



Phalanx Defense Systems, LLC
1125 NE 8th Ave
Gainesville, FL 32601

Date:9/25/17

City of Gainesville
200 East University Ave
Gainesville FL 32601

Good afternoon Anthony Lyons!

We are excited to see the way our Eastside community has responded to the vast improvements we and the City of Gainesville have made in the area since purchasing the old armory property. Thank you and the City for an amazing opportunity as this once forgotten location is now producing safety equipment and saving lives around the world.

Having a larger facility has allowed Phalanx to create more high-tech jobs and focus on apprenticeships in engineering and manufacturing, which isn't being used much in our industry. Apprenticeships with Phalanx allow an individual with very little education or formal training to work into a high-level position through a carefully tailor educational and training program at no cost to the employee. We have seen amazing success with this program this year! To date, we have added 2 additional manufacturing tech positions, 1 community affairs position, 1 additional administration position, 1 facilities position, 1 additional sales position and more than 20 field sales rep positions. Over the next 24 months we will be expanding our manufacturing jobs as well as sales positions.

The City of Gainesville has an amazing talent pool for Phalanx and other businesses to recruit from! However, what we have personally experienced here on the Eastside of Gainesville is an incredible pool of talented people with the willingness and desire to work! This is exciting!

Phalanx has been able to conduct more community outreach due to our new location. We have brought on aboard a Community Affairs Manager that designs and implements community outreach initiatives to reflect Phalanx Defense Systems values of supporting education, diversity and conservation to improve the quality of life in the City of Gainesville.

On Christmas Eve last year, we held a career fair at Phalanx coupled with a Christmas party for our Eastside neighbors. During that event CareerSource was able to find 27 people jobs or educational assistance! It's our intention to hold this event each year and continue making an impact on the Eastside of Gainesville!



Phalanx has an incredible opportunity to expand our business reach and save more lives through a new technology we have developed. Three years ago, I started developing a carcinogenic testing technology for fire fighter gear as the rate of cancer and related deaths for fire fighters is staggering and simply cannot be ignored. I am proud to share with you that Phalanx is being awarded several patents on this technology that will directly and positively effect both Phalanx and the City of Gainesville. This technology as well as others will allow us to create even more jobs over the coming years as we expand this section of our business.

To keep up with the quick growth that we are experiencing and will continue to experience as we launch these new technologies, we are developing large expansion capital lines with our local banking partners so we can duplicate the much-needed equipment and personnel. Any long-term liabilities we have directly affect those capital lines. It's my hope that the City of Gainesville can help in this area.

I am asking at this time if the City of Gainesville can please forgive the entirety of the City of Gainesville mortgage we have on the armory property (\$635,000) thus aiding us in our expansion efforts and continuation of creating high-tech jobs in the eastside of Gainesville over the coming years. I am extremely excited to grow this company in Gainesville and thank you for your consideration.

Friendly regards,

A handwritten signature in black ink, appearing to read "James Coats", is written over a large, light-colored scribble or watermark.

James Coats
CEO
Phalanx Defense Systems