

Filing # 72006105 E-Filed 05/11/2018 10:26:52 AM

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

The CITY OF JACKSONVILLE, a
municipal corporation,

CASE NO:
DIVISION:

Plaintiff,

v.

KATRINA BROWN, an individual,

Defendant.

COMPLAINT FOR BREACH OF GUARANTY OF PAYMENT

Plaintiff, the City of Jacksonville (the "City"), by and through its undersigned counsel, brings this Complaint against Defendant, KATRINA BROWN, an individual ("Defendant"), and alleges:

1. This is an action for breach of guaranty against Defendant seeking damages in excess of \$15,000.00, exclusive of interest, attorneys' fees, and costs.
2. The City is a municipal corporation and political subdivision of the state of Florida.
3. Defendant is an individual residing in Duval County, Florida.
4. This Court has jurisdiction over the Defendant, and venue is proper in this Court because the Defendant resides in Duval County, Florida, and the City's cause of action accrued in Duval County, Florida. See § 47.011 Fla. Stat.
5. The City extended a loan to CoWealth LLC, a Florida limited liability company ("CoWealth") in the principal amount of \$380,000.00 (the "Loan"), as evidenced by that certain Promissory Note dated February 16, 2012, executed by CoWealth in favor of the City (the "Note"). A true and correct copy of the Note is attached hereto as Exhibit "A."

6. The indebtedness owed on the Loan is guaranteed by that certain Guaranty of Payment dated February 16, 2012, executed by, among others, the Defendant (the "Guaranty of Payment"). A true and correct copy of the Guaranty of Payment is attached hereto as Exhibit "B."

7. CoWealth defaulted under the terms of the Note by, among other reasons, failing to make the monthly payment due on January 1, 2017, or any subsequent payments due thereafter.

8. On April 24, 2018, the City sent a letter to Defendant notifying Defendant of CoWealth's default under the terms of the Note and demanding that Defendant make payment in full of the sums due under the Note in accordance with the terms of the Guaranty of Payment. A true and correct copy of the default letter is attached hereto as Exhibit "C."

9. Defendant has failed to remit payment of the amounts due and owing under the Note and, as a result, has defaulted under the terms of the Guaranty of Payment.

10. As of the date of this Complaint, the City is owed \$346,431.39 in principal on the Note, plus accrued interest, late charges, and other charges payable under the Note, which amounts are payable by Defendant under the terms of the Guaranty of Payment.

11. As a result of the breach of guaranty obligations set forth in paragraph 9, the City has retained the undersigned law firm to represent it in this action and has obligated itself to pay such firm a reasonable fee for its services in connection with the enforcement of the Guaranty of Payment, and such amounts are, under the terms of the Guaranty of Payment, payable by Defendant.

12. The City is the owner and holder of the Note and Guaranty of Payment and is authorized to bring this action under Section 673.3011, Florida Statutes.

13. All conditions precedent to the bringing of this action have been performed, have occurred, or have been waived.

WHEREFORE, the City demands judgment against Defendant for the total amounts due under the Note and pursuant to the terms and conditions of the Guaranty of Payment, together with interest, costs, and reasonable attorneys' fees.

DATED this 11th day of May, 2018.

BURR & FORMAN LLP

By: /s/ Adrian Rust
ADRIAN RUST
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ARMANDO NOZZOLILLO
Florida Bar No.: 106544
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EXHIBIT "A"
Note

PROMISSORY NOTE

\$380,000.00
(the "Principal Sum")

February 16, 2012
(the "Date of Execution")
Jacksonville, Florida

FOR VALUE RECEIVED, the undersigned, COWEALTH LLC, a Florida limited liability company, jointly and severally, if more than one (referred to hereinafter as the "Borrower"), hereby promises to pay to the order of the CITY OF JACKSONVILLE, a Florida municipal corporation, whose address is ATTN: Director, Housing and Neighborhoods Department, 214 North Hogan Street, Suite 800, Jacksonville, Florida 32202 (the "Lender"), the Principal Sum, or such sum as may be advanced and outstanding from time to time (the "Note"), plus interest at the rate set forth below. This Note shall be governed by the following provisions:

1. Disbursement of Funds. The Lender will disburse the proceeds of this Note to Borrower in accordance with the Redevelopment Agreement, defined below, provided that Borrower has complied with the procedures and satisfied the requirements and conditions for disbursement set forth in the Redevelopment Agreement between Borrower and Lender, dated June 11, 2011, as amended by First Amendment to Redevelopment Agreement dated November 16, 2011, and as further amended by Second Amendment to Redevelopment Agreement dated February 16, 2012 (together being referred to herein as the "Redevelopment Agreement"), as the same may be further amended from time to time. The terms and conditions of the Redevelopment Agreement are incorporated herein by this reference thereto.

2. Payments. All principal and interest due under this Note shall be paid by the Borrower in monthly installments of *interest-only* in the sum of \$950.00, beginning on the thirtieth (30th) day following the date hereof, and continuing on the same day of every month thereafter through and including the date of the eighteenth (18th) payment (the "Payment Change Date"). Thereafter, Borrower shall remit monthly installments of principal and interest in the approximate monthly payment amount of \$1,880.00 (the "Amortizing Payment"), commencing on the thirtieth (30th) day following the Payment Change Date and continuing on the same day of each succeeding month thereafter until the "Maturity Date", as hereinafter defined. The Amortizing Payment shall be adjusted to an amount sufficient to fully amortize the remaining unpaid principal, plus interest, of this Note over a twenty-three and one-half (23.50)-year amortization period, beginning on the Payment Change Date and ending on the twenty-fifth (25th) anniversary of the date hereof (the "Maturity Date").

