

IN THE CIRCUIT COURT OF THE SIXTH JUDICIAL CIRCUIT
IN AND FOR PINELLAS COUNTY, FLORIDA

STATE STORAGE TAMPA BAY, LLC,
Plaintiff,

vs.

Case No. 22-000684-CI

UPSTATE HOLDINGS, LLC,
Defendant.

_____ /

ANSWER, AFFIRMATIVE DEFENSES, AND COUNTERCLAIM

COMES NOW the Defendant, UPSTATE HOLDINGS, LLC, by and through the undersigned counsel, and files this Answer, Affirmative Defenses, and Counterclaim, stating as follows:

Responses to Numbered Paragraphs

1. Admitted for jurisdictional purposes only; otherwise denied.
2. Admitted.
3. Admitted that the fee simple interest in the 12501 Property was conveyed to Plaintiff through the applicable chain of title; otherwise denied.
4. Admitted that the fee simple interest in the 13001 Property was conveyed to Plaintiff through the applicable chain of title; otherwise denied.
5. Admitted.
6. Admitted.
7. Denied.
8. Without knowledge, therefore denied.
9. Admitted.
10. Denied.

11. Without knowledge, therefore denied.

12. Denied.

13. Without knowledge, therefore denied.

In response to Plaintiff's unnumbered paragraph immediately preceding Paragraph 14, Defendant restates and incorporates its responses to Paragraphs 1 through 13 as if fully set forth herein.

14. Admitted that Defendant recorded the lis pendens against the 12501 Property and that Plaintiff is asserting a claimed cause of action for slander of title; otherwise denied.

15. Denied.

16. Denied.

17. Admitted.

18. Without knowledge, therefore denied.

19. Without knowledge, therefore denied.

20. Without knowledge, therefore denied.

21. Without knowledge, therefore denied.

22. Without knowledge, therefore denied.

23. Without knowledge, therefore denied.

24. Without knowledge, therefore denied.

In response to Plaintiff's unnumbered paragraph immediately preceding Paragraph 25, Defendant restates and incorporates its responses to Paragraphs 1 through 13 as if fully set forth herein.

25. Admitted that Defendant recorded the lis pendens against the 13001 Property and that Plaintiff is asserting a claimed cause of action for slander of title; otherwise denied.

26. Denied.
27. Denied.
28. Admitted.
29. Without knowledge, therefore denied.
30. Without knowledge, therefore denied.
31. Without knowledge, therefore denied.
32. Without knowledge, therefore denied.
33. Without knowledge, therefore denied.

In response to Plaintiff's unnumbered paragraph immediately preceding Paragraph 34, Defendant restates and incorporates its responses to Paragraphs 1 through 13 as if fully set forth herein.

34. Admitted that the lis pendens recorded against the 12501 Property relates to Plaintiff's interest in the 12501 Property; otherwise denied.
35. Denied.
36. Without knowledge, therefore denied.
37. Admitted.
38. Without knowledge, therefore denied.
39. Without knowledge, therefore denied.
40. Denied.
41. Denied.
42. Plaintiff makes no statement of law or fact calling for a response; but to the extent one is required, denied.
43. Denied.

In response to Plaintiff's unnumbered paragraph immediately preceding Paragraph 44, Defendant restates and incorporates its responses to Paragraphs 1 through 13 as if fully set forth herein.

44. Admitted that the lis pendens recorded against the 13001 Property relates to Plaintiff's interest in the 13001 Property; otherwise denied.
45. Denied.
46. Without knowledge, therefore denied.
47. Admitted.
48. Without knowledge, therefore denied.
49. Without knowledge, therefore denied.
50. Denied.
51. Denied.
52. Plaintiff makes no statement of law or fact calling for a response; but to the extent one is required, denied.
53. Denied.

First Affirmative Defense – Arbitration and Award

54. At the time the 12501 Lis Pendens and the 13001 Lis Pendens were filed, both properties were the subject of the arbitration referred to in Paragraph 36 of Plaintiff's Complaint, which is disingenuously referred to as the "Unrelated Arbitration," to which they were directed by the Court in Case No. 19-006955-CI.
55. In that arbitration, Upstate alleged that State Storage Group LLC – which was initially the only member of record of State Storage Tampa Bay – and another company believed to be a member of State Storage Tampa Bay, ANG Equity Holdings LLC, had violated

the operating agreement of a company in which the three had an interest, Gator State Storage LLC, by engaging in a sham sale of the two Belcher Properties to State Storage Tampa Bay.

