879.49	744.49	1,135.00	296,661.67
82	11/1/2019	1,879.49	741.65	1,137.84	295,523.83
83	12/1/2019	1,879.49	738.81	1,140.68	294,383.15
84	1/1/2020	1,879.49	735.96	1,143.53	293,239.62
85	2/1/2020	1,879.49	733.10	1,146.39	292,093.23
86	3/1/2020	1,879.49	730.23	1,149.26	290,943.97
87	4/1/2020	1,879.49	727.36	1,152.13	289,791.84
88	5/1/2020	1,879.49	724.48	1,155.01	288,636.83
89	6/1/2020	1,879.49	721.59	1,157.90	287,478.93
90	7/1/2020	1,879.49	718.70	1,160.79	286,318.14
91	8/1/2020	1,879.49	715.80	1,163.69	285,154.45
92	9/1/2020	1,879.49	712.89	1,166.60	283,987.85
93	10/1/2020	1,879.49	709.97	1,169.52	282,818.33
94	11/1/2020	1,879.49	707.05	1,172.44	281,645.89
95	12/1/2020	1,879.49	704.11	1,175.38	280,470.51
96	1/1/2021	1,879.49	701.18	1,178.31	279,292.20
97	2/1/2021	1,879.49	698.23	1,181.26	278,110.94
98	3/1/2021	1,879.49	695.28	1,184.21	276,926.73
99	4/1/2021	1,879.49	692.32	1,187.17	275,739.56
100	5/1/2021	1,879.49	689.35	1,190.14	274,549.42
101	6/1/2021	1,879.49	686.37	1,193.12	273,356.30
102	7/1/2021	1,879.49	683.39	1,196.10	272,160.20
103	8/1/2021	1,879.49	680.40	1,199.09	270,961.11
104	9/1/2021	1,879.49	677.40	1,202.09	269,759.02
105	10/1/2021	1,879.49	674.40	1,205.09	268,553.93
106	11/1/2021	1,879.49	671.38	1,208.11	267,345.82
107	12/1/2021	1,879.49	668.36	1,211.13	266,134.69
108	1/1/2022	1,879.49	665.34	1,214.15	264,920.54
109	2/1/2022	1,879.49	662.30	1,217.19	263,703.35
110	3/1/2022	1,879.49	659.26	1,220.23	262,483.12
111	4/1/2022	1,879.49	656.21	1,223.28	261,259.84
112	5/1/2022	1,879.49	653.15	1,226.34	260,033.50
113	6/1/2022	1,879.49	650.08	1,229.41	258,804.09
114	7/1/2022	1,879.49	647.01	1,232.48	257,571.61
115	8/1/2022	1,879.49	643.93	1,235.56	256,336.05
116	9/1/2022	1,879.49	640.84	1,238.65	255,097.40
117	10/1/2022	1,879.49	637.74	1,241.75	253,855.65
118	11/1/2022	1,879.49	634.64	1,244.85	252,610.80
119	12/1/2022	1,879.49	631.53	1,247.96	251,362.84
120	1/1/2023	1,879.49	628.41	1,251.08	250,111.76
121	2/1/2023	1,879.49	625.28	1,254.21	248,857.55
122	3/1/2023	1,879.49	622.14	1,257.35	247,600.20
123	4/1/2023	1,879.49	619.00	1,260.49	246,339.71
124	5/1/2023	1,879.49	615.85	1,263.64	245,076.07
125	6/1/2023	1,879.49	612.69	1,266.80	243,809.27
126	7/1/2023	1,879.49	609.52	1,269.97	242,539.30
127	8/1/2023	1,879.49	606.35	1,273.14	241,266.16
128	9/1/2023	1,879.49	603.17	1,276.32	239,989.84
129	10/1/2023	1,879.49	599.97	1,279.52	238,710.32
130	11/1/2023	1,879.49	596.78	1,282.71	237,427.61
131	12/1/2023	1,879.49	593.57	1,285.92	236,141.69
132	1/1/2024	1,879.49	590.35	1,289.14	234,852.55

Exhibit G2 - Amortization Schedule (23.5 yrs)

133	2/1/2024	1,879.49	587.13	1,292.36	233,560.19
134	3/1/2024	1,879.49	583.90	1,295.59	232,264.60
135	4/1/2024	1,879.49	580.66	1,298.83	230,965.77
136	5/1/2024	1,879.49	577.41	1,302.08	229,663.69
137	6/1/2024	1,879.49	574.16	1,305.33	228,358.36
138	7/1/2024	1,879.49	570.90	1,308.59	227,049.77
139	8/1/2024	1,879.49	567.62	1,311.87	225,737.90
140	9/1/2024	1,879.49	564.34	1,315.15	224,422.75
141	10/1/2024	1,879.49	561.06	1,318.43	223,104.32
142	11/1/2024	1,879.49	557.76	1,321.73	221,782.59
143	12/1/2024	1,879.49	554.46	1,325.03	220,457.56
144	1/1/2025	1,879.49	551.14	1,328.35	219,129.21
145	2/1/2025	1,879.49	547.82	1,331.67	217,797.54
146	3/1/2025	1,879.49	544.49	1,335.00	216,462.54
147	4/1/2025	1,879.49	541.16	1,338.33	215,124.21
148	5/1/2025	1,879.49	537.81	1,341.68	213,782.53
149	6/1/2025	1,879.49	534.46	1,345.03	212,437.50
150	7/1/2025	1,879.49	531.09	1,348.40	211,089.10
151	8/1/2025	1,879.49	527.72	1,351.77	209,737.33
152	9/1/2025	1,879.49	524.34	1,355.15	208,382.18
153	10/1/2025	1,879.49	520.96	1,358.53	207,023.65
154	11/1/2025	1,879.49	517.56	1,361.93	205,661.72
155	12/1/2025	1,879.49	514.15	1,365.34	204,296.38
156	1/1/2026	1,879.49	510.74	1,368.75	202,927.63
157	2/1/2026	1,879.49	507.32	1,372.17	201,555.46
158	3/1/2026	1,879.49	503.89	1,375.60	200,179.86
159	4/1/2026	1,879.49	500.45	1,379.04	198,800.82
160	5/1/2026	1,879.49	497.00	1,382.49	197,418.33
161	6/1/2026	1,879.49	493.55	1,385.94	196,032.39
162	7/1/2026	1,879.49	490.08	1,389.41	194,642.98
163	8/1/2026	1,879.49	486.61	1,392.88	193,250.10
164	9/1/2026	1,879.49	483.13	1,396.36	191,853.74
165	10/1/2026	1,879.49	479.63	1,399.86	190,453.88
166	11/1/2026	1,879.49	476.13	1,403.36	189,050.52
167	12/1/2026	1,879.49	472.63	1,406.86	187,643.66
168	1/1/2027	1,879.49	469.11	1,410.38	186,233.28
169	2/1/2027	1,879.49	465.58	1,413.91	184,819.37
170	3/1/2027	1,879.49	462.05	1,417.44	183,401.93
171	4/1/2027	1,879.49	458.50	1,420.99	181,980.94
172	5/1/2027	1,879.49	454.95	1,424.54	180,556.40
173	6/1/2027	1,879.49	451.39	1,428.10	179,128.30
174	7/1/2027	1,879.49	447.82	1,431.67	177,696.63
175	8/1/2027	1,879.49	444.24	1,435.25	176,261.38
176	9/1/2027	1,879.49	440.65	1,438.84	174,822.54
177	10/1/2027	1,879.49	437.06	1,442.43	173,380.11
178	11/1/2027	1,879.49	433.45	1,446.04	171,934.07
179	12/1/2027	1,879.49	429.84	1,449.65	170,484.42
180	1/1/2028	1,879.49	426.21	1,453.28	169,031.14
181	2/1/2028	1,879.49	422.58	1,456.91	167,574.23
182	3/1/2028	1,879.49	418.94	1,460.55	166,113.68
183	4/1/2028	1,879.49	415.28	1,464.21	164,649.47
184	5/1/2028	1,879.49	411.62	1,467.87	163,181.60