3. Interest. Beginning on the date of Lender's final disbursement of loan funds to Borrower and continuing through the Maturity Date, and so long as there is no uncured Event of Default, the interest rate on this Note shall be three percent (3.0%) per annum based upon a 360-day year/30-day months and on an amortization period of twenty-three and one-half (23.5)-years. Notwithstanding the foregoing, if an Event of Default as defined in Section 7 below occurs, then interest shall accrue at the Default Rate, as defined in Section 7 of this Note, beginning on the date of the default. The total liability of the Borrower for payment of interest shall not exceed the maximum amount permitted by applicable usury laws, and if any interest is received or charged by any holder

hereof in excess of that amount, then the Borrower shall be entitled to an immediate refund of the excess.

4. Prepayment. The Borrower reserves the right to prepay this Note in full or in part at any time without penalty.

5. Application of Payments. All payments hereunder shall be applied to amounts due and owing from the Borrower in the following order: First to the Lender's reasonable costs and expenses, then to fees authorized hereunder or under the Redevelopment Agreement, the Second Mortgage and Security Agreement of even date herewith securing repayment of the Note (the "Mortgage") or other loan documents of even date herewith delivered in connection hereunder (the Redevelopment Agreement, Mortgage, and other loan documents being referred to as the "Loan Documents"), then to interest and then to principal.

6. Security Interest. Borrower has granted Lender a security interest in the collateral described in the Loan Documents, including real property described in the Mortgage and personal property collateral described in any of the Loan Documents.

7. Event of Default; Default Rate of Interest. An Event of Default shall be defined as a default under this Note or under the Loan Documents occurring on or before the Maturity Date. If any Event of Default shall occur, then any obligation of the Lender to make advances hereunder shall be terminated without notice to the Borrower. In addition, if any Event of Default shall occur, the Lender then may declare, in the manner set forth in the Loan Documents, the outstanding principal of this Note, all accrued and unpaid interest hereunder and all other amounts payable under this Note or the Loan Documents to be immediately due and payable, without presentment, demand, protest or further notice of any kind, all of which are hereby expressly waived by the Borrower. Upon the occurrence of any Event of Default, the outstanding principal of this Note, and any accrued and unpaid interest, shall bear interest at the highest legal rate permitted by Florida law after default until paid (the "Default Rate"). Nothing contained herein shall impose an obligation on the Lender to make advances after the occurrence of an Event of Default.

8. Expenses. Borrower agrees to pay the Lender all reasonable costs incurred by Lender in connection with the collection of this Note. Such costs include, without limitation, reasonable fees for the services of counsel and legal assistants employed to collect this Note, whether or not suit be brought, and whether incurred in connection with collection, trial, appeal, bankruptcy proceedings or otherwise. Borrower further agrees to indemnify and hold the Lender harmless against liability for the payment of state documentary stamp taxes, intangible taxes or other taxes (including interest and penalties, if any), which may be determined to be payable with respect to this transaction.

9. Late Charge. If any scheduled payment hereunder is ten (10) or more days late, the Borrower shall pay a late fee equal to ten percent (10%) of the unpaid portion of the scheduled payment. The fee is not a penalty, but liquidated damages to defray administrative and related expenses due to such late payment and shall be paid only once for each late payment. The late fee shall be immediately due and payable and shall be paid by the Borrower to the Lender without notice or demand. This provision for a late fee is not and shall not be deemed a grace period, and Lender shall have no obligation to accept a late payment. Further, the acceptance of a late payment shall not

constitute a waiver of any default then existing (other than by reason of the payment so accepted late) or thereafter arising under this Note.

10. Setoffs. The Borrower expressly grants to the Lender a continuing security interest in any and all money, general or specific deposits, or property of Borrower now or hereafter in the possession of the Lender. The Borrower authorizes and empowers the Lender, in its sole discretion, at any time after the occurrence of an Event of Default to appropriate and, in such order as the Lender may elect, apply any such money, deposits or property to the payment hereof or to the payment of any and all indebtedness, liabilities and obligations of such parties to the Lender, whether now existing or hereafter created or arising or now owned or howsoever after acquired by the Lender (whether such indebtedness, liabilities and obligations are or will be joint or several, direct or indirect, absolute or contingent, liquidated or unliquidated, matured or unmatured).

11. Financial Information. Borrower shall deliver to the Lender such information as the Lender may reasonably request from time to time, including without limitation, audited financial statements and information pertaining to Borrower's financial condition. Such information shall be true, complete, and accurate, and shall be delivered to Lender within thirty (30) days after the Lender's request.

12. Miscellaneous. The Borrower shall make all payments hereunder in lawful money of the United States at the Lender's address set forth herein or at such other place as the Lender may designate in writing. The remedies of the Lender as provided herein shall be cumulative and concurrent, and may be pursued singly, successively or together, at the sole discretion of the Lender and may be exercised as often as occasion therefor shall arise. No act of omission or commission of the Lender, including specifically any failure to exercise any right, remedy or recourse, shall be effective, unless set forth in a written document executed by the Lender, and then only to the extent specifically recited therein. A waiver or release with reference to one event shall not be construed as continuing, as a bar to, or as a waiver or release of any subsequent right, remedy or recourse as to any subsequent event. This Note shall be construed and enforced in accordance with Florida law and shall be binding on the successors and assigns of the parties hereto. The term "Lender" as used herein shall mean any holder of this Note. If more than one person or entity executes this Note, such persons and entities shall be jointly and severally liable hereunder.