56. Upstate further sought relief from the arbitrator that would have required State Storage Group and ANG Equity Holdings to, as the members ultimately in control of State Storage Tampa Bay, direct State Storage Tampa Bay to return the Belcher Properties to Gator State.
57. The arbitrator ultimately determined that Upstate was the prevailing party in the arbitration, that the transfer of 12501 Belcher was unlawful because it was not done for a company purpose, and that the transfer of 13001 Belcher was unlawful because it constituted a sale of substantially all the assets of Gator State without Upstate being given an opportunity to vote on the sale or notice of its statutory appraisal rights. However, because State Storage Tampa Bay was not a party to the arbitration, the arbitrator did not consider himself empowered to rescind the transaction.
58. To the extent that Plaintiff's Complaint argues that the notices of lis pendens were false, fictitious, or fraudulent, the allegations considered in the arbitration and the resulting award demonstrate that title to the Belcher Properties was genuinely at issue, that the propriety of State Storage Tampa Bay's receipt of the Belcher Properties was decided adversely to two SSTB's members, and that Upstate had a good-faith basis for asserting that the outcome of the case and arbitration could affect SSTB's title to the Belcher Properties.

Second Affirmative Defense – Fraud

59. As asserted in Defendant's Counterclaim below, the material allegations of which are

hereby incorporated by reference. Plaintiff participated in a scheme to defraud Defendant of its interest in the Belcher Properties and of the benefit of its labor thereon as a contractor, and therefore gave rise to the circumstances that rendered the notices of lis pendens necessary.

Third Affirmative Defense – Failure to Mitigate Damages

60. Plaintiff's damages have been unreasonably increased as a result, and to the extent, of Plaintiff's failure to request or negotiate a release of the notices of lis pendens, delay in seeking a legal determination on the propriety of Defendant's notices of lis pendens despite knowledge of the grounds on which its claims are based, or the failure to seek or pursue alternative means of accomplishing the construction project or cross-collateralizations allegedly precluded by the notices of lis pendens.

WHEREFORE, Defendant respectfully requests the Court deny Plaintiff the relief sought.

COUNTERCLAIM

COMES NOW the Defendant/Counter-Plaintiff, Upstate Holdings LLC, by and through the undersigned counsel, and pursuant to Florida Rule of Civil Procedure 1.170, files this Counterclaim, alleging as follows:

1. Counter-Plaintiff Upstate Holdings, LLC ("Upstate") is a Florida limited liability company with its principal place of business in Pinellas County, Florida.
2. Counter-Defendant State Storage Tampa Bay, LLC ("SSTB") is a Florida limited liability company with its principal place of business in Pinellas County, Florida.
3. Counter-Defendant David Heil ("Heil") is a natural person residing, to the best knowledge and belief of the Counter-Plaintiff, in Hennepin County, Minnesota.

4. In November 2017, Upstate became a member of Gator State Storage TB, LLC (“Gator State”), an entity that eventually had as co-members State Storage Group, LLC (“SSG”) and ANG Equity Holdings, LLC (“ANG”).
5. At all times material hereto, Heil was the principal member of SSG.
6. On or about January 17, 2018, Gator State acquired the property at 12501 S. Belcher Road in Largo, Florida (“12501 Belcher”).
7. On or about April 5, 2019, Gator State acquired the property at 13001 S. Belcher Road in Largo, Florida (“13001 Belcher”).
8. 12501 Belcher and 13001 Belcher (together, the “Belcher Properties”) were purchased with the intention of constructing and operating, respectively, self-storage units for lease to the general public, which might also eventually be sold for a profit.
9. As part of the business arrangement, Upstate obtained the services of a building contractor for the construction of the self-storage facility on the 12501 Belcher property, which was undeveloped land at the time of purchase.
10. Upstate was able to obtain the said contracting services at the cost of only subcontractor labor and materials because its principal was a licensed building contractor.
11. Following several disagreements with Upstate over management of Gator State and the Belcher Properties, Heil directed SSG to begin coordinating with ANG to extract value out of Gator State and to dilute Upstate’s interest in the company. **See Exhibit A.**
12. Heil then lied about the reasons for requesting additional capital from the members, at the same time withdrawing or obtaining the withdrawal of other capital provided to the company on the pretext that they were callable loans. **See Exhibit B.**

