FisherBroyles

Nicole
Partner
nicole.
Direct:
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September 21, 2020

Via Email
Trent Reichling
Assistant United States Attorney
United States Attorney's Office
Middle District of Florida – Fort Myers Division
Trenton.Reichling@usdoj.gov

Re: Grand Jury Subpoena 2020R01381016
Target Roofing and Sheet Metal, Inc.

AUSA Reichling,

Attached please find the second document production on behalf of Target Roofing and Sheet Metal, Inc. ("Target Roofing" or the "Company") pursuant to Grand Jury subpoena 2020R01381016. The first set of documents were produced on September 14, 2020 and contained Bates Numbers 000001 – 006793. Today's production contains Bates Numbers 006794 – 006889. I appreciate you speaking with me and I understand the time constraints the government faces pursuant to the arrest. To that end, we would like to take this opportunity to explain certain concerns that we have regarding the government's allegations in the criminal complaint filed against my client ("Criminal Complaint"). We believe that the documents produced to the government show that Mr. Crowther did not make a false statement or report to a federally insured financial institution, Sanibel Captiva Community Bank ("Sanibel Captiva"). Further, the evidence shows that Target Roofing utilized the PPP funds to re-hire employees previously laid-off due to the Covid-19 pandemic, maintain those employees, and pay those employees during the relevant time period as the Paycheck Protection Program ("PPP") intended the participants to do.

Background

Target Roofing is a locally owned and operated roofing company that has been providing roofing services since 2015 and employs over one hundred (100) employees within the Lee County community. Casey Crowther is the President and sole owner of Target Roofing. In May 2017, Target Roofing began a banking relationship with Sanibel Captiva and transferred its corporate accounts to the community bank. For the past three (3) years, Target Roofing has banked exclusively with Sanibel Captiva and the bank is intricately aware of the Company's business operations, revenue stream/cash flow, and assets. Target Roofing maintains its operating account and a line of credit with the bank and, as such, is required to provide corporate financial information to the bank on a regular basis, including accounts receivable and accounts payable reports.[1] The bank has access to the corporate accounts at all times and is aware of the Company's operational cashflow.

When the Covid-19 global pandemic hit, Target Roofing was extremely concerned about its business operations and financial security – as was every company in the United States and across the globe. Both Lee and Collier Counties had closed construction sites due to the global health emergency and the Company was panicked about its ability to maintain employees at its then current level. The email incorporated as ***Attachment A*** discusses a project requesting a price for installation of a temporary dry roof membrane to protect the buildings in the event the County decides to halt all inspections on projects due to Covid-19. This one project was 80% of Target Roofing's revenue at the time; if this project shut down then so would the business. Target Roofing switched employees to part-time and furloughed others to reserve money and maintain as many jobs as possible. The Company was forced to lay-off seven (7) employees in February 2020 and had to lay-off an additional twelve (12) employees in March 2020 due to Covid-19 and the uncertainty of its future business revenue. This is corroborated by payroll records, as well as email communications incorporated as ***Attachment B.*** In early April, Target Roofing contacted Sanibel Captiva regarding the PPP, a loan provided by the Small Business Administration designed to provide a direct incentive for small businesses to keep their workers on the payroll. Sanibel Captiva reviewed Target Roofing's financial submissions, sent the financial information to underwriters for due diligence, and notified Target Roofing that it qualified for the loan. Target Roofing submitted an application for PPP Funds on April 13, 2020. On April 14, 2020 the bank deposited $2,098,700 of PPP funds into an account unilaterally established by the bank ("PPP Account").

It is my understanding that the government does not contend that Target Roofing submitted any false information regarding the number of employees or the projected estimates for the loan. The sole contention is that Mr. Crowther misrepresented that all SBA Loan proceeds will be used only for business related purposes to retain workers and maintain payroll or make mortgage interest payments, lease payments, and utility payments. The government alleges that certain expenditures violated this certification. We address these concerns and other related issues below.

Paragraphs 7, 20b of the Government's Complaint: Paragraph 7 of the United States' Criminal Complaint states, "PPP Loan proceeds MUST be used by the business on certain permissible expenses – payroll costs, interest on mortgages, rent and utilities."

This paragraph in the Complaint is not accurate according to the language of the Final Cares Act (HR 748) (the "Cares Act"). Section 1022(a) of the Act states that the PPP Loan Program is an amendment of the Small Business Act ("SBA") 7(a) Loan program. This is important because use of the loan proceeds is set forth in Section 1022(F) which states, "During the covered period, an

[1] Mr. Crowther also has additional business accounts with Sanibel Captiva, accounts and loans for various properties, and a mortgage for his personal residence. Thus, Sanibel Captiva has received substantial amount of financial information not only on Target Roofing, but on Casey Crowther personally.

eligible recipient may, ***in addition to allowable uses of the loan made under this subsection*****.....**" that subsection is under the SBA Act. This is counter to the Complaint's assertions under Paragraph 7 – that the use of the proceeds MUST be used for payroll costs, interest on mortgages, rents and utilities. This was reaffirmed by the Interim Rules published in the Federal Register that states "While the Act provides that PPP loan process may be used for the purposes listed above and for other allowable uses described in section 7(a) of the Small Business Act (15 U.S.C. 636(a)) the Administrator believes that finite appropriations and the structure of the Act warrant a requirement that borrowers use a substantial portion of the loan proceeds to for payroll costs, consistent with Congress' overarching goal of keeping workers paid and employed." (See ***Fed Reg Vol. 85, No. 73*** at Section III 2.)

The PPP is an amendment to the SBA's 7(a) loan program which provides for the following allowable expenditures, "The Administration is empowered to the extent and in such amounts as provided in advance in appropriation Acts to make loans for plant acquisition, construction, ***conversion, or expansion***, including the acquisition of land, material, supplies, equipment, and ***working capital***, and to make loans to any qualified small business concern, including those owned by qualified Indian tribes, for purposes of this Act." *SBA Section 7, 15 USC 636.*

Steven Adkins was a former co-owner of the business who was bought out of Target Roofing and other business ventures by Mr. Crowther. The terms of the sale included financial compensation pursuant to a Stock Redemption Agreement dated December 2019 and incorporated as ***Attachment C*** ("Redemption Agreement"). The payment of $100,000 to the former stakeholder described in Paragraph 20b of the Complaint was nothing more than a justifiable expenditure of working capital by the Company under an existing Redemption Agreement for the conversion or expansion of the business pursuant to the SBA and Cares Act. There is nothing illegal or even unauthorized about this transfer.

Paragraph 10 of the Government's Complaint: The Lender approved the PPP application and paid $2,098,700 in PPP loan funds. Instead of using the funds for payroll, rent/mortgage interest, and utilities, CROWTHER used a portion of the PPP money to purchase a 2020 40' Invincible Catamaran for $689,417.00 that he registered in his name.

We do not dispute that Mr. Crowther bought a boat utilizing funds from a corporate bank account; we do dispute that Mr. Crowther made a false statement when he signed the PPP application or that this transfer of funds was in any way illegal. The government's allegation relies upon the theory that the deposit amounts in the PPP Account were somehow specifically earmarked for and limited to PPP expenditures, however this theory does not hold merit for the reasons stated below:

A. *Origination of PPP Account Ending in 6781 ("PPP Account").*

We spoke via teleconference on September 9, 2020 regarding the PPP Account, the operating account, and the commingling of funds. Since that time, I have had a chance to review email communications between Mr. Crowther and Sanibel Captiva and would like to clarify for the record how and why the PPP Account was established. On April 10, 2020, Kristin Dilorio, Vice President and Office Manager at Sanibel Captiva, sent Mr. Crowther an email with information about the process for depositing PPP funds. Mr. Crowther responded to the email that same day and requested that Sanibel Captiva ***deposit the PPP funds into the Company's operating account.*** This email is incorporated as ***Attachment D.*** Sanibel Captiva, unilaterally and without the specific direction from Mr. Crowther, established the PPP Account and deposited the funds into this account instead of the general operating account as requested by Mr. Crowther.

On April 24, 2020, Mr. Crowther sent Kristin Dilorio an email requesting the wire transfer for the boat; he did not specify which account he wanted the money wired from when requesting the wire transfer to Sara Bay Marina (*See* ***Attachment E***). Sanibel Captiva took it upon themselves to wire the money from the PPP account. The timeline and email communications negate the government's theory that Mr. Crowther intended to utilize specific PPP funds to purchase the boat. There is nothing in the Cares Act prohibiting the commingling of funds with other business funds or working capital and Target Roofing had sufficient funds available to the Company to cover the unrelated expense represented by the wire transfer.