The Borrower hereby: (i) waives demand, notice of demand, presentment for payment, notice of nonpayment or dishonor, protest, notice of protest and all other notice, filing of suit and diligence in collecting this Note, or in the Lender's enforcing any of its rights under any guaranties securing the repayment hereof; (ii) agrees to any substitution, addition or release of any collateral or any party or person primarily or secondarily liable hereon; (iii) agrees that the Lender shall not be required first to institute any suit, or to exhaust his, their or its remedies against the Borrower or any other person or party to become liable hereunder, or against any collateral in order to enforce payment of this Note; (iv) consents to any extension, rearrangement, renewal or postponement of time of payment of this Note and to any other indulgency with respect hereto without notice, consent or consideration to any of them; and (v) agrees that, notwithstanding the occurrence of any of the foregoing (except with the express written release by the Lender of Borrower), Borrower shall be and remain directly and primarily liable for all sums due under this Note.

COWEALTH LLC,
a Florida limited liability company

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

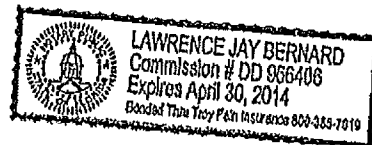
By: Katrina Brown
KATRINA BROWN
Its Manager/Member

BORROWER

STATE OF FLORIDA
COUNTY OF DUVAL

The foregoing instrument was executed, acknowledged and delivered before me this 16th
day of February, 2012, by JOANN M. BROWN and KATRINA BROWN, the
Managers/Members of COWEALTH LLC, a Florida limited liability company, on behalf of the
company, who (Check one): [] is personally known to me, or [☒] produced
~~FLA. DMV'S LICENSE~~ as identification.

Lawrence Jay Bernard
Notary Public, State and County Aforesaid
My commission expires: _____



(NOTARY SEAL)

Proper Florida documentary stamp taxes
have been paid and affixed to the
Mortgage and Security Agreement
securing the repayment of this Note.

2/16/2012:\GovtOperations\JDSmith\NWJCDC\Promissory Note.doc

EXHIBIT "B"
Guaranty of Payment

GUARANTY OF PAYMENT

THIS GUARANTY is dated as of the 16th day of February 2012 (together with any amendments or modifications hereto in effect from time to time, the "Guaranty"), and is made by JOANN M. BROWN, individually; KATRINA BROWN, individually; KJB SPECIALTIES, INC., a Florida corporation, and BASIC PRODUCTS LLC, a Florida limited liability company, jointly and severally (hereinafter sometimes called the "Guarantor or the "Guarantors"), having an address at 1551 West Edgewood Avenue, Jacksonville, Florida 32209, in favor of the CITY OF JACKSONVILLE, a Florida municipal corporation, having an address at 214 North Hogan Street, 8th Floor, Jacksonville, Florida 32202, ATTN: Housing and Neighborhoods Department (the "Lender").

RECITATIONS:

(i) Lender, pursuant to the Redevelopment Agreement (hereafter defined) between Lender and COWEALTH LLC, a Florida limited liability company (the "Borrower") has agreed to make a loan to Borrower under the Northwest Jacksonville Economic Development Fund ("NWJEDF") in the form of a loan in the aggregate principal amount of \$380,000.00 (the "Loan"), to be evidenced by that certain Promissory Note (the "Note") in the amount of the Loan in favor of Lender pursuant to the terms of that certain Redevelopment Agreement dated as of 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, by and between the Borrower and Lender (collectively hereinafter referred to as the "RDA") for payment of acquisition costs in connection with the purchase of the land described on Exhibit "A", attached hereto and made a part hereof (the "Property").

(ii) In order to induce Lender to make the Loan, the Guarantors have agreed to guaranty to the Lender the payment of certain obligations of the Borrower under the Loan Documents (hereinafter defined), jointly and severally, with each other and with all other guarantors of the payment of said obligations, all in accordance with the terms and provisions hereinafter set forth.

ACCORDINGLY, each Guarantor promises, agrees, covenants and acknowledges as follows:

1. LIABILITIES GUARANTEED.

Guarantors, jointly and severally, hereby guarantee and become sureties to Lender for the full, prompt and unconditional payment of the Liabilities (as defined below), when and as the same shall become due, whether at the stated maturity date, by acceleration or otherwise, and the full, prompt and unconditional performance of each term and condition to be performed by Borrowers under the Loan Documents (as defined below). This Guaranty is a primary obligation of Guarantors and shall be a continuing inexhaustible Guaranty. This is a guaranty of payment and not of collection. Lender may require Guarantors to pay and perform their liabilities and obligations under this Guaranty and may proceed immediately against Guarantors without being required to bring any proceeding or take any action against Borrower, any other guarantor or any other person, entity or property prior thereto, the liability of Guarantors hereunder being joint

and several, and independent of and separate from the liability of Borrower, any other guarantor or person, and the availability of other collateral security for the Note and the other Loan Documents.