13. SSTB was established on or about August 1, 2019, shortly after the dilution plan and pretextual withdrawal of capital were put into effect.
14. On September 26, 2019, 12501 Belcher was deeded to a land trust set up by an associate of Heil in preparation for an eventual purchase by SSTB, which occurred on October 15, 2019.
15. This was ostensibly done in order to raise capital for a loan coming due in October 2019 to an affiliated company, State Storage Lubbock, LLC ("Lubbock"); when in fact, SSG and ANG, to the best knowledge and belief of Counter-Plaintiff, constituted a majority interest of the members of SSTB, and when Lubbock was also owned by SSG and affiliates of the other members of Gator State.
16. In fact, no loan payment was made at this time and the loan continued accruing interest after the transfer of 12501 Belcher.
17. On or about April 22, 2020, 13001 Belcher was deeded directly to SSTB for a nominal sale price of \$1,750,000.00, most of which was not actual cash but was credit for assuming the encumbrance on the property.
18. \$427,351.00 was paid to Lubbock out of the closing funds, and was immediately paid over to Heil as a purported loan.
19. Only \$151,000.00 was ultimately paid to Gator State, most of which was also placed in another purported loan, ostensibly to maintain income for the majority of members.
20. To the best knowledge and belief of the Counter-Plaintiff, Heil maintains effective control of the Belcher Properties by and through one or more entities that, in turn, control the record owner SSTB.

Count I – Criminal Scheme, F.S. §772.104 (Heil)

21. Counter-Plaintiff hereby restates and incorporates Paragraphs 1 through 20 as if fully set forth herein.
22. Section 772.104(1), Florida Statutes, establishes a civil cause of action where a claimant is able to prove injury “by reason of any violation of the provisions of s. 772.103...”
23. Section 772.103(2), Florida Statutes, declares that it is unlawful for any person “[t]hrough a pattern of criminal activity... to acquire or maintain, directly or indirectly, any interest in or control of any enterprise or real property.”
24. Section 817.034(4)(a), Florida Statutes, and the terms incorporated therein and defined in Section 817.034(3), establish that it is a criminal offense to engage in any “systematic, ongoing course of conduct with intent to” deprive another of a “right to property or a benefit therefrom” by “false or fraudulent pretenses, representations, or promises or willful misrepresentations of a future act.”
25. “Property” is further defined in subsection 3(c) thereof as including real property, tangible property, intangible rights and interests, and services.
26. Section 817.034(4)(b) establishes that it is a separate criminal offense to engage in a scheme to defraud using one or more types of mail or electronic communication, as specified in subsection 3(a).
27. Heil repeatedly lied about the financial condition of Gator State and its obligation to repay purported loans or undertake ongoing expenditures, as a pretext for reducing Upstate’s share of the Operating Entities or transferring the Belcher Properties out of Gator State. This was a systematic, ongoing course of conduct.

28. Heil clearly stated to his business associates that this conduct was a false pretense, intended to deny Upstate distributions to which it was entitled and to squeeze Upstate out of the Operating Entities. *See* Exhibit A. The conduct was thereby intended to deprive Upstate of the benefit of its rights in Gator State, the benefit of Upstate's services in developing 12501 Belcher and acquiring 13001 Belcher, and the benefit of the operation and eventual sale of the Belcher Properties. The conduct also used false pretenses and false representations to carry out that purpose.
29. Heil also clearly stated that he intended to use this same practice in connection with all of the Operating Entities with which Hidalgo and his affiliated entities were associated, *see id.*
30. Heil has, in fact, subsequently directed SSG to use the same or similar procedure of putting property in the control of third parties ultimately subject to Heil's control, including deeding multiple storage facility properties owned by Lubbock to such a third party for less than market value.
31. This history of disposition of assets in companies in which Heil exercises substantial control demonstrates that this is a regular practice by which Heil conducts his business, and was thereby a pattern of criminal activity.
32. Heil also clearly stated that this pattern of criminal activity was intended to maintain control over the Operating Entities, to the exclusion of Upstate. *See id.* He further stated that it was intended to maintain indirect control over the Belcher Properties through the use of another entity under his substantial control, *see id.*, which turned out to be SSTB. The pattern of criminal activity was thereby intended to acquire or maintain an interest in or control of an enterprise or real property.