Moreover, Sanibel Captiva approved the wire transfer from the PPP Account with full knowledge of the funds within the account and the purpose of the wire. We can assume that Sanibel Captiva wired the funds from the PPP Account for convenience but, knowing that the loan originated from Sanibel Captiva, we can prove that the bank approved the wire transfer from this account because the bank knew that Target Roofing and Mr. Crowther had sufficient funds to cover the expense and, more importantly, had sufficient funds to maintain the integrity of the proceeds from the PPP loan that the bank had originated.

B. *Sanibel Captiva's Knowledge of Sufficient Funds to Cover Expenses.*

Sanibel Captiva had access to all of Target Roofing's financials, corporate accounts and assets but bank employees also had direct knowledge of additional funds that Mr. Crowther possessed and tried to deposit in the operating account. Sanibel Captiva employees will testify that Mr. Crowther attempted to deposit over $400,000 in cash into the Target Roofing operating account on March 24, 2020, ***prior to the purchase of the Catamaran***. After selling one of his boats, a 40' Yellowfin, for cash (discussed below), Mr. Crowther attempted to deposit the money into Target Roofing's operating account. Unfortunately, Sanibel Captiva would not allow Mr. Crowther to deposit such a large amount of money into the operating account without further documentation of the origins of the money. This is corroborated by a follow-up text to Sanibel Captiva employee Kyle DeCicco on May 18, 2020 that states, "I'm going to move my personal money I had to purchase the boat over to the San Cap account" and is incorporated as ***Attachment F.*** When Mr. Crowther continued to have issues depositing the money, he asked Kristin Dilorio to speak with internal bank auditors and request the specific information necessary to make the deposit. In an email dated July 31, 2020 and incorporated as ***Attachment G***, Ms. Dilorio provided the information necessary to deposit the money into the bank's operating account. When the purchaser of the boat would not provide the necessary information, Mr. Crowther continued to invest money into the Company as illustrated below in Paragraph D. Sanibel Captiva approved the wire of the funds for the boat from the PPP account armed not only with the financial information from the operating account but with knowledge of the additional funds available to Mr. Crowther after the sale of his boat. Thus, the bank knew that Target Roofing and Mr. Crowther had sufficient funds to cover the expense and, more importantly, had sufficient funds to maintain the integrity of the proceeds from the PPP loan that the bank had originated.

C. *The Corporation and Mr. Crowther had sufficient funds to cover the expense of the boat.*

General accounting principles also wholly contradict the government's theory of specifically earmarked funds for utilization during the PPP time period. Money is fungible and the assets of a corporation, whether contained in one bank account or hundreds of bank accounts, are all corporate funds under the same umbrella, with the same owner. For general accounting purposes, all of the funds are recorded in the books and ledgers of the Company and are utilized to generate financial statements, profit and loss statements, and account receivables. Moreover, there is nothing in the Cares Act about opening a separate bank account, segregating the proceeds from a PPP Loan or the commingling of funds with other business funds or working capital.

When the wire was sent to Sara Bay Marina, Target Roofing had ample funds in its operating account for the expense. Below is a chart of the funds available to the Company as of that date:

Name of account	Owner of account	Account Number	Company Funds Available on 4/24	Company Funds w/out use of "PPP Account" [2]
Operating account	Target Roofing	29061791	$131,768.58	$2,468.58
LOC 51900854	Target Roofing	51900854	$600,000.00	$ 500,000.00
Petty Cash	Target Roofing	Office Safe - On Books	$59,702.30	$59,702.30
Chase rewards	Target Roofing	2318	$110,357.00	$110,357.00
Petty Cash	Casey Crowther	Office Safe	$400,000.00	$400,000.00

[2] Funds transferred from the PPP Account were subtracted here to illustrate the availability of funds other than those from the proceeds of the loan that were deposited into the PPP Account.

TOTAL AVAILABLE FUNDS	**Target & Crowther**	**NOT "PPP" FUNDS**	**$1,301,827.88**	**$1,072,527.88**

In addition to the available funds, a review of the contracts provided in the document production shows that the Company had a pipeline of jobs that would generate consistent revenue, approximately $750,000 to $1,000,000 as a rolling average at any given time during the time period in question. Although the revenue stream had been lower than it had been in prior months due to the pandemic, there was still a steady and known stream of income. Thus, the whole of the Company operated with sufficient money, had a healthy pipeline of projects and was paying its bills and payroll on time. The bank would view these financials in their totality to determine the Company's available cash flow.

D. *The boat funds are booked as a loan to Casey Crowther in the books and records of Target Roofing; Mr. Crowther has been paying back the loan to the Company.*

Another critical fact is that the boat loan was properly recorded in the Target Roofing accounting records as a loan to Casey Crowther that would need to be paid back in full to the Company. For accounting purposes, this money could have been taken and recorded as a valid distribution to Mr. Crowther, as the 100% owner of an S Corporation, but the business records reflect a loan because Mr. Crowther had every intent of paying the money back to the Company at the time of the wire transfer. Mr. Crowther's intent is corroborated by his actions, including payments to the *Company* ***prior to the purchase of the boat*** and payments to pay off the loan. totaling over $500,000.

E. *Mr. Crowther's history of boat sales disproves the government's theory that "he was living beyond his means" and that Mr. Crowther applied for PPP funds with the intent to expend funds for an unauthorized use.*

It is important to understand Mr. Crowther's history of boat sales, acquisitions and investments. Mr. Crowther has been buying and trading boats for the past few years; often generating a profit that vastly reduces the price of his next purchase. The Catamaran described in the Complaint was not a purchase inspired by sudden access to PPP funds; it was a purchase that Mr. Crowther had been planning for months, well before the pandemic, for which he had more than sufficient funds to purchase. As you will see from the following timeline and supporting evidence, the Catamaran was and remains a wise investment:

1/22/18: Mr. Crowther purchases a 2015 35' Contender boat for $180,000.
6/27/18: Mr. Crowther purchases a 2016 35' Contender boat $196,000.
7/15/18: Mr. Crowther sells the 2015 35' Contender boat for $190,000 -- *netting a profit of $10,000.*
3/25/19: Mr. Crowther buys a 40' Yellowfin center console boat for $410,000.

5/09/19:	Mr. Crowther sells the 2016 35' contender boat for $220,000 -- *netting a profit of $24,000.*
1/20/20:	Mr. Crowther views a 40' Invincible Catamaran owned by Sara Bay Marina at the Naples Boat Show and begins the boat buying process. <u>This is months prior to the pandemic hitting the United States</u>.
3/10/20:	Mr. Crowther decides to sell the 40' Yellowfin center console boat and lists the boat for sale.
3/23/20:	Mr. Crowther sells the 40' Yellowfin center console boat and receives cash for the boat (including accessories) in the amount of $400,000.
3/24/20:	<u>Mr. Crowther goes to Sanibel Captiva after the sale of the Yellowfin to deposit the $400,000 he received from the sale, but the bank is unable accept that large of a cash deposit</u>.
3/24/20:	Mr. Crowther drives to Sara Bay Marina to start negotiating the purchase of the 40' Catamaran.
4/24/20:	Sanibel Captiva wires $689,417 to Sara Bay Marina for purchase of the 40' Catamaran. Although Mr. Crowther requests the wire, he never directs Sanibel Captiva which bank account to withdraw the money from as evidenced from ***Attachment E.*** It is important to remember that the bank knew Mr. Crowther had received $400,000 in cash from the prior sale and had been trying to deposit this money with the bank. Allotting the $400,000 profit from the Yellowfin to the purchase of the Catamaran decreases the purchase price to $289,417.
8/13/20:	Mr. Crowther reaches out to a boat broker to sell the Catamaran boat. The boat broker suggests that Mr. Crowther will be able to get more money for the boat than he paid. This text is incorporated as ***Attachment H.*** This was prior to Mr. Crowther's arrest or any legal issues.

This sequence of events disproves the government's theory that Mr. Crowther was living beyond his means. Over the past several years, Mr. Crowther has been investing in boats and then selling them for a profit. He started the purchase process for the Catamaran well before the PPP loan program even existed and he attempted to sell the boat prior to his arrest and the government's seizure of the boat. Similar facts surround the sale of the Jade Street property and the purchase of the home in St. James City, which was bought as a rental investment property. In accordance with advice from his accountants, Mr. Crowther is not sitting idly on cash but investing his money in tangible assets that generate a profit. The investments are also often used for corporate reasons, such as company outings, marketing to customers and charitable events within the community for organizations such as St. Francis Xavier Catholic School, Bishop Verot High School, and Lee BIA Builder Cares. This is not fraud but simply good business.