2. DEFINITIONS.

(a) "Liabilities" means, collectively: (i) the repayment of all sums due under the Note (and all extensions, renewals, replacements and amendments thereof) and the other Loan Documents; (ii) the performance of all terms, conditions and covenants set forth in the Loan Documents; and (iii); the repayment of all other obligations or indebtedness of Borrower to Lender arising under the Loan Documents, including without limitation, principal, interest, fees, late charges and expenses, including reasonable attorneys' fees.

(b) "Loan Documents" shall have the meaning set forth in the RDA. The terms of the Loan Documents are hereby made a part of this Guaranty to the same extent and with the same effect as if fully set forth herein.

(c) "Note" mean the Note described in the preamble hereof, executed and delivered by the Borrower to the Lender and evidencing the Loans

(d) All capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Loan Documents.

3. REPRESENTATION AND WARRANTIES. Each Guarantor represents and warrants to Lender as follows:

(a) Powers. The Trust is validly existing and has not been modified or terminated; John D. Rood is the current sole trustee of the Trust. Each Guarantor (i) has the power and authority to own such Guarantor's properties and assets and to carry on such Guarantor's business as now being conducted and as now contemplated; and (ii) has the power and authority to execute, deliver and perform, and by all necessary action has authorized the execution, delivery and performance of, all of such Guarantor's obligations under this Guaranty and any other Loan Document to which it is a party.

(b) Execution of Guaranty. This Guaranty and each other Loan Document to which each Guarantor is a party have been duly executed and delivered by such Guarantor's. Execution, delivery and performance of this Guaranty and each other Loan Document to which each Guarantor is a party will not: (i) violate any provision of law, order of any court, agency or instrumentality of government, or any provision of any indenture, agreement or other instrument to which it is a party or by which it or any of its properties is bound; (ii) result in the creation or imposition of any lien, charge or encumbrance of any nature, other than the liens created by the Loan Documents; and (iii) require any authorization, consent, approval, license, exemption of, or filing or registration with, any court or governmental authority.

(c) Obligations of Guarantors. This Guaranty and each other Loan Document to which a Guarantor is a party are the legal, valid and binding obligations of such Guarantor, enforceable against it in accordance with their terms, except as the same may be limited by bankruptcy, insolvency, reorganization or other laws or equitable principles relating to or affecting the enforcement of creditors' rights generally. The loans or credit accommodations

made by Lenders to Borrowers and the assumption by Guarantors of their obligations hereunder and under any other Loan Document to which Guarantors are parties will result in material benefits to Guarantors. This Guaranty was entered into by Guarantors for commercial purposes.

(d) **Litigation.** There is no action, suit, or proceeding at law or in equity or by or before any governmental authority, agency or other instrumentality now pending or, to the knowledge of any Guarantor, threatened against or affecting Guarantors or any of their properties or rights which, if adversely determined, would materially impair or affect: (i) the value of any collateral securing the Liabilities; (ii) each Guarantor's right to carry on its business substantially as now conducted (and as now contemplated); (iii) its financial condition; or (iv) its capacity to consummate and perform its obligations under this Guaranty or any other Loan Document to which such Guarantor is a party.

(e) **No Defaults.** No Guarantor is in default in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained herein or in any material agreement or instrument to which it is a party or by which it or any of its properties is bound.

(f) **No Untrue Statements.** No Loan Document or other document, certificate or statement furnished to Lender by or on behalf of Guarantors contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements contained herein and therein not misleading. Guarantors acknowledge that all such statements, representations and warranties shall be deemed to have been relied upon by Administrative Agent and Lenders as an inducement to make the Loans to Borrowers.

4. **NO LIMITATION OF LIABILITY.**

(a) Without incurring responsibility to Guarantors, and without impairing or releasing the obligations of Guarantors to the Lender, and without reducing the amount due under the terms of this Guaranty, Lender may at any time and from time to time, without the consent of or notice to Guarantors, upon any terms or conditions, and in whole or in part:

(i) Change the manner, place or terms of payment of (including, without limitation, the interest rate and monthly payment amount), and/or change or extend the time for payment of, or renew or modify, any of the Liabilities, any security therefor, or any of the Loan Documents evidencing same, and the Guaranty herein made shall apply to the Liabilities and the Loan Documents as so changed, extended, renewed or modified;

(ii) Sell, exchange, release, surrender, realize upon or otherwise deal with in any manner and in any order, any property securing the Liabilities;

(iii) Exercise or refrain from exercising any rights against Borrowers or other obligated parties (including Guarantors) or against any security for the Liabilities;

(iv) Settle or compromise any Liabilities, whether in a proceeding or not, and whether voluntarily or involuntarily, dispose of any security therefor (with or without consideration), and subordinate the payment of any of the Liabilities, whether or not due, to the payment of liabilities owing to creditors of Borrower other than Lender and Guarantors;

(v) Apply any sums it receives, by whomever paid or however realized, to any of the Liabilities;

(vi) Add, release, settle, modify or discharge the obligation of any maker, endorser, guarantor, surety, obligor or any other party who is in any way obligated for any of the Liabilities;

(vii) Accept any additional security for the Liabilities; and/or

(viii) Take any other action which might constitute a defense available to, or a discharge of, Borrowers or any other obligated party (including Guarantors) in respect of the Liabilities.