33. The foregoing conduct was therefore a violation of Section 772.103(2), Florida Statutes, which entitles Upstate to the remedy provided by Section 772.104(1), Florida Statutes.

34. Upstate has retained the undersigned to represent it in this matter, and is obligated to pay the undersigned a reasonable fee for services in connection therewith.

WHEREFORE, Upstate respectfully requests the Court find that Heil's conduct constituted a violation of 772.103(2), Florida Statutes; find that pursuant to Section 772.104(1), Florida Statutes, Upstate is entitled to recover threefold the actual damages sustained; enter a judgment against Heil for damages as well as Upstate's reasonable attorney's fees and costs pursuant to Section 772.104(1); and provide such other and further relief as the Court deems appropriate.

Count II – Conspiracy to Engage in Criminal Scheme, F.S. §772.104 (Heil, SSTB)

35. Counter-Plaintiff hereby restates and incorporates Paragraphs 1 through 20 and 21 through 34 as if fully set forth herein.

36. Heil and SSTB communicated about and coordinated the transfer of the Belcher Properties to SSTB.

37. The transfer of the Belcher Properties was a criminal scheme, as alleged in Paragraphs 21 through 34 above.

38. A conspiracy to do an unlawful act thus existed between Heil and SSTB.

39. Heil engaged in an overt act in furtherance of the conspiracy by lying to Upstate about the condition of Gator State and by effecting the transfer of the Belcher Properties to SSTB.

40. SSTB engaged in an overt act in furtherance of the conspiracy by accepting title to the Belcher Properties and by exercising the rights of ownership over them, including but not limited to refinancing outstanding obligations encumbering the Belcher Properties.
41. Upstate was damaged as a result of the acts performed pursuant to the conspiracy because they deprived Upstate of the benefit of its rights in Gator State, the benefit of Upstate's services in developing 12501 Belcher and acquiring 13001 Belcher, and the benefit of the operation and eventual sale of the Belcher Properties.
42. Heil had a personal stake in the conspiracy distinct from that of SSTB because, among other things, he personally received a substantial portion of the proceeds of the sham sale, inasmuch as they were paid directly out of escrow to State Storage Lubbock in repayment of a loan and then immediately transferred to a personal account belonging to Heil as a supposed loan.

WHEREFORE, Upstate respectfully requests that the Court find that a conspiracy to violate Section 772.103(2), Florida Statutes existed between Heil and SSTB, and that Upstate was damaged as a result of the conspiracy; enter a judgment against Heil and SSTB for damages resulting from the conspiracy; and provide such other and further relief as the Court deems appropriate.

Count III – Unjust Enrichment (SSTB)

43. Counter-Plaintiff hereby restates and incorporates Paragraphs 1 through 20 as if fully set forth herein.
44. Upstate conferred a benefit on SSTB through the transfer of Upstate's interest in the Belcher Properties held through Gator State; the value of Upstate's work on improvements to the Belcher Properties for which it was not compensated; and the

business opportunity to, through Gator State, operate and eventually sell the Belcher Properties.

45. Upstate suffered particularized damages not shared by the other members of Gator State because of their respective interests in SSTB.

46. SSTB had knowledge of the benefit, inasmuch as it accepted title to the Belcher Properties and has exercised ownership rights in them.

47. SSTB accepted and retained the benefit, inasmuch as it accepted title to the Belcher Properties and has exercised ownership rights in them.

48. Because SSTB's title to the Belcher Properties was obtained only because of the corporate malfeasance engaged in by two of its members, who were also members of the grantor to SSTB of the Belcher Properties; and because the Belcher Properties were obtained in a conflicted transaction for less than market value, it would be inequitable for SSTB to retain the benefit conferred without paying Upstate fair value for the benefit it provided.

WHEREFORE, Upstate respectfully requests the Court find for Upstate and against SSTB, enter a judgment for money damages against SSTB, and provide such other and further relief as the Court deems appropriate.

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing was electronically filed and furnished via email to T.W. Anderson, Jr., Esq., at TW.Anderson@nelsonmullins.com on this 9th day of May, 2022.

SMOTHERS LAW FIRM, P.A.



