

Engagement Letter

Buy Side Advisory • Ches Booker, Capstone Construction Partners • 2026-05-01

Ches,

What We Heard

You want to buy four commercial reroof shops across the Midwest, roll them in with your book, run them sub only the way you already run yours, and exit at platform scale in three to four years. The targets are not on the internet. They are 2nd and 3rd generation operators in their late 50s and 60s, sitting on six to twenty-four portfolio owner accounts that keep coming back because the roofer has been there for twenty years. That relationship is the asset you are buying, and it is the only thing that justifies the multiple.

What We'll Do

- Build the target list ourselves across St. Louis, Chicago, Minneapolis, Indianapolis, Columbus, Cleveland, Cincinnati — hunting off-internet shops with portfolio owner accounts, not pulling a SIC code dump.
- Run a 40 to 60 owner handwritten letter campaign. Two pitch tracks: one for the owner who is done, one for the owner who still has spunk. No shotgun.
- Sit in on every seller call with you. A second operator voice on the line keeps the legacy preservation pitch honest.
- Bring in deal services partners as needed — Spiga Capital for debt, legal, and other specialists.
- Push back on you when the math drifts. The plan works at 4.0x blended; it breaks at 4.5x. We flag every deal that prices over the line and walk if it does not restructure.
- Move fast. Tecta and Nations are buying this exact profile right now. Nations took Boone Brothers in your footprint in November. Every week of delay puts your seller into someone else's envelope.

Pace

PE platforms are acquiring a U.S. roofing shop roughly every 48 hours. Our cadence: target list inside 14 days of signature, first letters in the mail by day 21, first qualified seller calls by day 45.

Target Criteria

Criteria	Detail
Service	Commercial reroof only — replacements and recovers. Out: new construction, residential, new-build TPO.
Roof system	Single-ply (TPO / EPDM) on warehouses and industrial. Metal only when recovering existing metal.
EBITDA	\$1.5M–\$2.0M. 10%–20% margin.
Deal value	\$7M–\$9M per target. 4.0x–4.5x EBITDA, off-market. Hard cap 4.5x.
Geos	St. Louis, Chicago, Minneapolis, Indianapolis, Columbus, Cleveland, Cincinnati.
Labor model	Sub only or sub-heavy. Small in-house crew acceptable.
Client book	6–24 portfolio owner recurring accounts. Off-internet relationships. Industrial and warehouse owners.
Owner profile	Mid-50s to 60s, 2nd or 3rd generation. Key-man earn-out non-negotiable.

The terms of our engagement are set forth in the **Engagement Agreement** beginning on the following page.

Engagement Agreement

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This Engagement Agreement (the "Agreement") is entered into as of May 1, 2026, by and between Next Chapter Advisory Group ("Advisor") and Capstone Construction Partners ("Client").

1. Scope of Services

- 1.1 Build and maintain a proprietary target list of commercial reroof businesses matching the criteria in Article 2, focused on off-market operators across the agreed geographies.
- 1.2 Design and execute a direct outreach campaign of 40 to 60 handwritten owner letters, segmented by seller profile.
- 1.3 Participate in seller calls and meetings alongside Client to support relationship-based deal development.
- 1.4 Coordinate introductions to debt, legal, and other deal services partners as warranted.
- 1.5 Provide ongoing pricing discipline, including written recommendation to walk on any target priced above 4.5x EBITDA that does not restructure.

2. Target Criteria

Targets materially outside the following parameters require written amendment to qualify for success fees.

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3. Fee Structure

Client shall select one fee option in Article 6. All options cover the same scope of services. The engagement fee is a fixed commitment billed in installments and is not a retainer. The engagement fee covers up to four (4) transactions. A larger engagement fee lowers the success fee and reduces total program cost.

	Option A	Option B	Option C
Engagement fee	\$0	\$25,000 (\$8,300/\$8,300/\$8,400 over 3 months)	\$50,000 (\$10,000/month over 6 months)
Success fee per close	5.0% of transaction value Minimum: \$250,000	4.0% of transaction value Minimum: \$225,000	3.0% of transaction value Minimum: \$200,000
Example at \$6M close	\$300,000	\$240,000	\$200,000 (minimum applies)
All-in, 4 closes at \$6M	~\$1,200,000	~\$985,000	~\$830,000

For reference: published 2024–2025 market data reports an average success fee of 4.8% on \$5M transactions and 3.4% on \$20M transactions. All three options price within that band.

4. Standard Terms

- 4.1 **Term.** 6 months from the date of this Agreement. Renewal by mutual written agreement.
- 4.2 **Termination for Convenience.** Options B and C only. Either party may terminate with 30 days' written notice. Engagement fees paid to date of notice are non-refundable. Tail period of 12 months applies.
- 4.3 **Termination for Cause.** Either party may terminate immediately upon material breach, subject to 10 days' written cure notice.
- 4.4 **Tail Period.** 12 months from termination or expiration. Success fees are owed on any transaction closed within the tail period involving a target introduced or engaged during the term.

- 4.5 Expenses.** All travel requires advance written approval. Direct out-of-pocket expenses billed at cost.
- 4.6 Exclusivity.** Advisor is the sole buy-side advisor for this program within the listed geographies and target profile.
- 4.7 Confidentiality.** Mutual. Full term plus 24 months. NDA executed in parallel.
- 4.8 Conflicts.** Advisor will disclose any commercial relationship with a target before contact. Walk-away rights apply if a conflict cannot be cured.
- 4.9 Governing Law.** Arizona, exclusive venue.

5. Representations

- 5.1** Each party has authority to enter this Agreement and doing so does not violate any other agreement to which it is a party.
- 5.2** Advisor will perform services in a professional manner consistent with buy-side M&A advisory industry standards.
- 5.3** Client will provide timely access to financial and operational information reasonably necessary for Advisor to perform its services.

6. Fee Election and Execution

Client selects one option below. This Agreement is binding upon signature by all parties.

- Option A (Engagement fee: \$0 • Success fee: 5.0%, minimum \$250,000 per close)
- Option B (Engagement fee: \$25,000 over 3 months • Success fee: 4.0%, minimum \$225,000 per close)
- Option C (Engagement fee: \$50,000 over 6 months • Success fee: 3.0%, minimum \$200,000 per close)

Ewing Gillaspay

Next Chapter Advisory Group

Signature: _____

Date: _____

Ches Booker

Capstone Construction Partners

Signature: _____

Date: _____