(b) The invalidity, irregularity or unenforceability of all or any part of the Liabilities or any Loan Document, or the impairment or loss of any security therefor, whether caused by any action or inaction of the Lender, or otherwise, shall not affect, impair or be a defense to any Guarantor's obligations under this Guaranty.

5. **LIMITATION ON SUBROGATION.** Until such time as the Liabilities are paid in full, each Guarantor waives any present or future right to which such Guarantor is or may become entitled to be subrogated to Lender's rights against Borrower or to seek contribution, reimbursement, indemnification, payment or the like, or participation in any claim, right or remedy of Lender against Borrower or any security which Lender now has or hereafter acquires, whether or not such claim, right or remedy arises under contract, in equity, by statute, under common law or otherwise. If, notwithstanding such waiver, any funds or property shall be paid or transferred to Guarantors on account of such subrogation, contribution, reimbursement, or indemnification at any time when all of the Liabilities have not been paid in full, Guarantors shall hold such funds or property in trust for Lender and shall forthwith pay over to Lender such funds and/or property to be applied by Lender to the Liabilities.

6. **COVENANTS.**

(a) **Financial Information.** Each of the Guarantors shall furnish to Lender the following financial information, in each instance prepared in accordance with generally accepted accounting principles consistently applied:

(i) Not later than thirteen (13) months following the date of Guarantor's most recent financial statement furnished to the Administrative Agent, a financial statement of Guarantor including, without limitation, a statement of assets and liabilities (including contingent liabilities), net worth and a statement of income, and any other information reasonably requested by Administrative Agent, prepared on a compilation basis.

(ii) Not later than thirty (30) days after filing with the Internal Revenue Service, a true and complete copy of the federal tax return, including all schedules, of Guarantors.

(iii) Such other information respecting the financial condition of Guarantors as Administrative Agent may from time to time reasonably request, including interim financial statements.

(b) Subordination of Other Debts. Each Guarantor agrees: (a) to subordinate the obligations now or hereafter owed by Borrowers to Guarantors ("Subordinated Debt") to any and all obligations of Borrowers to Lender now or hereafter existing while this Guaranty is in effect; provided, however, that Guarantors may receive customary commission, salaries, bonuses and scheduled payments of principal and interest payments on the Subordinated Debt so long as (i) all sums due and payable by Borrower to Lender have been paid in full on or prior to such date, and (ii) no event which is or, with the passage of time or giving of notice or both, could become an Event of Default shall have occurred and be continuing; (b) Guarantors will either place a legend indicating such subordination on every note, ledger page or other document evidencing any part of the Subordinated Debt or deliver such documents to Administrative Agent; and (c) except as permitted by this paragraph, Guarantors will not request or accept payment of or any security for any part of the Subordinated Debt, and any proceeds of the Subordinated Debt paid to Guarantors, through error or otherwise, shall immediately be forwarded to Lender by Guarantors, properly endorsed to the order of Lender, to apply to the Liabilities.

(c) Security for Guaranty. Each Guarantor hereby grants to Lender a continuing security interest in all property of Guarantor, now or hereafter in the possession of Lender as security for the performance of this Guaranty, which security interest shall be enforceable and subject to all the provisions of this Guaranty, as if such property were specifically pledged hereunder.

7. EVENTS OF DEFAULT.

Each of the following shall constitute a default (each, an "Event of Default") hereunder:

(a) Non-payment, within ten (10) days after demand in writing from the Lender, of any Liabilities not paid by the Borrowers when due under any of the Loan Documents;

(b) A breach by a Guarantor of any other term, covenant, condition, obligation or agreement under this Guaranty, and the continuance of such breach for a period of fifteen (15) days after written notice thereof shall have been given to Guarantor;

(c) Any representation or warranty made by a Guarantor in this Guaranty shall prove to be false, incorrect or misleading in any material respect as of the date when made;

(d) The death of any individual Guarantor or the dissolution, merger or termination of existence of any Guarantor which is a corporation, partnership, limited liability company, trust or other entity;

(e) The transfer of all or any material portion of a Guarantor's assets without the express written consent of the Lender; or

(f) An Event of Default under any of the Loan Documents not cured as permitted therein.

8. REMEDIES.

(a) Upon an Event of Default, all liabilities of Guarantors hereunder shall become immediately due and payable without demand or notice and, in addition to any other remedies provided by law, Lender may:

(i) Enforce the obligations of Guarantors under this Guaranty.

(ii) To the extent not prohibited by and in addition to any other remedy provided by law, setoff against any of the Liabilities any sum owed by Administrative Agent or the Lender in any capacity to Guarantors whether due or not.

(iii) Perform any covenant or agreement of Guarantors in default hereunder (but without obligation to do so) and in that regard pay such money as may be required or as Lender may reasonably deem expedient. Any costs, expenses or fees, including reasonable attorneys' fees and costs, incurred by Lender in connection with the foregoing shall be included in the Liabilities guaranteed hereby, and shall be due and payable on demand, together with interest at the Default Rate (as defined and described in the Note), such interest to be calculated from the date of such advance to the date of repayment thereof. Any such action by Lender shall not be deemed to be a waiver or release of Guarantors hereunder and shall be without prejudice to any other right or remedy of Lender.

(b) Settlement of any claim by Lender against Borrowers, whether in any proceeding or not, and whether voluntary or involuntary, shall not reduce the amount due under the terms of this Guaranty, except to the extent of the amount actually paid by Borrowers or any other obligated party and legally retained by Administrative Agent or Lenders in connection with the settlement (unless otherwise provided for herein).