The timeline also disproves the allegation that Mr. Crowther intended to utilize the PPP funds to purchase the boat when he signed the PPP application. Mr. Crowther started the purchasing process well before the pandemic. He sold his 40' Yellowfin in anticipation of the purchase and was in possession of $400,000 cash, including access to the additional $289,417, when he signed the loan application and when he purchased the Catamaran; he simply was unable to utilize cash to pay Sara Bay Marina for the same reason he could not deposit the money into his Sanibel Captiva Account.

Paragraph 23 of the Government's Complaint: *"On or about May 7, 2020, CROWTHER transferred the remaining balance of $1,179,963.00 in PPP Loan Funds from Target Roofing PPP Account 6781 into Target Roofing Account 1791. Target Roofing PPP Account 6781 was then closed."*

The PPP Account was not closed for any nefarious reason; Mr. Crowther had never originally requested the creation of the account. Sanibel Captiva's closing of the bank account demonstrates the bank's confidence in Target Roofing's relationship with the financial institution and the integrity of the proceeds from the PPP loan. Sanibel Captiva was aware of, and intricately involved in, Target Roofing's business accounts and Mr. Crowther's other accounts. The bank had sufficient collateral to back the PPP loan and it knew that it could recoup the loan proceeds at any time – the actual PPP Account was inconsequential to Sanibel Captiva's security position and, quite frankly, wholly unnecessary under the provisions and requirements of the PPP.

No False Statements were Made: PPP Funds were spent on Payroll

Congress' overarching goal in passing the Cares Act was to keep workers1 paid and employed. (See ***Fed Reg Vol. 85, No. 73*** at Section III 2. r.) Through utilization of PPP funds, this is exactly the goal that Target Roofing was able to achieve. In February and March 2020, Target Roofing was forced to lay-off nineteen (19) employees due to Covid-19. The pandemic forced job sites to shut down, stalled ongoing and upcoming projects, and created serious uncertainty about future business revenue. These lay-offs are reflected in the attached chart which correlates directly to checks written for payroll and is incorporated as ***Attachment I.*** The attached emails incorporated as ***Attachment B*** also illustrate the Company's dire position. As of April 10, 2020, Target Roofing had one hundred and fifteen (115) employees. The Company received PPP funds on April 14, 2020. Clearly Mr. Crowther's intent when he signed the PPP application was to use the funds to maintain jobs and pay employees because within eight (8) weeks from receipt of the funds (the then-applicable "covered period" under the PPP during which the PPP funds were required to be spent) [3], the Company was able to rehire employees previously laid-off and hire new employees for open job positions, totaling one hundred seventy-four (174) employees by June 5, 2020. Although the number of employees fluctuate as job projects come and go (as of September 4, 2020 there were one hundred forty-nine (149) employees), Target Roofing was able to maintain previous employment numbers prior to the pandemic which was the primary intent of the program, thus the name: ***Paycheck Protection*** Program. The PPP money also assisted the Company with keeping project pricing lower than normal which allowed for additional employment opportunities for

[3] The *PPP Flexibility Act* increased the time in which a company had to spend the PPP proceeds from 8 weeks to 24 weeks.

those in the community. Lower project prices meant less revenue for the Company, and less profit for Mr. Crowther personally, but it allowed for more projects and more jobs.

The purpose of the PPP Loan proceeds was to *retain* workers and *maintain* payroll or make mortgage interest payments, lease payments, and utility payments. If Mr. Crowther wanted to personally profit from the PPP funds, he could have simply maintained the number of current employees at the time of the application. Instead, he re-hired employees he had previously laid off the prior month due to the pandemic and hired new employees, creating **59 new jobs** for the community within the first few weeks of the Company's PPP covered period. The payroll records also provide evidence that Target Roofing spent 100% of the PPP funds on payroll. From April 2020 to August 2020, Target Roofing spent $3,452,411.43 on payroll expenses, $1,353,711.43 more than was allocated in PPP funds, a sum that Target Roofing happily paid in order to keep members of the community employed. The amount of payroll funds is reflected in the attached chart which correlates directly to checks written for payroll and is incorporated as ***Attachment J.*** As the sole owner of an S Corporation, a good portion of this money could have been direct income for Mr. Crowther; income completely forgone by Mr. Crowther so the Company could not only maintain employee jobs but expand upon them.

No Loss Amounts and No Victims can be Identified.

Quite frankly, there is no victim that we can identify in this case, let alone no crime committed. Neither Sanibel Captiva nor the SBA has suffered an actual loss or even an intended loss. Target Roofing has not filed for forgiveness.[4] According to the Cares Act, the default for unforgiven amounts is that the amounts remain a loan, governed by the loan documents issued by the participating lender. In the event that Target Roofing does not apply for or receive forgiveness, the loan terms are not due for several more months. The government cannot prove that Target Roofing intends to default on a future loan, especially in light of the collateral that Sanibel Captiva possesses in order to secure its loan. In fact, the loan payment has already been logged in Target Roofing's books and records in the event that the PPP funds were not eligible for forgiveness, or if forgiveness had not yet been granted at the time of the first payment come due. Moreover, Sanibel Captiva still contends that Target Roofing & Sheet Metal "has been a valued client of Sanibel Captiva Community Bank since 2017" and is "in good terms with the bank and accounts are in good standing." The letter from Sanibel Captiva dated September 9, 2020 is incorporated as ***Attachment L.*** Sanibel Captiva Community Bank clearly does not consider itself a victim of bank fraud. If Mr. Crowther's accounts are in good standing, including his PPP loan, it is difficult to understand how the bank, the SBA, the government or anyone believes he misrepresented any facts.

[4] The Notice of Forgiveness Documentation states that the Company must provide copies of payroll tax reports to the IRS and copies of payroll reports for each pay period to the lender. The purpose of this financial evidence is to show the amount of money the Company spent on payroll. Target Roofing has evidence of payroll tax reports and weekly payroll reports to show that the total amount of proceeds from the PPP loan was spent on payroll, thus qualifying the Company for full forgiveness of the loan.

Conclusion

We understand the optics of the boat purchase and the transfers from the PPP Account. We also appreciate the government's concern about those who abuse the PPP Program – we just do not believe Mr. Crowther falls into that category. The facts presented clearly show that Mr. Crowther had no intent to make a false statement on the PPP loan application or defraud the bank or the SBA. Mr. Crowther bought a boat that he could afford and infused cash payments into his Company prior to the purchase of the boat. Sanibel Captiva chose the account from which to take the funds and approved the wire transfer for the boat knowing that Target Roofing and Mr. Crowther had the financial resources to cover the expense and maintain the integrity of the proceeds from the PPP loan that the bank had originated. The wire transfer was recorded in the books and records of Target Roofing as a loan to Casey Crowther and Mr. Crowther has paid over $500,000 toward that loan. Meanwhile, during the PPP covered period, the company re-hired employees previously laid-off, filled open job positions, and provided employment for up to 174 members of the community during a global health crisis. In fact, the Company expended more in payroll than it received in PPP funds in order to provide additional employment opportunities to members of our community who found themselves suddenly unemployed. The Company continues to provide a livelihood to over one-hundred employees and their families and remains a valuable business partner to the Lee County community. Without the PPP funds, Target Roofing would not have been able to re-hire and pay employees during the Covid-19 pandemic; the Company's ability to maintain jobs and pay employees with the PPP funds is a positive example of Congress' intent in passing the Cares Act.

I hope that you will consider these arguments and sincerely hope that we can come to a resolution of this case prior to indictment. Unlike many of the other PPP cases charged over the past few weeks, this case does not have any indicators of an overt fraud. There are no loss amounts, no victim, and the employees of Target Roofing benefitted greatly from the PPP funds. A felony conviction will not only have a significant impact on Mr. Crowther but it will also have a severe detrimental impact on Target Roofing – the exact jobs that Congress was trying to protect. We appreciate your time and look forward to further discussions.

Sincerely,

FisherBroyles, LLP

Nicole Hughes-Waid, Esq.
Partner

ATTACHMENT

"A"

From: **Brad North** <brad@targetroofers.com>
Date: Mon, Sep 14, 2020 at 2:48 PM
Subject: Fwd: Siena Lakes - Temp Roof Dry-in
To: Casey Crowther <casey@targetroofers.com>

Brad North
V.P. of Estimating and Sales, **Target Roofing & Sheet Metal**

Ask me about our Annual Roof Maintenance Plans.

239-332-5707

239-826-8432

brad@targetroofers.com

www.targetroofers.com

1841 Ortiz Ave, Fort Myers, FL 33905

Urgent Issue? Contact Management:
Casey Crowther - 239.888.6369

---------- Forwarded message ---------
From: **Brad North** <brad@targetroofers.com>
Date: Thu, Mar 19, 2020 at 6:15 AM
Subject: Re: Siena Lakes - Temp Roof Dry-in
To: Steve DeLong <sDeLong@kaufmanlynn.com>

Yes sir. Will jump on it for you.