SCOTT A. SMOTHERS, ESQUIRE

Florida Bar Number: 28489

scott@smotherslawfirm.com

MITCHELL L. DAVIS, ESQUIRE

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523 Wekiva Commons Circle

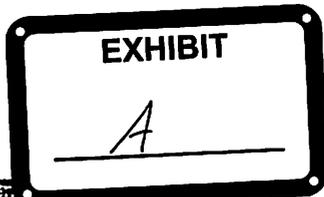
Apopka, FL 32712

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service@smotherslawfirm.com

1/29/2021



State Storage Group Mail - Re: Required Consent for Sale

David Minor <davidm@statestoragegroup.com>

Re: Required Consent for Sale

19 messages

David Heil <davejheil@statestoragegroup.com>

Tue, Jul 2, 2019 at 6:11 PM

To: Austin Good <austin@angdevelopment.com>, Jayme Wait <jrw@statestoragegroup.com>

Cc: David M <davidm@statestoragegroup.com>, jhamilton@theblumfirm.com

I think the best approach is cut him from manger first so he can't be operational and in the dark.

Step two dilution with our captial we already have our from 20 to 14%. That he refuses to match.

At that point he only gets a tax return. He won't last long.

If we sell assets thats leaving him In dark vs using business cases to stabilize asset.

I just want to be upfront and lay it out so he can't push business ethics on us.

He only has 50k hard cash in deal and low personal reserves so he won't last long without distributions.

Would like to compose proper meeting notes to record ASAP so we can eliminate the noise and Furtur dilution down the q4 2019.

Looking for path of least resistance .

Best regards,

On Fri, Jun 28, 2019 at 9:13 AM Austin Good <austin@angdevelopment.com> wrote:

Jeff, we are getting a little anxious on this can you update me please

Regards,

Austin Good, Principal

ANG Development Group

489-231-1383

www.ANGDevelopment.com

Sent from my iPhone

Dave J Heil CEO-State Storage Group

Davejheil@statestoragegroup.com

Mobile: 651-955-9468

Admin: 612-940-8442

www.StorageAF.com

334 East Lake Rd

PMB 258

Palm Harbor FL 34685

Austin Good <austin@angdevelopment.com>

Tue, Jul 2, 2019 at 6:23 PM

To: David Heil <davejheil@statestoragegroup.com>

Cc: Jayme Wait <jrw@statestoragegroup.com>, David M <davidm@statestoragegroup.com>, jhamilton@theblumfirm.com

Dave Dilution is actually a big question mark and opening up to legal action. When talking to the litigator after he reviewed the OA he said it was not clear and there is a part in the OA that talks about any non-prorata contributions as being a tax free loan it would be a very easy argument against us. Our best option would be to get him to agree to a buyout or do the

1/28/2021

State Storage Group Mail - Re: Required Consent for Sale

sale.

Regards,
Austin Good, Principal
ANG Development Group
469-231-1383
www.ANGDevelopment.com

Sent from my iPhone
[Quoted text hidden]

David Heil <davejheil@statestoragegroup.com> Tue, Jul 2, 2019 at 6:33 PM
To: Austin Good <austin@angdevelopment.com>
Cc: David M <davidm@statestoragegroup.com>, Jayme Wait <jrw@statestoragegroup.com>, jhamilton@theblumfirm.com

Interest free or tax free?

I'm ok with sale if that easy route.
[Quoted text hidden]

Austin Good <austin@angdevelopment.com> Tue, Jul 2, 2019 at 6:41 PM
To: David Heil <davejheil@statestoragegroup.com>
Cc: David M <davidm@statestoragegroup.com>, Jayme Wait <jrw@statestoragegroup.com>, jhamilton@theblumfirm.com

Interest free

Regards,
Austin Good, Principal
ANG Development Group
469-231-1383
www.ANGDevelopment.com

Sent from my iPhone
[Quoted text hidden]

David Heil <davejheil@statestoragegroup.com> Tue, Jul 2, 2019 at 7:25 PM
To: Austin Good <austin@angdevelopment.com>
Cc: David M <davidm@statestoragegroup.com>, Jayme Wait <jrw@statestoragegroup.com>, jhamilton@theblumfirm.com

Unless we sign loans docs 18% as majority rule to take on debt?
[Quoted text hidden]

Austin Good <austin@angdevelopment.com> Tue, Jul 2, 2019 at 8:18 PM
To: David Heil <davejheil@statestoragegroup.com>
Cc: David M <davidm@statestoragegroup.com>, Jayme Wait <jrw@statestoragegroup.com>, jhamilton@theblumfirm.com

As far as the sale is concerned my only concern is if he files a lawsuit it will keep us from doing any refinancing until it's resolved so if we do that the timing has to be right. The absolute best way would be to have a talk with him and tell him all the powers we can exercise and that we are about to exercise our right to sell the property but are willing to give him a chance to get bought out now instead in which case we could offer him some extra cash to make it easier on us (and avoid potential for litigation freezing the property up in a lis pendens situation). Thoughts ?