9. MISCELLANEOUS.

(a) Disclosure of Financial Information. The Lender is hereby authorized to disclose any financial or other information about Guarantors to any regulatory body or agency having jurisdiction over the Lender or to any present, future or prospective participant or successor in interest in any loan or other financial accommodation made by the Lender to Borrower or Guarantors. The information provided may include, without limitation, amounts, terms, balances, payment history, return item history and any financial or other information about Guarantors.

(b) Remedies Cumulative. The rights and remedies of Lender, as provided herein and in any other Loan Document, shall be cumulative and concurrent, may be pursued separately, successively or together, may be exercised as often as occasion therefor shall arise, and shall be in addition to any other rights or remedies of Lender at law or in equity. The failure, at any one or more times, of Lender to exercise any such right or remedy shall in no event be construed as a waiver or release thereof. Lender shall have the right to take any action it deems appropriate without the necessity of resorting to any collateral securing this Guaranty.

(c) Integration. This Guaranty and the other Loan Documents constitute the sole agreement of the parties with respect to the transaction contemplated hereby and supersede all oral negotiations and prior writings with respect thereto.

(d) Attorneys' Fees and Expenses. If Lender retains the services of counsel by reason of a claim of a default or an Event of Default hereunder or under any of the other Loan Documents, or on account of any matter involving this Guaranty, or for examination of matters subject to Lender's approval under the Loan Documents, all costs of suit and all reasonable attorneys' fees and such other reasonable expenses so incurred by Lender shall forthwith, on demand, become due and payable and shall be secured hereby.

(e) No Implied Waiver. Lender shall not be deemed to have modified or waived any of its rights or remedies hereunder unless such modification or waiver is in writing and signed by Lender and then only to the extent specifically set forth therein. A waiver in one event shall not be construed as continuing or as a waiver of or bar to such right or remedy on a subsequent event.

(f) Waiver. Each Guarantor waives notice of acceptance of this Guaranty and notice of the Liabilities and waives notice of default, non-payment, partial payment, presentment, demand, protest, notice of protest or dishonor, and all other notices to which such Guarantor might otherwise be entitled or which might be required by law to be given by Lender. Each Guarantor waives the right to the marshaling of Borrower's assets or any stay of execution and the benefit of all exemption laws, to the extent permitted by law, and any other protection granted by law to Guarantors, now or hereafter in effect with respect to any action or proceeding brought by the Lender against it. Each Guarantor irrevocably waives all claims of waiver, release, surrender, alteration or compromise and the right to assert against Administrative Agent or the Lender any defenses, set-offs, counterclaims, or claims that Guarantor may have at any time against Borrowers or any other party liable to Administrative Agent or the Lenders.

(g) No Third-Party Beneficiary. Except as otherwise provided herein, Guarantors and Lender do not intend the benefits of this Guaranty to inure to any third party except the Lender and no third party, except the Lender (including Borrower) shall have any status, right or entitlement under this Guaranty.

(h) Partial Invalidity. The invalidity or unenforceability of any one or more provisions of this Guaranty shall not render any other provision invalid or unenforceable. In lieu of any invalid or unenforceable provision, there shall be added automatically a valid and enforceable provision as similar in terms to such invalid or unenforceable provision as may be possible.

(i) Binding Effect. The covenants, conditions, waivers, releases and agreements contained in this Guaranty shall bind, and the benefits thereof shall inure to, the parties hereto and their respective heirs, executors, administrators, successors and assigns; provided, however, that this Guaranty cannot be assigned by Guarantors without the prior written consent of Lender, and any such assignment or attempted assignment by Guarantors shall be void and of no effect with respect to Lender.

(j) Modifications. This Guaranty may not be supplemented, extended, modified or terminated except by an agreement in writing signed by the party against whom enforcement of any waiver, change, modification or discharge is sought.

(k) Sales or Participations. Lender may from time to time sell or assign, in whole or in part, or grant participations in the Loan, the Note and/or the obligations evidenced thereby.

The holder of any such sale, assignment or participation, if the applicable agreement between Lender and such holder so provides, shall be: (a) entitled to all of the rights, obligations and benefits of Lender; and (b) deemed to hold and may exercise the rights of setoff or banker's lien with respect to any and all obligations of such holder to Guarantors, in each case as fully as though Guarantors were directly indebted to such holder. Lender may in its discretion give notice to Guarantors of such sale, assignment or participation; however, the failure to give such notice shall not affect any of Lender's or such holder's rights hereunder.

(l) **Jurisdiction.** Each Guarantor hereby consents that any action or proceeding against Guarantor be commenced and maintained in any court within the State of Florida by service of process on Guarantor; and Guarantor agrees that the courts of such State shall have jurisdiction with respect to the subject matter hereof and the person of Guarantor and all collateral securing the obligations of Guarantor. Each Guarantor agrees not to assert any defense to any action or proceeding initiated by Lender based upon improper venue or inconvenient forum.

(m) **Notices.** All notices and communications under this Guaranty shall be in writing and shall be given by either (a) hand-delivery, (b) certified first class mail (postage prepaid) return receipt requested, or (c) reliable overnight commercial courier (charges prepaid), to the addresses listed in this Guaranty. Notice shall be deemed to have been given and received: (i) if by hand delivery, upon delivery; (ii) if by mail, five (5) calendar days after the date first deposited in the United States mail; and (iii) if by overnight courier, on the date scheduled for delivery. A party may change its address by giving written notice to the other party as specified herein.