Exhibit G2 - Amortization Schedule (23.5 yrs)

185	6/1/2028	1,879.49	407.95	1,471.54	161,710.06
186	7/1/2028	1,879.49	404.28	1,475.21	160,234.85
187	8/1/2028	1,879.49	400.59	1,478.90	158,755.95
188	9/1/2028	1,879.49	396.89	1,482.60	157,273.35
189	10/1/2028	1,879.49	393.18	1,486.31	155,787.04
190	11/1/2028	1,879.49	389.47	1,490.02	154,297.02
191	12/1/2028	1,879.49	385.74	1,493.75	152,803.27
192	1/1/2029	1,879.49	382.01	1,497.48	151,305.79
193	2/1/2029	1,879.49	378.26	1,501.23	149,804.56
194	3/1/2029	1,879.49	374.51	1,504.98	148,299.58
195	4/1/2029	1,879.49	370.75	1,508.74	146,790.84
196	5/1/2029	1,879.49	366.98	1,512.51	145,278.33
197	6/1/2029	1,879.49	363.20	1,516.29	143,762.04
198	7/1/2029	1,879.49	359.41	1,520.08	142,241.96
199	8/1/2029	1,879.49	355.60	1,523.89	140,718.07
200	9/1/2029	1,879.49	351.80	1,527.69	139,190.38
201	10/1/2029	1,879.49	347.98	1,531.51	137,658.87
202	11/1/2029	1,879.49	344.15	1,535.34	136,123.53
203	12/1/2029	1,879.49	340.31	1,539.18	134,584.35
204	1/1/2030	1,879.49	336.46	1,543.03	133,041.32
205	2/1/2030	1,879.49	332.60	1,546.89	131,494.43
206	3/1/2030	1,879.49	328.74	1,550.75	129,943.68
207	4/1/2030	1,879.49	324.86	1,554.63	128,389.05
208	5/1/2030	1,879.49	320.97	1,558.52	126,830.53
209	6/1/2030	1,879.49	317.08	1,562.41	125,268.12
210	7/1/2030	1,879.49	313.17	1,566.32	123,701.80
211	8/1/2030	1,879.49	309.25	1,570.24	122,131.56
212	9/1/2030	1,879.49	305.33	1,574.16	120,557.40
213	10/1/2030	1,879.49	301.39	1,578.10	118,979.30
214	11/1/2030	1,879.49	297.45	1,582.04	117,397.26
215	12/1/2030	1,879.49	293.49	1,586.00	115,811.26
216	1/1/2031	1,879.49	289.53	1,589.96	114,221.30
217	2/1/2031	1,879.49	285.55	1,593.94	112,627.36
218	3/1/2031	1,879.49	281.57	1,597.92	111,029.44
219	4/1/2031	1,879.49	277.57	1,601.92	109,427.52
220	5/1/2031	1,879.49	273.57	1,605.92	107,821.60
221	6/1/2031	1,879.49	269.55	1,609.94	106,211.66
222	7/1/2031	1,879.49	265.53	1,613.96	104,597.70
223	8/1/2031	1,879.49	261.49	1,618.00	102,979.70
224	9/1/2031	1,879.49	257.45	1,622.04	101,357.66
225	10/1/2031	1,879.49	253.39	1,626.10	99,731.56
226	11/1/2031	1,879.49	249.33	1,630.16	98,101.40
227	12/1/2031	1,879.49	245.25	1,634.24	96,467.16
228	1/1/2032	1,879.49	241.17	1,638.32	94,828.84
229	2/1/2032	1,879.49	237.07	1,642.42	93,186.42
230	3/1/2032	1,879.49	232.97	1,646.52	91,539.90
231	4/1/2032	1,879.49	228.85	1,650.64	89,889.26
232	5/1/2032	1,879.49	224.72	1,654.77	88,234.49
233	6/1/2032	1,879.49	220.59	1,658.90	86,575.59
234	7/1/2032	1,879.49	216.44	1,663.05	84,912.54
235	8/1/2032	1,879.49	212.28	1,667.21	83,245.33
236	9/1/2032	1,879.49	208.11	1,671.38	81,573.95

Exhibit G2 - Amortization Schedule (23.5 yrs)