Regards,
Austin Good, Principal
ANG Development Group
469-231-1383
www.ANGDevelopment.com

Sent from my iPhone
[Quoted text hidden]

1/28/2021

State Storage Group Mail - Re: Required Consent for Sale

Tue, Jul 2, 2019 at 8:32 PM

Jayme Wait <jrw@statestoragegroup.com>
To: Austin Good <austin@angdevelopment.com>
Cc: David Heil <davejheil@statestoragegroup.com>, David M <davidm@statestoragegroup.com>, jhamilton@theblumfirm.com

He needs our money for retainer ☹☹☹☹



Jayme Wait
Founding Partner-State Storage Group
JRW@statestoragegroup.com
817-557-7586
www.statestoragegroup.com
[Quoted text hidden]

David Heil <davejheil@statestoragegroup.com> Tue, Jul 2, 2019 at 8:33 PM
To: Austin Good <austin@angdevelopment.com>
Cc: David M <davidm@statestoragegroup.com>, Jayme Wait <jrw@statestoragegroup.com>, jhamilton@theblumfirm.com

I think we should discuss the powers, but not the sale or he might go try to file to hold up.

Powers are:

Turning our money into paid first debt at 12% on The 180k

No access to refi proceeds and we will loan against company at prime rate as we choose

Removable of any management and banks account rights

Anything else ?
[Quoted text hidden]

David M <davidm@statestoragegroup.com> Tue, Jul 2, 2019 at 8:41 PM
To: Austin Good <austin@angdevelopment.com>
Cc: David Heil <davejheil@statestoragegroup.com>, Jayme Wait <jrw@statestoragegroup.com>, jhamilton@theblumfirm.com

Everything Austin has said seems extremely logical and well thought out... My gut instinct would be buyout is the cleanest easiest followed by an asset sale....but I haven't seen any OA so no idea what official terms are....
[Quoted text hidden]

Austin Good <austin@angdevelopment.com> Tue, Jul 2, 2019 at 8:38 PM
To: David Heil <davejheil@statestoragegroup.com>
Cc: David M <davidm@statestoragegroup.com>, Jayme Wait <jrw@statestoragegroup.com>, jhamilton@theblumfirm.com

The choice on when we take distributions is a big one

Regards,
Austin Good, Principal
ANG Development Group
469-231-1383
www.ANGDevelopment.com

1/29/2021

State Storage Group Mail - Re: Required Consent for Sale

Sent from my iPhone

[Quoted text hidden]

David Heil <davejheil@statestoragegroup.com>

Tue, Jul 2, 2019 at 9:04 PM

To: Austin Good <austin@angdevelopment.com>

Cc: David M <davidm@statestoragegroup.com>, Jayme Wait <jrw@statestoragegroup.com>, jhamilton@theblumfirm.com

Agree,

Let's do this meeting Monday?

Jayme

Austin

Me

Jordan

[Quoted text hidden]

Austin Good <austin@angdevelopment.com>

Tue, Jul 2, 2019 at 9:07 PM

To: David Heil <davejheil@statestoragegroup.com>

Cc: David M <davidm@statestoragegroup.com>, Jayme Wait <jrw@statestoragegroup.com>, jhamilton@theblumfirm.com

Yes fine, let's determine what his cut would be if sold at market value and then determine how much of a bump we are willing to offer him for a buyout

Regards,

Austin Good, Principal

ANG Development Group

469-231-1383

www.ANGDevelopment.com

Sent from my iPhone

[Quoted text hidden]

David Heil <davejheil@statestoragegroup.com>

Tue, Jul 2, 2019 at 9:12 PM

To: Austin Good <austin@angdevelopment.com>

Cc: David M <davidm@statestoragegroup.com>, Jayme Wait <jrw@statestoragegroup.com>, jhamilton@theblumfirm.com

Start low for mistakes and hold ups:

Palmetto no movement for 9 months, 2k a month interest for easement and engineer misdirection.

Largo storage delay 6 months due to bathroom, permit, and utilities. That cost us 7k a month.

As is his equity at current appraisal is worth 80-100k.

