

# BEGGS & LANE

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January 17, 2007

Mr. [REDACTED]

Re: Java Jo'z Coffee & More, LLC and Emerald Coast Manufacturing  
B&L No: [REDACTED]

Dear ,

I am writing to acknowledge your request for a refund of the money you paid to Java Jo'z Coffee & More, LLC and to Emerald Coast Manufacturing and to propose a solution to the issue. I do not represent these companies but I do represent the company that purchased their assets. I do not believe my clients are legally responsible for the refund you seek. They are, however, for reasons both moral and practical, interested in an accommodation satisfactory to all involved. I will detail their proposal below, but first, let me give you a little background.

Your purchases were made from companies owned and managed by Roy and Kim Snowden. My client, Medina Enterprises, is a company owned and managed by Robert Morgan. Mr. Morgan very much liked the Java Jo'z concept but not necessarily the structure or direction of the companies. He believed that if the concept was operated as a franchise, the core ideas behind Java Jo'z would succeed. He therefore purchased from the Snowden's, not the companies, but some of the assets owned by those companies. He then set out to build a viable well-managed business, under his direction and control. After acquiring the assets, he found that there were a number of people, like you, who had issues with what they had purchased from the Snowden's companies. Although the new company has no legal liability for those purchases, there are both moral and practical reasons to seek an accommodation. One of his primary goals is to build a business with a reputation for integrity. That is both a moral concern and, in this business, a practical advantage. It is in this vein that the plan I will now describe was conceived.

The first alternative in the plan is an offer for you to transfer 100% of your Java Jo'z deposit as a down payment for a Cuppy's franchise (and building) on the same terms and conditions as you negotiated in your Java Jo'z agreements. If that is not acceptable to you, the other alternative is to establish how much of a refund should be made given the nature of your contract and the circumstances of your purchase. The amount you will receive can be determined by calling 850-243-6789 and speaking with a representative familiar with your contract. Contact details will be provided below. In this call we will attempt to reach a fair agreement as to how much of a refund is appropriate. You should be prepared to

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discuss the details of your purchase and why you believe a refund is appropriate. You should also be prepared for some give and take on the numbers. The goal is to reach an agreement satisfactory to everyone. Once agreement has been reached, the next issue is payment of the refund. In order to accomplish the repayment of all those who reached agreement, Mr. Morgan proposes to establish a refund pool dedicated to that repayment. That pool will be funded by payments taken from monies otherwise payable to the Snowden's under the asset purchase contracts entered into with them. In this way, the funds ultimately come from the company responsible for the problem in the first place. The pool will be initially funded at a minimum of \$15,000 a month and will be disbursed through this office. We hope to significantly increase this amount in the future; however, at this time, our contributions are limited by an IRS levy on the Snowden's assets. I have attached a copy of that levy. It is only through extensive negotiation with the IRS that we have received permission to use the \$15,000 a month for the pool. Those same negotiations lead us to believe that we will be able to significantly increase that contribution in the near future. Each participant in the pool would be paid quarterly their percentage share of the pool until all refunds are completed. We believe that there will be enough money to complete the refunds but that it will take a period of time to do so. That time will depend on the number of people in the pool and the amount the IRS permits us to contribute. Any participant in the pool will be given access to records related to the pools funding and expenditures.

This proposal is designed to provide a fair refund to all legitimate claims without the expense and uncertainty of litigation and in circumstances where you would be unlikely to otherwise obtain a refund. It is a sincere attempt to satisfy your claim in a reasonable and practical way. At the same time, absent your participation in the pool, there is a very real chance that you will receive no refund. You should also be aware that your payments depend upon the continued viability of the company. In that vein, you should know that some people, apparently having confused Cuppy's with the Snowden's companies, have attacked Cuppy's on the internet for acts done by those companies. To the extent that they do this they cause real harm and threaten the source of the refund program described above. We would be glad to provide any prior purchaser with documentation that these companies are in fact separate and distinct.

If you wish to attempt to resolve your issue in this way, you would need to first advise us of your decision. If you are represented by an attorney, you should, before calling, provide this letter to your attorney and discuss with him or her, your participation. Once agreement has been reached, you will be placed in the pool. Once in the pool you will be mailed your share quarterly until your refund is completed. Questions about payments to pool members or requests for accounting may be directed in the same manner as your initial request.

I hope you accept this offer as a sincere, well meaning and practical means of resolving the issues you have raised. If so, I believe you will find it the best possible way of dealing with those issues. I look forward to hearing from you.

Sincerely,

David L. McGee  
For the Firm

DLM/sd