237	10/1/2032	1,879.49	203.93	1,675.56	79,898.39
238	11/1/2032	1,879.49	199.75	1,679.74	78,218.65
239	12/1/2032	1,879.49	195.55	1,683.94	76,534.71
240	1/1/2033	1,879.49	191.34	1,688.15	74,846.56
241	2/1/2033	1,879.49	187.12	1,692.37	73,154.19
242	3/1/2033	1,879.49	182.89	1,696.60	71,457.59
243	4/1/2033	1,879.49	178.64	1,700.85	69,756.74
244	5/1/2033	1,879.49	174.39	1,705.10	68,051.64
245	6/1/2033	1,879.49	170.13	1,709.36	66,342.28
246	7/1/2033	1,879.49	165.86	1,713.63	64,628.65
247	8/1/2033	1,879.49	161.57	1,717.92	62,910.73
248	9/1/2033	1,879.49	157.28	1,722.21	61,188.52
249	10/1/2033	1,879.49	152.97	1,726.52	59,462.00
250	11/1/2033	1,879.49	148.66	1,730.83	57,731.17
251	12/1/2033	1,879.49	144.33	1,735.16	55,996.01
252	1/1/2034	1,879.49	139.99	1,739.50	54,256.51
253	2/1/2034	1,879.49	135.64	1,743.85	52,512.66
254	3/1/2034	1,879.49	131.28	1,748.21	50,764.45
255	4/1/2034	1,879.49	126.91	1,752.58	49,011.87
256	5/1/2034	1,879.49	122.53	1,756.96	47,254.91
257	6/1/2034	1,879.49	118.14	1,761.35	45,493.56
258	7/1/2034	1,879.49	113.73	1,765.76	43,727.80
259	8/1/2034	1,879.49	109.32	1,770.17	41,957.63
260	9/1/2034	1,879.49	104.89	1,774.60	40,183.03
261	10/1/2034	1,879.49	100.46	1,779.03	38,404.00
262	11/1/2034	1,879.49	96.01	1,783.48	36,620.52
263	12/1/2034	1,879.49	91.55	1,787.94	34,832.58
264	1/1/2035	1,879.49	87.08	1,792.41	33,040.17
265	2/1/2035	1,879.49	82.60	1,796.89	31,243.28
266	3/1/2035	1,879.49	78.11	1,801.38	29,441.90
267	4/1/2035	1,879.49	73.60	1,805.89	27,636.01
268	5/1/2035	1,879.49	69.09	1,810.40	25,825.61
269	6/1/2035	1,879.49	64.56	1,814.93	24,010.68
270	7/1/2035	1,879.49	60.03	1,819.46	22,191.22
271	8/1/2035	1,879.49	55.48	1,824.01	20,367.21
272	9/1/2035	1,879.49	50.92	1,828.57	18,538.64
273	10/1/2035	1,879.49	46.35	1,833.14	16,705.50
274	11/1/2035	1,879.49	41.76	1,837.73	14,867.77
275	12/1/2035	1,879.49	37.17	1,842.32	13,025.45
276	1/1/2036	1,879.49	32.56	1,846.93	11,178.52
277	2/1/2036	1,879.49	27.95	1,851.54	9,326.98
278	3/1/2036	1,879.49	23.32	1,856.17	7,470.81
279	4/1/2036	1,879.49	18.68	1,860.81	5,610.00
280	5/1/2036	1,879.49	14.02	1,865.47	3,744.53
281	6/1/2036	1,879.49	9.36	1,870.13	1,874.40
282	7/1/2036	1,879.49	4.69	1,874.80	-0.40
<b>283</b>	<b>8/1/2036</b>	<b>-0.40</b>	<b>0.00</b>	<b>-0.40</b>	<b>0.00</b>

**Exhibit H - NWJEDF Loan Draw Schedule  
KJB Specialties, Inc. Project**

KJB Specialties, Inc. Total Project Costs	\$2,720,000
KJB Specialties, Inc. Total Project Costs / 6	\$453,333
NWJEDF Loan Amount	\$380,000

Draw #	Project Costs to be completed	Payment Request Amount	Loan Amount received to date	NWJEDF Loan Balance Remaining
Loan Closing			\$80,000	\$300,000
Draw #1	\$453,333	\$50,000	\$130,000	\$250,000
Draw #2	\$906,667	\$50,000	\$180,000	\$200,000
Draw #3	\$1,360,000	\$50,000	\$230,000	\$150,000
Draw #4	\$1,813,333	\$50,000	\$280,000	\$100,000
Draw #5	\$2,266,667	\$50,000	\$330,000	\$50,000
Draw #6	\$2,720,000	\$50,000	\$380,000	\$0

as of 5/20/2011

EXHIBIT C

[To Be Provided by Seller]

D

O

**FIRST AMENDMENT TO REDEVELOPMENT AGREEMENT**

**THIS FIRST AMENDMENT TO REDEVELOPMENT AGREEMENT** (the "First Amendment") is entered into as of the 16<sup>th</sup> day of November, 2011, by and between the **CITY OF JACKSONVILLE**, a Florida municipal corporation (the "City") and **K.J.B. SPECIALTIES, INC.**, a Florida corporation (the "Company").

**R E C I T A L S:**

**WHEREAS**, the City and the Company entered into that certain Redevelopment Agreement dated effective June 21, 2010, (the "RDA"); and

**WHEREAS**, pursuant to the RDA, the City agreed to provide Company with funding from the Northwest Jacksonville Economic Development Trust Fund (the "NJEDTF") under the terms and conditions of: (i) a NJEDTF Grant (the "Grant") in an amount not to exceed Two Hundred Sixty Thousand and no/100 Dollars (\$260,000.00); and (ii) a NJEDTF Loan (the "Loan") in the amount of Three Hundred Eighty Thousand and no/100 Dollars (\$380,000.00); and

**WHEREAS**, the RDA was authorized by **Ordinance 2011-290-E**, as enacted by the City Council of the City of Jacksonville (the "Ordinance"); and

**WHEREAS**, pursuant to the terms of the Ordinance, the Loan and Grant funding is to be used to "fund the acquisition and renovation" of the "Project", as that term is defined in the Ordinance and the RDA; and

**WHEREAS**, through inadvertence, the RDA attached to the legislation was not amended to include a provision that authorized the NJEDTF Loan funds to be used for acquisition costs; and

**WHEREAS**, the RDA should be amended so as to conform it to the terms of the Ordinance; and

**WHEREAS**, the RDA should be further amended for the purpose of revising the Draw Schedule to reflect the use of loan funds for acquisition costs as authorized by the Ordinance; and

**WHEREAS**, all other provisions, terms and conditions in said RDA shall remain unchanged; now therefore

**IN CONSIDERATION** of the foregoing and the mutual agreements contained herein, the receipt and legal sufficiency of which is hereby acknowledged, the Company and City covenant and agree to amend the RDA as follows:

1. The above stated recitals are accurate, true and correct and, by this reference, are made a part hereof and are incorporated herein.

2. **Amendment of Section 6.1 (c)** Section 6.1(c) of the RDA is hereby deleted and is amended to read in its entirety as follows:

“(c) The proceeds of the NJEDTF Loan shall be used in connection with the acquisition of the land and the renovation and construction of the improvements located on the Project Parcel, as more specifically described in **Exhibit B**. The Company will pay the costs of the Improvements exceeding the amount of the NJEDTF Loan.”

