# 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,



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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 ($5^{th}$) 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).

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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.

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

**6. ADDITIONAL COVENANTS AND CONDITIONS**. 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

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| | |
|---|---|
| | 8790 Laredo, LLC |
| Witness | By Casey Crowther, Manager |
| Marco Diaz | |
| Witness | |
| | 8790 Laredo, LLC |
| Witness | By Steven D. Adkins, Manager |
| Marco Diaz | |
| Witness | |
| | 3801 Jade, LLC |
| Witness | By Casey Crowther, Manager |
| Marco Diaz | |
| Witness | |
| | 3801 Jade, LLC |
| Witness | By Steven D. Adkins, Manager |
| 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<br>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** |