Brad North
V.P. of Estimating and Sales, **Target Roofing & Sheet Metal**

Ask me about our Annual Roof Maintenance Plans.

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239-826-8432

brad@targetroofers.com

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Urgent Issue? Contact Management:
Casey Crowther - 239.888.6369

On Thu, Mar 19, 2020 at 6:14 AM Steve Del ong <sDeLong@kaufmanlynn.com> wrote:

Give with both options as well as pros and cons.

Error! Filename not specified.

100% EMPLOYEE O WNED

Steven DeLong
Project Executive

o 239.331.5130
c 239.745.5482

9420 Bonita Beach Road
Suite 100
Bonita Springs, FL 34135

www.kaufmanlynn.com

On Mar 19, 2020, at 5:59 AM, Brad North <brad@target roofers.com> wrote:

Morning Steve,

What kind of material would you like to use? We could do a 30 lb felt on the sloped areas, or something more durable like a 60MM TPO, just depends on how long you project it to be up there, and how many times you want us to go back out and repair, replace. I can get this to you quickly once we know what we are wanting to do.

Thanks.

Brad North
V.P. of Estimating and Sales, Target Roofing & Sheet Metal

Ask me about our Annual Roof Maintenance Plans.

239-332-5707

239-826-8432

brad@targetroofers.com

www.targetroofers.com

1841 Ortiz Ave, Fort Myers, FL 33905

Urgent Issue? Contact Management:
Casey Crowther - 239.888.6369

On Wed, Mar 18, 2020 at 2:23 PM Steve Delong <sDel ong@kaufmanlynn com> wrote:

Brad

Can you give me a price to install temporary roof membrane for a dry-in on building 2 and building 3. The temp dry-in would need to be removed prior to the permanent dry-in is installed. We are requesting th is in case t he county decides to halt all inspections on projects . This would allow us to continue with framing and rough-ins throughout the building.

Also, what is the availability of the materials for temp roof dry-in?

Please prov ide a cost as soon as possible .

<image00l.j pg>

Steven Delong
Project Executive
KAUFMAN LYNN CONSTRUCTION

d 239.331.5130
c 239.745.5482

9420 Bonita Beach Road
Suite 100
Bonita Springs, FL 34135

www kaqtmarlvoocom

Casey Crowther
President, Target Roofing & Sheet Metal

Ask me about our Annual Roof Maintenance Plans.

239-332-5707

239-888-6369

casey@targetroofers.com

www.targetroofers.com

1841 Ortiz Ave, Fort Myers, FL 33905

Attachment "B"

Gmail **Human Resources <hr@targetroofers.com>**

Re: Tina and Antonio

1 message

Scott Ewens <scott@targetroofers.com> Thu, Mar 19, 2020 at 8:16 PM
To: Human Resources <hr@targetroofers.com>
Cc: Casey Crowther <casey@targetroofers.com>, Evelyn Portinari <evelyn@targetroofers.com>

Antonio may be able to bounce around and fill some voids until this thing settles. He's a sharp kid and hourly which is a controllable expense. Just a thought.

Scott Ewens
Director of Operations
Target Roofing & Sheet Metal
C: 239-410-6981
O: 239-332-5707
scott@targetroofers.com
www.targetroofers.com
1841 Ortiz Ave, Fort Myers, FL 33905
Ask me about our Annual Roof Maintenance Plans.

On Thu, Mar 19, 2020, 8:10 PM Human Resources <hr@targetroofers.com> wrote:

> Absolutely
>
> Sent from my iPhone
>
> On Mar 19, 2020, at 6:16 PM, Scott Ewens <Scott@targetroofers.com> wrote:
>
> Yes Sir.
>
> Scott Ewens
> Director of Operations
> Target Roofing & Sheet Metal
> C: 239-410-6981
> O: 239-332-5707
> scott@targetroofers.com
> www.targetroofers.com
> 1841 Ortiz Ave, Fort Myers, FL 33905
> Ask me about our Annual Roof Maintenance Plans.
>
> On Thu, Mar 19, 2020, 6:02 PM Casey Crowther <casey@targetroofers.com> wrote:
>
>> We have only received 8 leads this week compared to the 45-50 we usually get.
>>
>> I would like to lay off Tina and move Antonio to field. May need to lay him off too, he has another job at 4:30pm I believe. Tina is on salary so after tomorrow morning can you guys have a talk with her.
>>
>> --

Casey Crowther

President, **Target Roofing & Sheet Metal**

Ask me about our Annual Roof Maintenance Plans.

239-332-5707

239-888-6369

casey@targetroofers.com

www.targetroofers.com

1841 Ortiz Ave, Fort Myers, FL 33905

Gmail

Human Resources <hr@targetroofers.com>

Re: payroll total

1 message

Human Resources <hr@targetroofers.com> Fri, Mar 20, 2020 at 5:54 AM
To: Casey Crowther <casey@targetroofers.com>

$98,142. This included all office staff that was laid off and the service people that were laid off.

Sent from my iPhone

On Mar 20, 2020, at 5:27 AM, Casey Crowther <casey@targetroofers.com> wrote:

what was amount of payroll you sent to payroll company?

--

Casey Crowther

President, **Target Roofing & Sheet Metal**

Ask me about our Annual Roof Maintenance Plans.

239-332-5707

239-888-6369

casey@targetroofers.com

www.targetroofers.com

1841 Ortiz Ave, Fort Myers, FL 33905

Gmail

Human Resources <hr@targetroofers.com>

Re: Field Rates

1 message

Casey Crowther <casey@targetroofers.com> Wed, Mar 18, 2020 at 1:45 PM
To: Scott Ewens <scott@targetroofers.com>
Cc: Evelyn Portinari <evelyn@targetroofers.com>

I feel like that may be extreme, although we may not have any other choice. I think we start with a 15% pay cut and then depending how things are looking we go with more.

On Wed, Mar 18, 2020 at 1:29 PM Scott Ewens <scott@targetroofers.com> wrote:

> Casey and Evelyn.
>
> I went through the hourly rates for all of the field guys including Service. I ran several different scenarios. My recommendation at this time is to do a 25% pay cut for all hourly field staff. By doing this, the lowest result of the reduction would put us at $9.00 per hour which keeps us at or above minimum wage.
>
> Let me know your thoughts.
>
> --
>
> **Scott Ewens**
> Director of Operations, **Target Roofing & Sheet Metal**
>
> 239-332-5707
> 239-410-6981
> scott@targetroofers.com
> www.targetroofers.com
> 1841 Ortiz Ave, Fort Myers, FL 33905
>
> Ask me about our Annual Roof Maintenance Plans.

--

Casey Crowther

President, **Target Roofing & Sheet Metal**

Ask me about our Annual Roof Maintenance Plans.

239-332-5707

239-888-6369

casey@targetroofers.com

www.targetroofers.com

1841 Ortiz Ave, Fort Myers, FL 33905

Attachment "C"

STOCK REDEMPTION AGREEMENT AND MEMBERSHIP INTEREST SALE AND PURCHASE AGREEMENT

THIS STOCK REDEMPTION AGREEMENT AND MEMBERSHIP INTEREST SALE AND PURCHASE AGREEMENT (this "**Agreement**") is effective as of September 30, 2019, regardless of what day this Agreement is signed (the "**Effective Date**"), by and between **Target Roofing and Sheet Metal, Inc.**, a Florida corporation (the "**Company**"), **Casey Crowther**, and **Margaret Crowther**, (collectively the "**Buyers**") and **Steven Dale Adkins** ("**Adkins**"). **8790 Laredo, LLC** ("**Laredo**") and **3801 Jade Avenue, LLC** ("**Jade**") by execution of this Agreement agree to those provisions applicable to them.

Recitals

Adkins is the owner and holder of that certain stock certificate number 5 (the "**Adkins' Certificate**"), representing two hundred and fifty shares of the Company's stock (the "**Adkins' Stock**"). A copy of the Certificate is attached hereto as **Exhibit A**. The Company has agreed to redeem, and Adkins has agreed to sell the Adkins' Stock to the Company, according to this Agreement.

Adkins is the owner and holder of a 50% Membership Interest in Laredo (the "**Adkins' Laredo Membership Interest**"). Casey Crowther and Margaret Crowther have agreed to purchase and Adkins has agreed to sell the Adkins' Laredo Membership Interest, according to this Agreement.

Adkins is the owner and holder of a 50% Membership Interest in Jade (the "**Adkins' Jade Membership Interest**"). Casey Crowther and Margaret Crowther have agreed to purchase and Adkins has agreed to sell the Adkins' Jade Membership Interest, according to this Agreement.