3. **Amendment of Section 6.1(i)(i)** Section 6.1(i)(i) of the RDA is hereby deleted and is amended to read in its entirety as follows:

“(i) Loan proceeds shall be disbursed to Company for the proposed acquisition of the Project Site in a single draw to be disbursed at the Closing of the purchase of the Property by the Company, subject to the terms of the Closing Agreement between and among Company, the Seller, the City, the primary lender (BizCapital BIDCO I, LLC, a Louisiana limited liability company), K.J.B. Specialties, Inc., as Guarantor and Lawrence J. Bernard, Esq., as Closing Agent (the ‘Closing Agreement’).”

4. **Amendment of Section 6.1(i)(ii)** Section 6.1(i)(ii) of the RDA is hereby deleted and is amended to read in its entirety as follows:

“(ii) The Draw Schedule for the project is detailed in **Exhibit H** attached hereto. Company may request full disbursement of not more than **\$380,000.00** at closing, provided all conditions as set forth in the Closing Agreement are met.”

**SAVE AND EXCEPT**, as expressly amended in and by this instrument, the provisions, terms and conditions of said RDA shall remain unchanged and shall continue in full force and effect.

THIS SPACE IS INTENTIONALLY LEFT BLANK. SEE FOLLOWING PAGE FOR EXECUTION BY CITY →



IN WITNESS WHEREOF, the parties hereto have executed this First Amendment as of day and year first above written.

CITY OF JACKSONVILLE, a  
Florida municipal corporation

ATTEST:  
[Signature]  
Neil W. McArthur, Jr.  
Corporation Secretary

By: [Signature]  
Alvin Brown, Mayor

(Corporation Seal)



Dated: 11-10-11

HOUSING & NEIGHBORHOODS  
DEPARTMENT

By: [Signature]  
Lacree Carswell, Acting Director

Karen Bowling  
Deputy Chief Administrative Officer  
For: Mayor Alvin Brown  
Under Authority of  
Executive Order No. 2011-06

Signed, Sealed, and Delivered  
in the presence of:

[Signature]  
Signature (as to L. Carswell)

James A Richardson  
Printed Name

[Signature]  
Signature (as to L. Carswell)

LARSON LOPEN  
Printed name

Form Approved:

Office of General Counsel

By: [Signature]  
Assistant General Counsel

THIS SPACE IS INTENTIONALLY LEFT BLANK. SEE FOLLOWING PAGE FOR  
EXECUTION BY COMPANY →

K.J.B. SPECIALTIES, INC., a  
Florida corporation

By: Joann M. Brown  
JOANN M. BROWN  
Its: President

(CORPORATION SEAL)

SIGNED AND SEALED IN  
OUR PRESENCE:

James A. Richardson Jr  
Signature of 1<sup>st</sup> witness

James A. Richardson Jr  
Printed name of 1<sup>st</sup> witness

Kath Brown  
Signature of 2<sup>nd</sup> witness

Kath Brown  
Printed name of 2<sup>nd</sup> witness

SEE FOLLOWING PAGE FOR CONSENT AND JOINDER OF COWEALTH, LLC AND  
BASIC PRODUCTS, LLC→

**CONSENT AND JOINDER**

The undersigned are affiliated with the Company and will be taking title to and operating the Project pursuant to the foregoing RDA, and are executing this Consent and Joinder for the purpose of evidencing our agreement to be bound by the terms of the RDA and the Closing Agreement identified therein.

**COWEALTH, LLC, a**  
Florida limited liability company

By: Joann M. Brown  
JOANN M. BROWN  
Its: Manager/Member

By: Katrina Brown  
KATRINA BROWN  
Its: Manager/Member

**BASIC PRODUCTS, LLC, a**  
Florida limited liability company

By: Joann M. Brown  
JOANN M. BROWN  
Its: Manager/Member

By: Katrina Brown  
KATRINA BROWN  
Its: Manager/Member

## SECOND AMENDMENT TO REDEVELOPMENT AGREEMENT

**THIS SECOND AMENDMENT TO REDEVELOPMENT AGREEMENT** (the "2<sup>nd</sup> Amendment") is entered into as of the 16 day of April, 2012, by and between the **City of Jacksonville**, a Florida municipal corporation (the "City"); **Cowealth LLC**, a Florida limited liability company ("Borrower") and **KJB Specialties, Inc.**, a Florida corporation, **JoAnn M. Brown**, individually, **Katrina Brown**, individually, and **Basic Products LLC**, a Florida limited liability company (collectively referred to herein as the "Guarantors").

### RECITALS:

**WHEREAS**, the City and the KJB Specialties, Inc. entered into that certain Redevelopment Agreement dated effective June 21, 2011, (the "Original RDA"); and

**WHEREAS**, KJB Specialties, Inc. assigned its rights under the Original RDA by assignment, so that Borrower is now the "Company", as defined in the Original RDA; and

**WHEREAS**, pursuant to the Original RDA, the City provided Company with funding from the Northwest Jacksonville Economic Development Trust Fund under the terms and conditions of: (i) a "NWJEDF Grant" in the amount not to exceed Two Hundred Sixty Thousand and no/100 Dollars (\$260,000.00); and (ii) a "NWJEDF Loan" (the "Loan") in the amount of Three Hundred Eighty Thousand and no/100 Dollars (\$380,000.00); and

**WHEREAS**, the Original RDA was authorized by **Ordinance 2011-290-E** of the City Council of Jacksonville, which further authorized "technical" modifications to the Original RDA "as long as such modifications do not involve any increased financial obligation or liability to the City or the NWJEDF Advisory Board", subject to appropriate legal review and approval of the General Counsel or their designee; and

**WHEREAS**, pursuant to Section 11.8 of the Original RDA, the Agreement may be amended by the parties hereto only upon execution of a written amendment or modification signed by the parties; and

**WHEREAS**, the Borrower has asked for a modification of the timeline for project construction due to unanticipated occurrences; and

**WHEREAS**, the City is in agreement and desires to take measures, within reason, to acknowledge the variables involved and allow for a revised Performance Schedule;

**NOW, THEREFORE,** in consideration of the foregoing and the mutual agreements contained herein, the receipt and legal sufficiency of which is hereby acknowledged, the Company and City covenant and agree as follows:

- A. **Amendment of Section 3.1** Section 3.1 is hereby amended to delete the existing language which will be replaced with the following language:

The Company and H&N have jointly established the following dates for the performance of each party's respective obligations under this Agreement (herein called the "Performance Schedule"):

- i. Start of Construction of the Project: On or before April 30, 2012
- ii. Completion of Construction of the Project: On or before April 30, 2013.