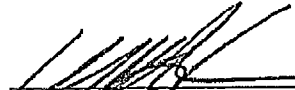
(n) **Governing Law.** This Guaranty shall be governed by and construed in accordance with the substantive laws of the State of Florida without reference to conflict of laws principles.

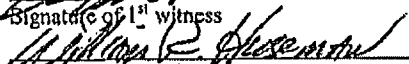
(o) **Joint and Several Liability.** If Guarantor consists of more than one person or entity, the word "Guarantor" shall mean each of them and their liability shall be joint and several. The liability of Guarantors shall also be joint and several with the liability of any other guarantor under any other guaranty.

(p) **Continuing Enforcement.** If, after receipt of any payment of all or any part of the Liabilities, Lender is compelled or agrees, for settlement purposes, to surrender such payment to any person or entity for any reason (including, without limitation, a determination that such payment is void or voidable as a preference or fraudulent conveyance, an impermissible setoff, or a diversion of trust funds), then this Guaranty shall continue in full force and effect or be reinstated, as the case may be, and Guarantors shall be liable for, and shall indemnify, defend and hold the Lender harmless with respect to the full amount so surrendered. The provisions of this Section shall survive the termination of this Guaranty and shall remain effective notwithstanding the payment of the Liabilities, the cancellation of the Note, this Guaranty or any other Loan Document, the release of any security interest, lien or encumbrance securing the Liabilities or any other action which Lender may have taken in reliance upon its receipt of such payment. Any cancellation, release or other such action shall be deemed to have been conditioned upon any payment of the Liabilities having become final and irrevocable.


IN WITNESS WHEREOF, Guarantors, intending to be legally bound, have duly executed and delivered this Guaranty as of the day and year first above written.

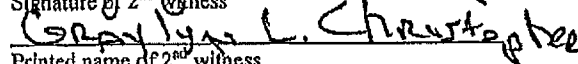
Witnesses:



Signature of 1st witness


Printed name of 1st witness



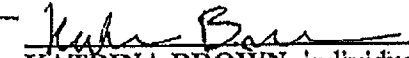
Signature of 2nd witness


Printed name of 2nd witness


GUARANTORS:

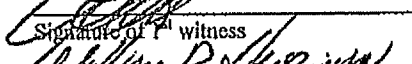


JOANN M. BROWN, individually





KATRINA BROWN, individually



Signature of 1st witness



Printed name of 1st witness



Signature of 2nd witness


Printed name of 2nd witness

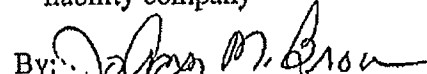
K.J.B. SPECIALTIES, INC., a Florida corporation

By: 

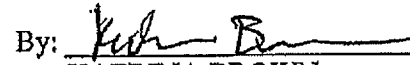
JOANN M. BROWN
Its: President

(CORPORATION SEAL):

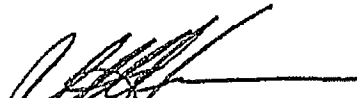
BASIC PRODUCTS LLC, a Florida limited liability company

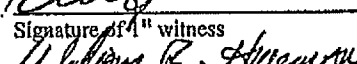
By: 

JOANN M. BROWN
Its: Manager/Member

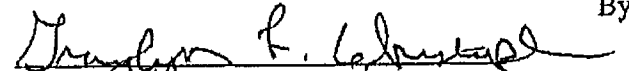
By: 

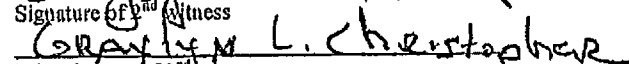
KATRINA BROWN
Its: Manager/Member



Signature of 1st witness


Printed name of 1st witness



Signature of 2nd witness


Printed name of 2nd witness

EXHIBIT A

A PARCEL OF LAND IN THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 18, TOWNSHIP 2 SOUTH, RANGE 26 EAST, JACKSONVILLE, DUVAL COUNTY, FLORIDA MORE PARTICULARLY DESCRIBED AS FOLLOWS:

FROM A POINT OF REFERENCE, COMMENCE AT THE POINT OF INTERSECTION OF THE CENTERLINE OF ELLIS ROAD (ORIGINALLY A 60 FT RIGHT OF WAY AS DESCRIBED IN OFFICIAL RECORD BOOK 425, PAGE 417 PUBLIC RECORDS OF SAID COUNTY) WITH THE CENTERLINE OF BROADWAY AVENUE (A 60 FOOT RIGHT OF WAY, AS NOW ESTABLISHED) SAID POINT BEING THE SOUTHEASTERLY CORNER OF THE NORTHWEST QUARTER OF NORTHWEST QUARTER AND RUN SOUTH 88°25' 10" WEST ALONG THE WESTERLY PROLONGATION OF THE CENTERLINE OF SAID BROADWAY AVENUE AND THE SOUTHERLY BOUNDARY OF THE SAID NORTHWEST QUARTER OF THE NORTHWEST QUARTER A DISTANCE OF 40.0 FEET TO A POINT IN THE WESTERLY RIGHT OF WAY LINE OF ELLIS ROAD, AS DESCRIBED IN OFFICIAL RECORD BOOK 964, PAGE 464, PUBLIC RECORDS OF SAID COUNTY; THENCE RUN NORTH 00° 27' 20" EAST ALONG SAID RIGHT OF WAY LINE, A DISTANCE OF 800.00 FEET TO A POINT WHICH IS THE POINT OF BEGINNING. FROM THE POINT OF BEGINNING THUS DESCRIBED, RUN SOUTH 88° 25' 10" WEST A DISTANCE OF 462.55 FEET TO AN IRON STAKE; RUN THENCE NORTH 00° 27' 20" EAST A DISTANCE OF 493.14 FEET TO AN IRON STAKE ON THE SOUTHERLY RIGHT OF WAY LINE OF COMMONWEALTH AVENUE (A 60 FOOT RIGHT OF WAY AS NOW ESTABLISHED); RUN THENCE NORTH 87° 48' 20" EAST A DISTANCE OF 462.75 FEET TO AN IRON STAKE ON THE SAID WESTERLY RIGHT OF WAY LINE OF ELLIS ROAD; RUN THENCE SOUTH 00° 27' 20" WEST A DISTANCE OF 498.12 FEET TO THE POINT OF BEGINNING.

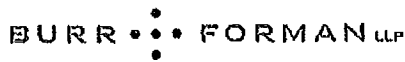
LESS AND EXCEPTING THEREFROM:

THAT PART DESCRIBED IN THE ORDER OF TAKING (PARCEL 103) RECORDED IN OFFICIAL RECORDS BOOK 7458, PAGE 656, CURRENT PUBLIC RECORDS, DUVAL COUNTY, FLORIDA.

AND FURTHER LESS AND EXCEPTING THEREFROM:

THAT PART DESCRIBED IN THAT CERTAIN WARRANTY DEED RECORDED IN OFFICIAL RECORDS BOOK 13502, PAGE 1344, CURRENT PUBLIC RECORDS, DUVAL COUNTY, FLORIDA.

Exhibit "C"
Default Letter



results matter

Adrian Rust
arust@burr.com
Direct Dial: (904) 232-7202

50 North Laura Street, Suite 3000
Jacksonville, FL 32202

Office (904) 232-7200
Fax (904) 232-7201

April 24, 2018

BURR.COM

CERTIFIED MAIL RETURN RECEIPT REQUESTED AND U.S. MAIL

Katrina Brown
4446 Hendricks Avenue, Suite 345
Jacksonville, FL 32207

And

1551 West Edgewood Ave.
Jacksonville, FL 32208

And

9539 Carbondale Drive East
Jacksonville, FL 32208

Re: Guaranty of Payment (the "Guaranty Agreement"), executed by Katrina Brown ("Ms. Brown") in connection with that certain Loan made by the City of Jacksonville ("Lender") to COWEALTH LLC ("Borrower") in the principal amount of \$380,000.00 (the "Loan")

Dear Ms. Brown:

This law firm has been engaged by Lender in connection with the above-referenced matter. On February 16, 2012, you executed the Guaranty Agreement, whereby you guaranteed certain liabilities of Borrower under the Loan, including repayment of the amounts due thereunder in the event of a default by Borrower. The indebtedness due under the Loan is currently evidenced by that certain Promissory Note dated February 16, 2012, executed and delivered by Borrower, in favor of Lender, in the original principal amount of \$380,000.00 (the "Note").

Borrower defaulted under the terms of the Note by failing to make the monthly payment due on January 1, 2017, or any subsequent payments due thereafter. In light of Borrower's default under the Note, and for the purpose of enforcing your obligations under the Guaranty Agreement, Lender hereby declares that all sums owed under the Note are immediately due and payable in full, and demand for payment is hereby made upon you as Guarantor. The total amount due through April 24, 2018 is \$357,632.67, consisting of \$346,431.39 in principal and \$11,201.28 in

Katrina Brown
April 24, 2018
Page 2

accrued interest, plus additional accrued interest and other charges incurred from and after the date hereof, as well as attorneys' fees and related costs.

PLEASE BE ADVISED that pursuant to Paragraph 7(a) of the Guaranty Agreement, if the above-referenced amount is not paid within fifteen (15) business days from the date of this letter, you shall be in default of your obligations under the terms of the Guaranty Agreement. Moreover, upon an event of default under the Note, Lender may charge interest at the default rate more specifically described therein (the "Default Rate"). This letter will serve as notice that if the above-referenced amounts are not paid within fifteen (15) business days from the date of this letter, then Lender may elect to begin charging interest on the unpaid principal balance of the Loan at the Default Rate. Further, upon an event of default under the Guaranty Agreement, you are obligated to pay all costs, including late charges and reasonable attorney's fees incurred by Lender in pursuing its remedies under the Guaranty Agreement.

Neither continued discussions between the parties regarding the Loan, forbearance from the exercise of remedies under the Guaranty Agreement, nor the acceptance of partial payments of the Loan shall be deemed a waiver or cure of the foregoing events of default, or constitute a modification or withdrawal of the demand for payment or a reinstatement of the Loan. This letter is not intended to include an exhaustive statement of all events of default under the Loan, nor a waiver by Lender of any event of default not specified above. Please be further advised that Lender fully reserves all of its rights and remedies under the Guaranty Agreement and related Loan documents.

Your prompt attention to this demand is requested.

Sincerely,



Adrian Rust