The term "**Adkins' Interests**" means collectively the Adkins' Stock, the Adkins' Laredo Membership Interest, and the Adkins' Jade Membership Interest. The term "**Entities**" means collectively the Company, Laredo and Jade.

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants and agreements contained herein and other good and valuable consideration, the receipt, adequacy and sufficiency of which is hereby acknowledged, the parties hereto covenant and agree as follows:

1. REDEMPTION OF STOCK AND SALE AND PURCHASE OF MEMBERSHIP INTERESTS.

1.1 Redemption of Adkins' Stock. Subject to the terms and conditions of this Agreement, and on the basis of the representations and warranties hereinafter set forth, Adkins agrees to sell, assign, transfer and deliver the Adkins' Stock to the Company, and the Company agrees to redeem, the Adkins' Stock from Adkins. In full consideration for the redemption by the Company of Adkins' Stock, the Company shall pay Adkins $337,574.00 (the "**Redemption Price**").

1.2 Purchaser of Adkins' Laredo Membership Interest. Casey Crowther and Margaret Crowther have agreed to purchase and Adkins has agreed to sell the Adkins' Laredo Membership Interest to Casey Crowther and Margaret Crowther, according to this Agreement, for the purchase price of $160,000.00.

1.3 Purchaser of Adkins' Jade Membership Interest. Casey Crowther and Margaret Crowther have agreed to purchase, and Adkins has agreed to sell the Adkins' Jade Membership Interest to Casey Crowther and Margaret Crowther, according to this Agreement, for the purchase price of $225,000.00.

1.4 Effective Date and Pro-rations. Regardless of what day this Agreement is signed and closed, the effective date of the stock redemption and other transactions is September 30, 2019. The Company's income and expense and profits and losses, shall be pro-rated as of the Effective Date. Income and expense (including ad valorem taxes) and profits and losses for Jade and Laredo shall not be pro-rated and shall be considered to belong Jade and Laredo for the entire year of 2019.

2. REPRESENTATIONS AND WARRANTIES OF THE SELLER. As an inducement to the Buyers to enter into this Agreement and to consummate the transactions contemplated hereby, and with the knowledge that the Buyers shall rely thereon, Adkins represents and warrants to the Buyers the following:

2.1 Adkins has the full power and legal capacity to execute and deliver this Agreement and to execute and deliver those instruments of conveyance necessary to perform his obligations under this Agreement. To the best of Adkins' knowledge, this Agreement is valid, binding, and enforceable against him according to its terms.

2.2 To the best of Adkins' knowledge and belief, the execution and delivery of this Agreement and the performance of his duties hereunder, including but not limited to the execution and delivery of those instruments of conveyance necessary to convey Adkins' Interests to the Buyers do not: (i) violate the Company's Articles of Incorporation or bylaws or Jade's or Laredo's Operating Agreeent; (ii) constitute the breach or default of any agreement or instrument to which Adkins is a party; (iii) violate a judgment, decree or order of any court or administrative tribunal, which is binding on Adkins.

2.3 Adkins is the registered owner of the Adkins' Interests. Adkins has not sold, assigned, endorsed, transferred, deposited under any agreement, or subjected to any hypothecation, lien or pledge, or in any other manner disposed of any of the Adkins' Interests, and has not signed any power of attorney, stock power or other assignment or authorization in respect of any of the Adkins' Interests which is now outstanding and in force, and no person or entity has any right, title, claim, equity or interest in, to or respecting any of the Adkins' Interests.

2.4 There are no outstanding orders, judgments, injunctions, awards or decrees of any court, governmental or regulatory body or arbitration tribunal against or affecting Adkins or Adkins' conveyance of the Adkins' Interests. There are no actions, suits or claims or legal, administrative or arbitration proceedings or, to Adkins' knowledge, investigations (whether or not the defense thereof or liabilities in respect thereof are covered by insurance) pending or, to Adkins' knowledge, threatened against or involving Adkins or the Adkins' Interests.

2.5 Adkins owns the Adkins' Interests free and clear of all liens, encumbrances, options, claims, charges, and assessments of every kind and nature whatsoever and is subject to no restrictions with respect to transferability. Adkins has no personal knowledge of any shareholder agreements to which Adkins is a party or which prevents the sale of the Adkins' Interests.

All of the representations and warranties of Adkins contained in this Agreement shall survive the execution of this Agreement and the transfer of Adkins Interests hereunder. Adkins further acknowledges that each representation and warranty set forth herein is material to this transaction and had each not been made, and had each not been complete and accurate, that the Buyers would not have entered into and closed this transaction.

3. OUTSTANDING OBLIGATIONS OF SELLER. Except as may be set forth in this Agreement (as to the Adkins' Guaranties), the Buyers will not assume and will not discharge or be liable for any debts, liabilities, obligations of Adkins, including, without limitation: (a) any principal, liabilities or obligations of Adkins to his creditors; (b) transactions of Adkins occurring after the closing; (c) sales or income tax or other liabilities or obligations of Adkins incurred in connection with the sale of the Adkins' Interests, pursuant to this Agreement; or (d) any contingent liabilities or obligations of Adkins.

4. INDEMNIFICATION BY SELLER AND THE COMPANY'S RIGHT TO SET-OFF. Adkins shall indemnify, defend, and hold harmless the Buyers for any and all loss, liability, damage, actions, claims, judgments, or lawsuits resulting from the breach of any representation or warranty made by Adkins in this Agreement. If any claim is made against the Buyers under this provision or the Adkins' Interests, which the Buyers in their sole opinion believe is or may be an obligation of Adkins, the Buyers shall advise Adkins in writing at the address provided in this Agreement. The notice shall contain details known to the Buyers. Within ten (10) days after the date of the notice, Adkins shall advise the Buyers, in writing at the address provided in this Agreement, of his intention to settle or defend the claim. The settlement or defense is to be at the sole expense of Adkins, including expenses incurred by the Buyers prior to notice to Adkins and Adkins' defense. If Adkins defends the claim and a decision is rendered against the Buyers, the Buyers shall have the right, but not the duty, to satisfy the claim and proceed against Adkins for indemnification according to this provision. All costs, including, but not limited to, attorney's fees will be paid to the prevailing party by the non-prevailing party. Adkins' duty to indemnify the Buyers shall survive closing and delivery of Adkins' Interests to the Buyers and shall not be merged.

For the purpose of this paragraph, the term Adkins includes Target Builders Construction Managers, Inc. The Buyers (joint and severally) shall indemnify, defend, and hold harmless the Adkins for any and all loss, liability or damage resulting from any and all loss, liability, damage, actions, claims, judgments, or lawsuits against Adkins arising out of any personal guaranty of the Company obligations made by Adkins, including but not limited to those described in **Exhibit B** attached hereto (the "**Adkins Guaranties**"). If any claim is made against Adkins based on any guaranties, Adkins shall advise the Buyers in writing at the address provided in this Agreement. The notice shall contain details known to Adkins. Within ten (10) days after the date of the notice, the Buyers shall advise Adkins, in writing at the address provided in this Agreement, of its intention to settle or defend the claim. The settlement or defense is to be at the sole expense of the Buyers, including expenses incurred by Adkins prior to notice to the Buyers and the Buyers's defense. If the Buyers defend the claim and a decision is rendered against Adkins, Adkins shall have the right, but not the duty, to satisfy the claim and proceed against the Buyers for indemnification according to this provision. All costs, including, but not limited to, attorney's fees will be paid to the prevailing party by the non-prevailing party. The Buyers's duty to indemnify Adkins shall survive closing and delivery of Adkins' Interests to the Buyers and shall not be merged.

5. CLOSING; PROCEDURE; DOCUMENTS; PAYMENT OF REDEMPTION PRICE. The Closing of this Agreement shall occur simultaneously with Laredo's refinancing of its property located at 1841 Ortiz Avenue, Fort Myers, Florida. To avoid any possible delay in the closing of the Buyers's refinancing, Adkins shall execute the closing documents and deliver them to Anthony J. Gargano, P. A., as escrow and closing agent with irrevocable instructions to hold the documents and to deliver the documents to the Buyers upon the Buyers's tender of the purchase price to the closing agent. The closing shall occur at the office of Anthony J. Gargano, P.A. The closing documents shall include: the Adkins' Certificate properly executed by Adkins for transfer to the Buyers, Adkins' affidavit in form and content acceptable to the Buyers, closing statement, compliance agreement, and any other documents as may be requested by the Buyers to close this transaction. The Buyers and Adkins shall each pay 50% of the documentary stamp tax due for the conveyance of the Adkins' Interests.