The City and the Company have approved this Performance Schedule. By the execution hereof, and subject to the terms of this Agreement, the Company hereby agrees to undertake and complete the construction and development of the Project in accordance with this Agreement and the Performance Schedule, and to comply with all of the Company's obligations set forth herein. By the execution of this Agreement, and subject to the terms of this Agreement, the City hereby agrees to complete those acts to be performed by the City within the dates established by the Performance Schedule.

- B. **Amendment of Section 9.2(b)** Section 9.2(b) is hereby amended to delete the existing language which will be replaced with the following language:

(b) Job Retention: In the event the Company fails to create 56 New Jobs on or before April 30, 2016, and to maintain the New Jobs for two years, the Company shall repay to the City a portion of the NWJEDF Grant in the amount of \$4,443.00 per job below the targeted 56 jobs.

Liens for Company's failure to pay any of the repayments required by this Section shall be filed by City against the Project and Project Parcel and recorded in the current public records of Duval County, Florida.

- C. **Consent of Guarantors.** The Guarantors hereby join in the execution of this 2<sup>nd</sup> Amendment to the Original RDA for the purpose of expressing their consent to the terms and conditions that are set forth in this 2<sup>nd</sup> Amendment and to confirm that their respective obligations under the Guaranty of Payment executed as of February 15, 2012 shall continue in full force and effect as written.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of day and year first above written.

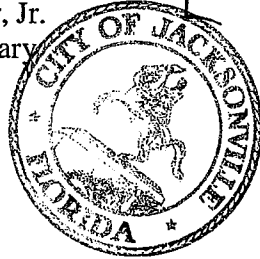
Karen Bowling  
Deputy Chief Administrative Officer  
For Mayor Alvin Brown  
Under Authority of  
Executive Order No. 2011-06

CITY OF JACKSONVILLE, a  
Florida municipal corporation

By: Karen Bowling  
Alvin Brown, Mayor

Attest: Neil W. McArthur, Jr.  
Neil W. McArthur, Jr.  
Corporation Secretary

(Corporation Seal)



Date: 4/13/12

In compliance with the Ordinance Code of the City of Jacksonville, I do certify that there is an unexpanded, unencumbered and unimpounded balance in the appropriation sufficient to cover the foregoing Agreement and that provision has been made for the payment of the monies provided therein to be paid.

na  
Director of Finance

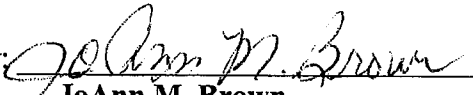
Form approved:

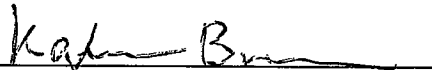
[Signature]  
Assistant General Counsel

**THIS SPACE IS INTENTIONALLY LEFT BLANK. SEE FOLLOWING PAGE FOR EXECUTION BY BORROWER →**

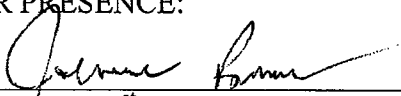
**BORROWER:**

**COWEALTH LLC**, a Florida limited liability company

By:   
**JoAnn M. Brown**  
Its: Manager/Member

By:   
**Katrina Brown**  
Its: Manager/Member

SIGNED AND SEALED IN  
OUR PRESENCE:

  
Signature of 1<sup>st</sup> witness

Terone Brown  
Printed name of 1<sup>st</sup> witness

\_\_\_\_\_  
Signature of 2<sup>nd</sup> witness

\_\_\_\_\_  
Printed name of 2<sup>nd</sup> witness

THIS SPACE IS INTENTIONALLY LEFT BLANK. SEE FOLLOWING PAGE FOR EXECUTION BY GUARANTORS→

**GUARANTORS:**

SIGNED AND SEALED IN  
OUR PRESENCE:

\_\_\_\_\_  
Signature of 1<sup>st</sup> witness

\_\_\_\_\_  
Printed name of 1<sup>st</sup> witness

JoAnn M. Brown  
Signature of 2<sup>nd</sup> witness

JoAnn M. Brown  
Printed name of 2<sup>nd</sup> witness

JoAnn M. Brown  
JoAnn M. Brown, individually

Katrina Brown  
Katrina Brown, individually

**KJB SPECIALTIES, INC.**, a Florida  
Corporation

By: JoAnn M. Brown  
JoAnn M. Brown  
Its: President

(CORPORATION SEAL):

**BASIC PRODUCTS LLC**, a Florida  
limited liability company

By: JoAnn M. Brown  
JoAnn M. Brown  
Its: Manager/Member

Katrina Brown  
Katrina Brown  
Its: Manager/Member



**ASSIGNMENT OF RIGHTS UNDER  
REDEVELOPMENT AGREEMENT**

**THIS ASSIGNMENT OF RIGHTS UNDER REDEVELOPMENT  
AGREEMENT** (the "Assignment") is made as of **February 16, 2012**, by and between **K.J.B. Specialties, Inc.**, a Florida corporation ("Assignor" and **COWEALTH LLC**, a Florida limited liability company, and **BASIC PRODUCTS LLC**, a Florida limited liability company( together, the "Assignees").

**RECITALS:**

I. The City of Jacksonville ("City") and Assignor entered into that certain Redevelopment Agreement dated June 21, 2011, as amended by First Amendment to Redevelopment Agreement dated as of November 16, 2011, and as further amended by Second Amendment to Redevelopment Agreement dated as of February 16, 2012 (together hereinafter referred to as the "RDA") with respect to a certain parcel of real property located on Commonwealth Avenue in Jacksonville, Florida, as more particularly described on Exhibit "A", attached hereto and made a part hereof. (the "Property").

II. Section 10.2 of the RDA provides that Assignor has the right to assign its rights under the RDA to single asset entities controlled by Assignor (or its principals) upon notice given to City that such an assignment is being made.

III. Assignees are each single asset entities controlled by current shareholders of Assignor.

**NOW, THEREFORE**, Assignor and Assignees, in consideration of the premises and the sum of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and legal sufficiency of which is acknowledged by each of Assignor and Assignees, agree as follows:

1. The foregoing Recitals are true and correct and incorporated herein.
2. Assignor assigns to Assignees the entirety of Assignor's rights under the RDA.
3. Assignees accept such assignment and agree to be bound by the terms and conditions of the RDA as if Assignees had been original signatories to the RDA.

