



Discover. Experience. Remember.

November 30, 2016

City Manager
City of North Port
4970 City Hall Boulevard
North Port, Florida 34286

RE: Economic Development Agreement, Paragraph 10. (c)

Dear Sir:

The purpose of this letter is to document the industry conditions that occurred during the course of this Economic Development Agreement (Agreement) and that contributed not only to our inability to add jobs as originally expected when the Agreement was entered into but also to the loss of jobs. In addition to our Division 6 work (our core manufacturing/millwork business), we also generated significant work and revenues from being the sole manufacturer's representative in the Florida/Georgia territory for one of the large suppliers in the Division 12 casework industry. However, due to some consolidation in the industry, we lost our territory and had to seek out another source for our Division 12 products. We began working with the largest supplier in the Division 12 industry but soon found out they had significant financial problems and were having difficulty meeting scheduled delivery times. We sought out other suppliers but when the largest supplier in the industry declared bankruptcy, the entire industry felt the impact of more demand than could be met. Without a reliable Division 12 manufacturing partner, we decided it was time to exit the Division 12 line of business. That occurred in the first quarter of 2015. Comparing 2015 to 2014, we experienced a drop of approximately \$6 million in revenue as a result of this decision but it also allowed us to become much more efficient and profitable in our Division 6 operations. Looking back, I estimate that the period of time we were affected by this "Force Majeure" or "material adverse change" in general business conditions in our industry was twelve months. Therefore, we are requesting an extension of twelve months to the Agreement.

Sincerely,

A handwritten signature in blue ink, appearing to read "Ethan M Adams".

Ethan M Adams
Chief Executive Officer

2221 Murphy Court • North Port, Florida 34289

Toll Free: 800.455.5536 • P: 941.639.7188 • F: 941.575.2832 • info@discoveradams.com • www.discoveradams.com