5.1. The Redemption Price shall be paid as follows: $337,474.00, paid in the form of a promissory note from the Company, Casey Crowther, and Margaret Crowther (the "**Redemption Note**") in the original principal amount of $337,474.00, accruing interest at the rate of 7.5% per annum; the then outstanding principal balance of the Redemption Note, together with interest accrued and unpaid, will be due and payable on the Maturity Date which will be the date that is the fifth (5th) year anniversary of the Redemption Note; the Redemption Note may be prepaid in full or in part at any time without penalty; the Redemption Note shall be cross defaulted with the Laredo Note and the Jade Note (as hereafter defined). The Redemption Note will be secured by the Company's pledge of the Adkins Stock according to a Collateral Assignment and Pledge Agreement to be executed and delivered by the Company at Closing. The Company and Adkins shall each pay 50% of the attorneys' fees for preparation of the closing and loan documents and for the documentary stamp tax on the Redemption Note and redemption (if any).

5.2. At closing, Adkins shall assign the Adkins' Laredo Membership Interest to Margaret Crowther (18%) and to Casey Crowther (82%) for the purchase price of $160,000.00, paid in the form of a promissory note from the Company, Laredo, Casey Crowther, and Margaret Crowther (the "**Laredo Note**") in the original principal amount of $160,000.00, accruing interest at the rate of 7.5% per annum; the then outstanding principal balance of the Laredo Note, together with interest accrued and unpaid, will be due and payable on the Maturity Date which will be the date that is the fifth (5th) year anniversary of the Laredo Note; the Laredo Note may be prepaid in full or in part at any time without penalty; the Laredo Note shall be cross defaulted with the Redemption Note and the Jade Note (as hereafter defined). ~~The Laredo Note will be secured by Casey Crowther and Margaret Crowther's pledge of the Adkins' Laredo Membership Interest according to a Collateral Assignment and Pledge Agreement to be executed and delivered by Casey Crowther and Margaret Crowther at Closing.~~ The Company and Adkins shall each pay 50% of the attorneys' fees for preparation of the closing and loan documents and for the documentary stamp tax on the Laredo Note and redemption (if any).

5.3. At closing, Adkins shall assign the Adkins' Jade Membership Interest to Margaret Crowther for the purchase price of $225,000.00, paid in the form of a promissory note from the Company, Jade, Casey Crowther, and Margaret Crowther (the "**Jade Note**") in the original principal amount of $225,000.00 accruing interest at the rate of 7.5% per annum; the then outstanding principal balance of the Laredo Note, together with interest accrued and unpaid, will be due and payable on the Maturity Date which will be the date that is the fifth (5th) year anniversary of the Jade Note; the Jade Note may be prepaid in full or in part at any time without penalty; the Jade Note shall be cross defaulted with the Laredo Note and the Redemption Note (as hereafter defined). ~~The Jade Note will be secured by Margaret Crowther's pledge of the Adkins Jade Membership Interest according to a Collateral Assignment and Pledge Agreement to be executed and delivered by the Margaret Crowther at Closing.~~ The Company and Adkins shall each pay 50% of the attorneys' fees for preparation of the closing and loan documents and for the documentary stamp tax on the Jade Note.

5.4. <u>Resignations</u>. At closing, Adkins shall resign as: Vice President, Secretary and Tresurer of the Company; Manager of Jade; and Manager of Laredo.

6. <u>ADDITIONAL COVENANTS AND CONDITIONS</u>. The following additional covenants shall survive closing and delivery of the Adkins' Certificate.

6.1. The Company currently owns the 2017 F350 driven by Adkins. By 12/31/20, the Company shall pay off the note on that truck and transfer title to Adkins. The cost of transferring title to Adkins shall be paid by the Company and Adkins 50/50.

6.2. The Company currently pays Adkins' a salary equal to $2,222.00 per week. The Company shall continue to pay Adkins' current weekly salary until December 31, 2019.

6.3. The credits and debits between Target Builders Construction Management, Inc., and the Company, as described on **Exhibit C** attached hereto, shall be considered satisfied and released as of closing.

6.4. All Adkins' personal guaranties of the Company's obligations to Sanibel Captiva Community Bank and the obligations of 8790 Laredo, LLC shall be cancelled and released at closing; the foregoing is a condition precedent to Adkins' obligation to close this Agreement.

6.5. Adkins' personal guaranty of the Company's credit card obligations to Chase Bank shall be cancelled and released at closing; the foregoing is a condition precedent to Adkins' obligation to close this Agreement.

6.6. Adkins and Target Builders Construction Management, Inc., agrees to execute and deliver the Non-compete and Restrictive Covenants Agreement attached hereto as **Exhibit D** at closing and that the Non-compete and Restrictive Covenants Agreement shall survive closing and the delivery of Adkins' Interests .

7. MISCELLANEOUS

7.1 Brokerage Commissions and Finder's Fees. Each of the parties represents and warrants to the other that it has not hired, retained or dealt with any broker, finder or investment banker in connection with the transactions contemplated by this Agreement, and will defend, indemnify and hold the other party harmless from and against any and all claims for finder's fees or brokerage or other commissions which may at any time be asserted against the other party founded upon a claim which is inconsistent with the aforesaid representation and warranty of the indemnifying party, together with any and all losses, damages, costs and expenses (including reasonable attorneys' fees) relating to such claims or arising therefrom or incurred by the indemnified party in connection with the enforcement of this indemnification provision.

7.2 Waivers and Consents. Except as may otherwise be provided in this Agreement, all waivers and consents given hereunder shall be in writing. No waiver by either party hereto of any breach or anticipated breach of any provision hereof by the other party shall be deemed a waiver of any other contemporaneous, preceding or succeeding breach or anticipated breach, whether or not similar, on the part of the same or the other party.

7.3 Notices. All notices and other communications hereunder shall be in writing and shall be deemed to have been given only if and when (i) personally delivered or (ii) three (3) business days after mailing, postage prepaid, by certified mail or (iii) when delivered (and receipted for) by an overnight delivery service, addressed in each case, to the addresses set forth on the first page of this Agreement. Each party may change its address for the giving of notices and communications to it, and/or copies thereof, by written notice to the other party in conformity with the foregoing.

7.4 Governing Law. The interpretation and construction of this Agreement, and all matters relating hereto, shall be governed by the law of the State of Florida.

7.5 Counterparts. This Agreement may be executed in two or more counterparts, all of which taken together shall constitute one instrument.

7.6 Entire Agreement. This Agreement contains the entire understanding of the parties hereto with respect to the subject matter contained herein. This Agreement supersedes all prior agreements and understandings between the parties with respect to such subject matter.

7.7 Amendments. This Agreement may not be changed orally, but only by an agreement in writing signed by the parties.

7.8 Severability. In case any provision in this Agreement shall be held invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions hereof will not in any way be affected or impaired thereby.

7.9 Cooperation. At all times Adkins shall cooperate with the Buyers and the Buyers shall cooperate with Adkins and execute any and all documents, instruments, affidavits and other similar documentation in order to fully perform this Agreement and to convey all of Adkins' right, title, interest, and claim in the Adkins' Interests to the Company and to pay the purchase price with the Notes and to secure those Notes by perfected security interests in the collateral.

7.10 Specific Performance. Adkins and the Company each acknowledge that, in view of the uniqueness of the Adkins' Interests, and the transaction contemplated by this Agreement, each party would not have an adequate remedy at law for money damages in the event that one of the party's defaults in the performance of its obligations set forth in this Agreement, and therefore Adkins and the Buyers agree that the other party shall be entitled to specific enforcement of the terms of this Agreement in addition to any other remedy to which it may be entitled.

7. CONDITIONS PRECEDENT TO COMPANY'S OBLIGATION TO CLOSE. Laredo's closing of the refinancing of its property upon terms and conditions acceptable to Laredo and the Company is a condition precedent to the Buyers' duty to close. The Buyers in their sole discretion may waive the foregoing condition precedent; however, to be enforceable against the Buyers any waiver must be in writing and signed by the Buyers.

8. **ACKNOWLEDGMENT OF DISCLOSURE**. This Agreement has been prepared by Anthony J. Gargano, on behalf of, and in the course of its legal representation of the Company. By the parties' signatures hereto, they acknowledge the following: that neither Anthony J. Gargano, nor Anthony J. Gargano, P.A., represents any of the other parties, who has each has been advised to seek the advice of independent legal and tax counsel related to the legal (including securities law) and tax aspects and consequences of this Agreement; and they have either done so, or waive the opportunity to do so.

IN WITNESS WHEREOF, the parties have executed this Agreement effective as of the Effective Date.