**GUARANTORS:**

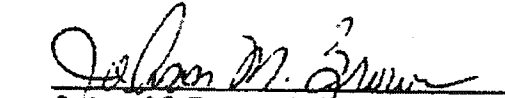
**SIGNED AND SEALED IN  
OUR PRESENCE:**

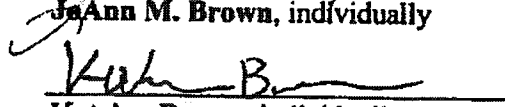
\_\_\_\_\_  
Signature of 1<sup>st</sup> witness

\_\_\_\_\_  
Printed name of 1<sup>st</sup> witness

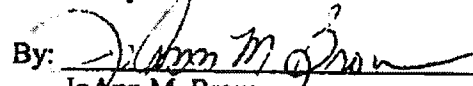
\_\_\_\_\_  
Signature of 2<sup>nd</sup> witness

\_\_\_\_\_  
Printed name of 2<sup>nd</sup> witness

  
\_\_\_\_\_  
JoAnn M. Brown, individually

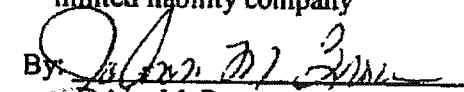
  
\_\_\_\_\_  
Katrina Brown, individually


**KJB SPECIALTIES, INC., a Florida  
Corporation**

By:   
\_\_\_\_\_  
JoAnn M. Brown  
Its: President

**(CORPORATION SEAL):**

**BASIC PRODUCTS LLC, a Florida  
limited liability company**

By:   
\_\_\_\_\_  
JoAnn M. Brown  
Its: Manager/Member

  
\_\_\_\_\_  
Katrina Brown  
Its: Manager/Member



# Annual Survey 2012

Send completed form to  
 City of Jacksonville  
 Office of Economic Development  
 Finance and Compliance  
 117 West Duval Street, Suite 275  
 Jacksonville, FL 32202  
 Fax: (904) 630-1019  
 Email: OEDfinance@coj.net

OFFICE OF ECONOMIC DEVELOPMENT  
 CITY OF JACKSONVILLE, FL

Please complete the form below as it relates to the project for which you received City or State assistance.  
 Should you have any questions, please call Tatiana Kazhuro at (904) 630-1906.

Company name: BASIC Products LLC

Mailing Address: 4446 Hendricks Ave 345  
JACKSONVILLE FL 32207

Primary Contact Name: JOANN BROWN

Primary Contact Title: Owner

Phone: 904 885 2464 Email: JOANNMBR78@hotmail.com

Signature: [Handwritten Signature] Reporting Date: \_\_\_\_\_

As of 12/31/<sup>2012</sup>~~2011~~:

### I. EMPLOYMENT INFORMATION

Number of Jobs at Project Site	[1]	
Number of Jobs at Project Site before Project	[2]	
Net New Jobs (subtract line [2] from line [1])		
Average Wage of New Employees (excluding benefits)	\$	
Estimated cost of benefits as a percentage of Average Wage		%

*Handwritten: N/A*

### II. CAPITAL INVESTMENT INFORMATION

Project Land Costs	[3]	\$	950 000
Project Structure Costs	[4]	\$	
Project Equipment Costs	[5]	\$	
Other Costs	[6]	\$	
Total Project Costs (sum [3] through [6])		\$	3.2 million







# Annual Survey 2013

Send completed form to  
 City of Jacksonville  
 Office of Economic Development  
 Finance and Compliance  
 117 West Duval Street, Suite 275  
 Jacksonville, FL 32202  
 Fax: (904) 630-1019  
 Email: OEDfinance@coj.net

OFFICE OF ECONOMIC DEVELOPMENT  
 CITY OF JACKSONVILLE, FL

Please complete the form below as it relates to the project for which you received City or State assistance.  
 Should you have any questions, please call Tatiana Kazhuro at (904) 630-1906.

Company name: BASIC PRODUCTS LLC

Mailing Address: 4446 HENDRICKS AVE 345  
JACKSONVILLE FL 32207

Primary Contact Name: JOANN BROWN

Primary Contact Title: OWNER

Phone: 904 885 2464 Email: joannmbr78@hotmail.com

Signature: *Joann Brown* Reporting Date: \_\_\_\_\_

As of <sup>2013</sup>12/31/~~2016~~:

## I. EMPLOYMENT INFORMATION

Number of Jobs at Project Site	[1]	N/A
Number of Jobs at Project Site before Project	[2]	N/A
Net New Jobs (subtract line [2] from line [1])		1
Average Wage of New Employees (excluding benefits)	\$	
Estimated cost of benefits as a percentage of Average Wage		%

## II. CAPITAL INVESTMENT INFORMATION

Project Land Costs	[3]	\$ 950,000
Project Structure Costs	[4]	\$
Project Equipment Costs	[5]	\$
Other Costs	[6]	\$
Total Project Costs (sum [3] through [6])		\$ 3.2 million

*Estimated*









# Annual Survey 2014

Send completed form to  
 City of Jacksonville  
 Office of Economic Development  
 Finance and Compliance  
 117 West Duval Street, Suite 275  
 Jacksonville, FL 32202  
 Fax: (904) 630-1019  
 Email: OEDfinance@coj.net

OFFICE OF ECONOMIC DEVELOPMENT  
 CITY OF JACKSONVILLE, FL

Please complete the form below as it relates to the project for which you received City or State assistance.  
 Should you have any questions, please call Tatiana Kazhuro at (904) 630-1906.

Company name: BASIC PRODUCTS LLC

Mailing Address: 4446 Hendricks Ave 345  
JACKSONVILLE FL 32207

Primary Contact Name: JOANN BROWN

Primary Contact Title: OWNER

Phone: 904 885 2464 Email: joannmbr78@hotmail.com

Signature: [Handwritten Signature] Reporting Date: \_\_\_\_\_

As of 12/31/<sup>2014</sup>~~2016~~:

### I. EMPLOYMENT INFORMATION

Number of Jobs at Project Site	[1]	NA
Number of Jobs at Project Site before Project	[2]	NA
Net New Jobs (subtract line [2] from line [1])		NA
Average Wage of New Employees (excluding benefits)	\$	
Estimated cost of benefits as a percentage of Average Wage		%

### II. CAPITAL INVESTMENT INFORMATION

Project Land Costs	[3]	\$ 950,000
Project Structure Costs	[4]	\$
Project Equipment Costs	[5]	\$
Other Costs	[6]	\$
Total Project Costs (sum [3] through [6])		\$ 3.2 million







# Annual Survey 2015

Send completed form to  
 City of Jacksonville  
 Office of Economic Development  
 Finance and Compliance  
 117 West Duval Street, Suite 275  
 Jacksonville, FL 32202  
 Fax: (904) 630-1019  
 Email: OEDfinance@coj.net

OFFICE OF ECONOMIC DEVELOPMENT  
 CITY OF JACKSONVILLE, FL

Please complete the form below as it relates to the project for which you received City or State assistance.  
 Should you have any questions, please call Tatiana Kazhuro at (904) 630-1906.

