

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

CASE NO: 16-2017-CA-771

DIVISION: CV-H

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,

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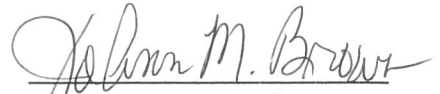
**ANSWER**

Defendants, COWEALTH LLC AND BASIC PRODUCTS, LLC, JOANN M. BROWN, answer Plaintiff's  
Complaint and states:

1. Defendants admit that COWEALTH LLC and BASIC PRODUCTS, LLC. are doing business in Duval  
County, Florida and has a loan with The City of Jacksonville.
2. Defendants deny that they did not meet all conditions in Exhibit A, certified letter mailed on  
December 2, 2016. On page 5 under Count 1 Breach of Contract number 25( c ) Failing to submit annual  
audited financial statements for the years 2014 and 2015. The Defendants entered into a verbal  
agreement with the Plaintiff's Office of Economic Development to dismiss the requirement of submitting  
audited financial statements for years 2014 and 2015.

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY THAT a copy of the foregoing has been furnished to Jacob J. Payne, Assistant General  
Counsel, Plaintiff's attorney, whose address is Office of General Counsel, 117 West Duval Street, Suite  
480, Jacksonville, FL 32202.

A handwritten signature in black ink that reads "JoAnn M. Brown". The signature is written in a cursive style with a large initial "J" and a long horizontal stroke at the end.

BASIC PRODUCTS, LLC

c/o Registered Agent

JoAnn M. Brown

5638 Commonwealth Avenue

Jacksonville, Florida 32254

Exhibit A



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

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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

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.