Witness
Marco Diaz
Witness

By Steven D. Adkins, individually

Target Roofing and Sheet Metal, Inc.,

Witness
Marco Diaz
Witness

By Casey Crowther, president

Witness
Marco Diaz
Witness

By Casey Crowther, individually

Target Builders Construction Management, Inc.,

Witness
Marco Diaz
Witness

By Steven D. Adkins, president

Witness
Marco Diaz
Witness

Margo Crowther
By Margaret Crowther, individually

continued on next page.

8790 Laredo, LLC

By Casey Crowther, Manager

8790 Laredo, LLC

By Steven D. Adkins, Manager

3801 Jade, LLC

By Casey Crowther, Manager

3801 Jade, LLC

By Steven D. Adkins, Manager

Witness

Marco Diaz

Witness

Witness

Marco Diaz

Witness

Witness

Marco Diaz

Witness

Witness

Marco Diaz

Witness

EXHIBIT A

NUMBER 5

SHARES

See Reverse for Certain Definitions

Incorporated under the laws of the State of Florida

Target Roofing and Sheet Metal, Inc.

Total Authorized Issue
500 Shares $1.00 Par Value
Common Stock

COPY

This is to certify that STEVEN DALE ADKINS is the owner of

TWO HUNDRED AND FIFTY fully paid and non-assessable shares of the above Corporation transferable only on the books of the Corporation by the holder thereof in person or by a duly authorized Attorney upon surrender of this Certificate properly endorsed.

Witness, the seal of the Corporation and the signatures of its duly authorized officers.

Dated

Vice President

President

CORPKIT, NEW YORK

EXHIBIT B

CREDITORS/ VENDORS Including but not limited to:
ALLY
Balboa Capital
Chrysler Capital
First National Bank
Ford Credit
GM Financial
Hitachi
Navitas
Stearns Bank
Suncoast Roofers Supply
Spec Materials
Wells Fargo

EXHIBIT C

TARGET ROOFING - STOCK PURCHASE - DECEMBER 2019			
Due to Roofing Co from Target Builders:			
Inv 2755	(Notes) MeltiNg Pot Snap Lock Reroof	$	3,525.00
Inv 2399	Coffee Café at Design Center A/C	$	2,230.87
Inv 3637	WO# 2566 (Redline Demolition)	$	718.91
Inv 3308/3385	2043 West First Street Re-Roof	$	7,339.84
Inv 3277/3386	2041 West First Street Re-Roof	$	6,006.14
	Ford F150 Truck (Mike Meece)	$	10,400.00
		$	**30,220.76**
Due to Target Builders from Roofing Co:			
Inv	Crowther Residence Remodel	$	27,600.00
Inv	HNES - Install Ridge Cap	$	4,500.00
		$	**32,100.00**

Attachment "D"

From: Brad North
To: Casey Crowther
Subject: Fwd: SBA Closing Info
Date: Friday, September 4, 2020 10:50:02 AM

---------- Forwarded message ---------
From: **Casey Crowther** <casey@targetroofers.com>
Date: Fri, Apr 10, 2020, 11:57 AM
Subject: Re: SBA Closing Info
To: Kristin DiIorio <KDiIorio@sancapbank.com>
Cc: Brad North <brad@targetroofers.com>

Deposit it in the main operating account. Let me know what else you need and when to expect to close.

Sent from my iPhone

> On Apr 10, 2020, at 11:55 AM, Kristin DiIorio <KDiIorio@sancapbank.com> wrote:
>
> Good morning Casey,
>
> We just received updated information on how the closings and funding's will be processed. Please read below and provide me with the funding account number at your earliest convenience. Once closed you will receive immediate credit.
>
> - ***IMPORTANT*** – these loan funds will be electronically deposited into a your SCCB account.
> - Please provide me the account number you would like the funds deposited into.
> - Each morning I will get a list and will notify you to ***expect an EMAILED DocuSign Loan Package within 48 hours or less*** so you can be on the lookout for the closing documents.
>   - This entire process is done electronically
>
> Thank you,

<image001.jpg> **Kristin DiIorio**

Vice President & Office Manager

1533 Hendry St Ste 100

Fort Myers, FL 33901

ph (239) 274-6205

fx (239) 210-2373

Kdiiorio@sancapbank.com

Apply Online: **www.mortgage.sancapbank.com**

Notice: In an attempt to ensure the safety of our customers and team members from COVID-19, many of our team are working remotely. During this time email is the best method of contact, however, if you need to speak by phone please email and I will contact you. Thank you for your patience and understanding.

Attachment

“E”

From: Casey Crowther
To: Kristin DiIorio
Subject: Wire transfer for today
Date: Friday, April 24, 2020 8:55:39 AM
Attachments: IMG_0484.jpg
Untitled attachment 00012.txt

I need this to post today please

Amount is 689,417.00

Six hundred eighty nine thousand four hundred seventeen dollars.

Re: **Incoming Domestic Wire Transfer Instructions**

To : Whom It May Concern

Wire To: Center State Bank of Florida
1101 First Street South
Winter Haven, FL 33880

ABA#: 063114030

Account # 31018963

Sara Bay Marina
7040 N Tamiami Trail
Sarasota, FL 34243

If you have any problems or questions regarding these instructions, please contact An
at 941-359-0390

Attachment "F"

11:45

5G E

397

KD

Kyle >

Mon, May 18, 2:27 PM

Whenever your free I'm good

Call back when u can.

Tue, May 19, 8:46 AM

I'm going to move my personal money I had to purchase the boat over to my SanCap account.

Ok. Talk to Craig and make sure u guys are on the same page. Whatever u think is best.

Sun, Aug 23, 12:59 PM

I have a big relationship looking for a quick home loan. How soon would it take to get a home loan. The guy owns gulf point construction. Builds all the schools in town.

Found his dream house and they won't do it contingent on his house and his house paid for cash.

How quick does he need it done? Typically we could get a home loan done in less than 30 days maybe quicker.

Ok.

iMessage

Attachment

"G"

Gmail Casey Crowther <casey@targetroofers.com>

Info needed on cash deposit

1 message

Kristin Dilorio <KDilorio@sancapbank.com> Fri, Jul 31, 2020 at 4:29 PM
To: Casey Crowther <casey@targetroofers.com>

Hi Casey,

I have spoken with our internal auditors and what we need for you to provide on the cash deposit is noted below…

Name, occupation and address of the purchaser of the boat (person who gave you the cash)

Explanation of the source of the cash (where did the cash originate from)

Information on the boat (make, model, vin) – if you can produce a bill of sale that would take care of this part

If/when you get this information we can coordinate a day for you to bring the deposit in.

Please let me know if you have any other questions.

Hope all went well with the closing!

Sanibel Captiva COMMUNITY BANK

Kristin Dilorio
Vice President–Office Manager
1533 Hendry Street
Fort Myers FL 33901
ph (239) 274-6205

fx (239) 226-1995

kdiiorio@sancapbank.com

Apply Online: www.mortgage.sancapbank.com

Follow us on social Media:

Notice: In an attempt to ensure the safety of our customers and team members from COVID-19, many of our team are working remotely. During this time email is the best method of contact, however, if you need to speak by phone please email and I will contact you. Thank you for your patience and understanding.

We have **FREE** Business and Personal Checking!!! Visit us at one of 7 convenient locations: 2 on Sanibel, 5 in Fort Myers. **Free Online Banking & Bill-Pay Too!**

Check out our website at www.SanCapBank.com for more information.

Member FDIC

Attachment

"H"

4:43

373

BP

Brian >

I think we could list yours for higher with the double row and 400's.
Start at 775k and see what happens?
Or reduce a little for a quicker sale?

If I could get close to 700k I would be super happy but I don't know what the market bares right now.

There is very little inventory right now. I think we ask brand new retail price and then be negotiable. I think you are in the ball park.

There is only one new 2020 left in dealer inventory. Everybody is waiting 2 to 4 months right now for one.
I will talk to my clients and I say we list it as well and the market will talk back to us but I think I can get her sold prior to even listing.