Company name: BASIC PRODUCTS

Mailing Address: 4446 Hendricks Ave #345  
Jacksonville FL 32207

Primary Contact Name: JOANN BROWN

Primary Contact Title: Owner

Phone: 904-885-2464 Email: joannmbr78@hotmail.com

Signature: *Joann Brown* Reporting Date: \_\_\_\_\_

<sup>2015</sup>  
 As of 12/31/~~2016~~:

## I. EMPLOYMENT INFORMATION

Number of Jobs at Project Site	[1] <u>NA</u>
Number of Jobs at Project Site before Project	[2] <u>NA</u>
Net New Jobs (subtract line [2] from line [1])	
Average Wage of New Employees (excluding benefits)	\$ <u>NA</u>
Estimated cost of benefits as a percentage of Average Wage	%

## II. CAPITAL INVESTMENT INFORMATION

Project Land Costs	[3] \$ <u>950,000</u>
Project Structure Costs	[4] \$
Project Equipment Costs	[5] \$
Other Costs	[6] \$
Total Project Costs (sum [3] through [6])	\$ <u>3.2 mill.</u>





ORIGIN ID:NRBA (904) 630-1467  
MAILROOM  
CITY OF JACKSONVILLE CITY HALL  
117 W DUVAL ST STE M150

SHIP DATE: 11MAY16  
ACTWGT: 0.16 LB  
CAD: 105849425/WSX12600

JACKSONVILLE, FL 32202  
UNITED STATES US

BILL SENDER

TO MRS. JOANN M. BROWN  
COWEALTH LLC  
4446 HENDRICKS AVE. SUITE 345

JACKSONVILLE FL 32207

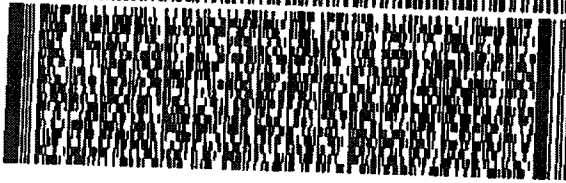
(904) 886-2484

REF:

INV:

DEPT:

15151816020501100



FedEx  
Express



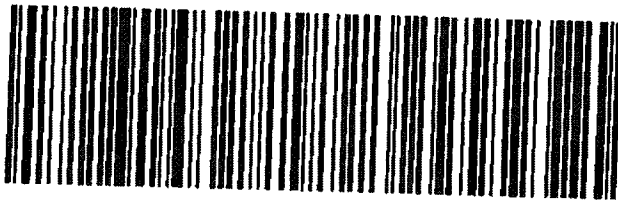
J15151816020501100

TRK# 7830 4516 4461  
0201

THU - 12 MAY 10:30A  
PRIORITY OVERNIGHT

31 NRBA

32207  
FL-US JAX



Date: 05-11-16 0 lb 2.6 oz

Acct #	: JEJE011	Base	:\$	6.16
Cust #	: G20000001249	Spc S	:\$	0.00
Zip/Zone	: 32207 / 2	Addl	:\$	0.00
Trk #	: 783045164461			
Pkg ID #	: 0	Total	\$	6.16
Service	: FedEx Priority Overnight			

COMPOSITE EXHIBIT D



OFFICE OF ECONOMIC DEVELOPMENT  
OFFICE OF MAYOR LENNY CURRY  
JACKSONVILLE, FL

May 11, 2016

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

Re: City of Jacksonville Agreement with KJB Specialties Dated June 21, 2011 in Accordance  
with Ordinance 2011-290-E

Dear Mrs. Brown:

We are remailing the enclosed correspondence because we received notification from the United States Postal Service that the information could not be delivered to the 1551 West Edgewood Avenue, Jacksonville, FL 32209 address.

Sincerely,

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

Kirk R. Wendland  
Executive Director





OFFICE OF ECONOMIC DEVELOPMENT  
OFFICE OF MAYOR LENNY CURRY  
JACKSONVILLE, FL

**CERTIFIED MAIL**  
**Return Receipt Requested**

May 3, 2016

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

**Re: City of Jacksonville Agreement with KJB Specialties Dated June 21, 2011 in Accordance with Ordinance 2011-290-E**

Dear Mrs. Brown:

The Office of Economic Development monitors the Northwest Jacksonville Economic Development Trust Fund Projects. Based on our review of your project file, we are sending this letter to notify you of requirements within the contract and request documentation.

- Section 6.1(f) requires monthly payments of \$1,884.10. Three payments totaling \$5,652.30 (for March 2016 through May 2016) are outstanding. This has resulted in late fees of \$443.23.

In order to bring the outstanding balance up to date, please remit the total amount of \$6,095.53 by June 1, 2016.

- Section 7.3 titled "Job Creation Commitment" states that the Project will result in the creation of at least fifty-six (56) permanent jobs. The amended date of completion for the creation of these jobs was April 30, 2016. Section 8.2 requires the submittal of an annual jobs' report to show the creation and retention of new jobs. The Jobs' Report is attached for your convenience and includes a listing of additional information required for verification.
- Section 8.1(a) requires the submittal of annual audited financial statements. Audited financial statements have been submitted for the year ended 2013 and are required for years ended 2014 and 2015.

- As of April 30, 2016, the taxes for the property at 5638 Commonwealth Ave., 32254 have not been paid. Please provide documentation showing that the property taxes are current. The total due is \$20,417.39.

Please send all relevant documentation to the Office of Economic Development, 117 West Duval St., Suite 275, Jacksonville, Florida 32202, attn. Sonia Carroll, Finance and Compliance Manager by June 1, 2016. Please contact us if you have any questions.

Sincerely,



Kirk R. Wendland  
Executive Director

cc: Guarantor:  
Katrina L. Brown, Manager

City of Jacksonville:  
Sam Mousa, Chief Administrative Officer  
Mike Weinstein, Director of Finance  
John Sawyer, Office of General Counsel  
Sonia Carroll, OED



OFFICE OF ECONOMIC DEVELOPMENT

### Job Report

Send completed form to  
City of Jacksonville  
Office of Economic Development  
Finance and Compliance  
117 West Duval Street, Suite 275  
Jacksonville, FL 32202  
Fax: (904) 630-1019  
Email: OEDfinance@coj.net

Please complete the form below as it relates to the project for which you received City assistance.  
Should you have any questions, please call Sonia Carroll at (904) 630-2197.

The purpose of this Job Report is to ensure that only new jobs associated with the Redevelopment Agreement are considered.

Company Name: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

\_\_\_\_\_

Primary Contact Name: \_\_\_\_\_

Primary Contact Title: \_\_\_\_\_

Phone: \_\_\_\_\_ Email: \_\_\_\_\_

Signature: \_\_\_\_\_ Reporting Date: \_\_\_\_\_

This form should be completed to document all new jobs located at the project location as required in the Agreement. The top half of this form must be completed. In order to determine compliance with the Redevelopment Agreement, please provide a report from the company's HR/Payroll system. Employees listed on this form must be on the Company's payroll as of April 30, 2016. The OED reserves the right to audit the Company's records to verify the information included on this form.

The following information should be included in the report or be included as part of a supplementary report(s):

1. Employee Name
2. Date of Hire
3. Employee #
4. Title
5. Wage rate
6. Earnings to date (calendar year) (for each employee)
7. Year-end earnings for all years employed (for each employee)
8. Full-time/Part-time status
9. Copy of W4 (Supplemental Submission)
10. Most recent UCT6 forms for all employees (Supplemental Submission)

I hereby certify that the information in this Job Report and any accompanying documents is true and correct to the best of my knowledge, information and belief. (A signature should be from a Vice President or higher ranking officer or in the case of an LLC, a manager or managing member.)



OFFICE OF MAYOR LENNY CURRY  
OFFICE OF ECONOMIC DEVELOPMENT  
JACKSONVILLE, FL

June 2, 2016

*U.S. Certified Mail*

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

Re: Notice of Default: 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.; \$380,000 Loan from City to Company, dated February 16, 2012 (the "Loan"); Second and Mortgage and Security Agreement between City and Company securing the Loan ("Second Mortgage"); all capitalized terms not otherwise defined herein shall have the meanings given to them in the Agreement.

Dear Ms. Brown:

On behalf of the City, this letter shall serve as the City's written notice of the Company's Defaults under Section 9.1 of the Agreement, Section 7 of the Promissory Note, and Section 13 of the Second Mortgage and Security Agreement, as a result of the Company's failure to:

- make monthly payments of \$1,884.10 for the months of March, April and May, 2016, as required by Section 6.1(f) of the Agreement and the loan documents;
- submit the annual reports demonstrating the creation and retention of 56 permanent jobs, as required by Section 7.3 of the Agreement;
- submit to the City the annual audited financial statements as required for years ended 2014 and 2015 as required by Section 8.12(a) of the Agreement; and
- pay ad valorem taxes attendant to the Company's real and tangible personal property located at 5638 Commonwealth Avenue, Jacksonville, Florida (the "Mortgaged Property"), currently delinquent in the amount of \$26,109.09, as required by Section 2 of the Second Mortgage.

COWEALTH LLC

June 2, 2016

Page 2

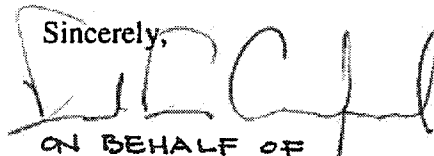
As required by Section 9.1 of the Agreement, the Company shall have fifteen (15) business days from receipt of this letter to: (i) remit \$7,536.40 (comprised of \$5,652.30 in delinquent payments, the June, 2016 payment of \$1,884.10) to the City; (ii) provide the annual jobs report showing the creation and retention of any New Jobs; (iii) provide the audited financial statements as set forth above; and (iv) pay all outstanding ad valorem taxes attendant to the Mortgaged Property to the Duval County Tax Collector.

Please send all loan payments described above and the annual reports and audited financial statements 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 loan documents 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 such agreements or by law.

If the foregoing Defaults are not cured within fifteen (15) business days of receipt of this letter, the City will seek such approvals as are necessary under the Subordination Agreement (as defined in the Second Mortgage) to pursue without further notice all available remedies available to the City, which may include terminating the Agreements and loan documents and pursuing all remedies available thereunder and under applicable law.

Please be governed accordingly.

Sincerely,  
 , PAUL R. CRAWFORD  
ON BEHALF OF  
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



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

9171 9690 0935 0132 3610 76

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





OFFICE OF ECONOMIC DEVELOPMENT  
CITY OF JACKSONVILLE, FL

December 2, 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:

We are in receipt of the loan payments for the months of May, 2016 through October, 2016, delivered to our office on November 22, 2016.

There remain outstanding default issues that have been outlined in previous notices, specifically the Notice of Default letter dated June 2, 2016 and the demand letter dated June 24, 2016. While we have had informal discussions concerning potential term modifications, we will not proceed with those discussions until all of the following conditions have been met on or before December 31, 2016:

1. Monthly loan payment for November, 2016      \$ 1,884.10
2. Late Fee payment for November, 2016      \$ 188.41
3. Monthly loan payment for December, 2016      \$ 1,884.10
4. Payment of 2015 property taxes      \$ 22,515.69
5. Submission of all past due annual reports
6. Submission of all required Guarantor tax returns

Please be advised that this is our last and final notice. If all of the above conditions have been met by December 31, 2016, we will proceed with the discussions concerning potential term modifications through the Northwest Jacksonville Economic Development Trust Fund Advisory Board and, if approved, through the Jacksonville City Council. If all of the above conditions have not been met by December 31, 2016, we will direct the Office of General Counsel to file litigation and use all legal remedies available to recover the City's investment. Nothing in this letter constitutes a waiver of any of the remaining defaults outlined in the previous notices to you or any of the City's rights under the Agreement.

COWEALTH LLC  
December 2, 2016  
Page 2

Sincerely,

A handwritten signature in black ink, appearing to read "Kirk R. Wendland". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

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



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.

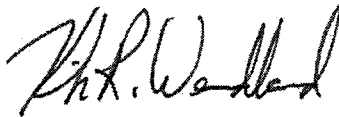
COWEALTH LLC

January 5, 2017

Page 2

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,



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