Call me when u get a chance

I will sorry

👍

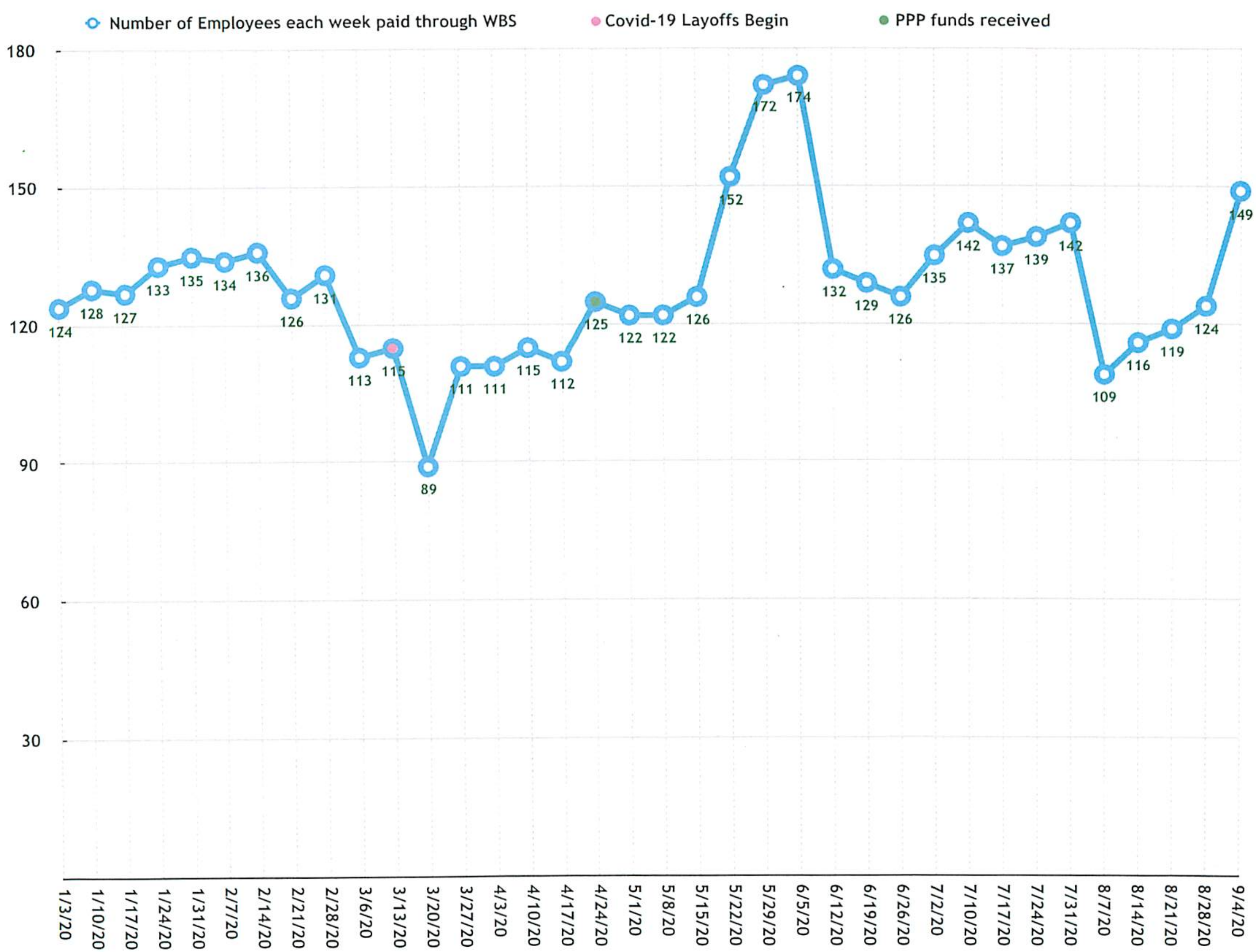
iMessage

Sent from my iPhone

Attachment

“I”

Target Roofing 2020 Employees Paid Per Week Chart

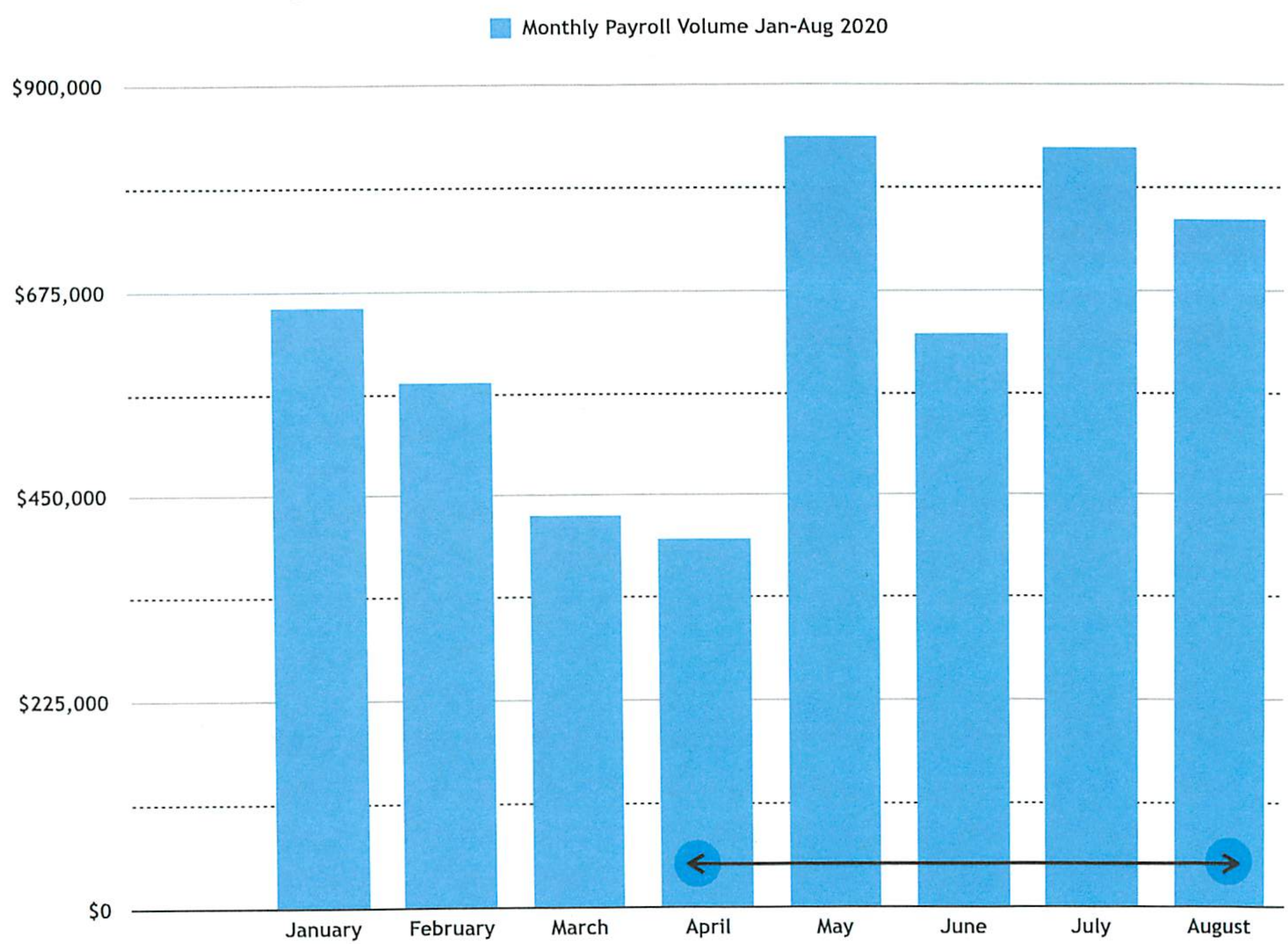


Week	Number of Employees Paid
1/3/20	124
1/10/20	128
1/17/20	127
1/24/20	133
1/31/20	135
2/7/20	134
2/14/20	136
2/21/20	126
2/28/20	131
3/6/20	113
3/13/20	115
3/20/20	89
3/27/20	111
4/3/20	111
4/10/20	115
4/17/20	112
4/24/20	125
5/1/20	122
5/8/20	122
5/15/20	126
5/22/20	152
5/29/20	172
6/5/20	174
6/12/20	132
6/19/20	129
6/26/20	126
7/2/20	135
7/10/20	142
7/17/20	137
7/24/20	139
7/31/20	142
8/7/20	109
8/14/20	116
8/21/20	119
8/28/20	124
9/4/20	149

Attachment

"J"

Target Roofing WBS Payroll Expense Chart



	Monthly Dollar Volume (Jan-Aug 2020)	
January	$	656,446.00
February	$	573,735.66
March	$	427,574.68
April	$	400,770.15
May	$	842,693.53
June	$	627,193.81
July	$	829,973.68
August	$	751,780.26
TOTAL	$	5,110,167.77

Total Payroll Expenses Paid Out (April - August 2020): **$3,452,411.43**

Attachment "K"

Sanibel Captiva COMMUNITY BANK

September 9, 2020

Casey Crowther

President, Target Roofing & Sheet Metal

1841 Ortiz Ave

Fort Myers, FL 33905

Mr. Crowther,

Please accept this letter as confirmation that Target Roofing & Sheet Metal has been a valued client of Sanibel Captiva Community Bank since 2017. Target Roofing & Sheet Metal is in good terms with the bank and accounts are in good standing.

Respectfully,

Kyle DeCicco

Sr. Vice President – Sr. Loan Officer