Start at 80?

[Quoted text hidden]

David Heil <davejheil@statestoragegroup.com>

Tue, Jul 2, 2019 at 9:14 PM

To: Austin Good <austin@angdevelopment.com>

Cc: David M <davidm@statestoragegroup.com>, Jayme Wait <jrw@statestoragegroup.com>, jhamilton@theblumfirm.com

Wait .

Start at 50k his real cash in deal, 30k commissions he needs to show how he brought value.

[Quoted text hidden]

Jayme Wait <jrw@statestoragegroup.com>

Tue, Jul 2, 2019 at 9:17 PM

To: David Heil <davejheil@statestoragegroup.com>

Cc: Austin Good <austin@angdevelopment.com>, David M <davidm@statestoragegroup.com>, jhamilton@theblumfirm.com

1/28/2021

State Storage Group Mail - Re: Required Consent for Sale

Sooner the better I have a long email saved for him



Jayme Wait
Founding Partner-State Storage Group
JRW@statestoragegroup.com
817-557-7586
www.statestoragegroup.com
[Quoted text hidden]

Austin Good <austin@angdevelopment.com>
To: Jayme Wait <jrw@statestoragegroup.com>
Cc: David Heil <davejheil@statestoragegroup.com>, David M <davidm@statestoragegroup.com>, jhamilton@theblumfirm.com

Tue, Jul 2, 2019 at 9:46 PM

Before emailing or texting him anything significant please run it by the group first. I have had numerous talks with the attorneys and they have warned us against making it seem like the reason we want him out is from a lack of performance since really not much in OA holding him to certain requirements in that regard. Seems kinda silly however the motive behind the sale has to be coming from us as individual Member's best interest perspective. In other words it's okay to say I would like to sell this property because it's in my best interest as an individual member as opposed to saying the reason we want to sell is b/c Jordan you failed to do your part etc. Hopefully that makes sense but regardless the point is we need to tread carefully when it comes to written communications with him regarding why we are making certain decisions. This is why a phone call is really the only way bc essentially the things we are going to be telling him about why we want him out are not allowed to be written since that could give him leverage in court. Also we wouldn't want to threaten him in writing of our powers as the majority interest because some of the things like holding back distributions and taking on debt if it's not obviously a smart move for the business could be argued in court that we were purposely devaluing his shares. Now getting on the phone and telling him these things is a different thing

Regards,
Austin Good, Principal
ANG Development Group
469-231-1383
www.ANGDevelopment.com

Sent from my iPhone
[Quoted text hidden]

Jeffrey Hamilton <jhamilton@theblumfirm.com>
To: Austin Good <austin@angdevelopment.com>
Cc: Jayme Wait <jrw@statestoragegroup.com>, David Heil <davejheil@statestoragegroup.com>, David M <davidm@statestoragegroup.com>

Tue, Jul 2, 2019 at 9:48 PM

Just catching up on emails - Austin can we visit by phone tomorrow?

Jeff

Sent from my iPhone
[Quoted text hidden]

Austin Good <austin@angdevelopment.com>
To: David Heil <davejheil@statestoragegroup.com>
Cc: David M <davidm@statestoragegroup.com>, Jayme Wait <jrw@statestoragegroup.com>, jhamilton@theblumfirm.com

Tue, Jul 2, 2019 at 9:27 PM

1/29/2021

State Storage Group Mail - Re: Required Consent for Sale

He is going to be very against giving the commissions up and I assume he was the one who found this land so probably at the least we could just consider that his finders fee.

Regards,
Austin Good, Principal
ANG Development Group
469-231-1383
www.ANGDevelopment.com

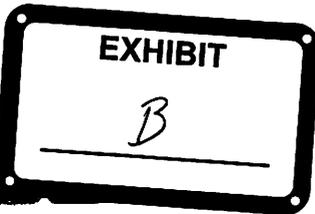
Sent from my iPhone
[Quoted text hidden]

David Heil <davejheil@statestoragegroup.com>
To: Jeffrey Hamilton <jhamilton@theblumfirm.com>
Cc: Austin Good <austin@angdevelopment.com>, David M <davidm@statestoragegroup.com>, Jayme Wait <jrw@statestoragegroup.com>

Tue, Jul 2, 2019 at 9:54 PM

Understood and agree.
[Quoted text hidden]

1/12/2021



State Storage Group Mail - Reminder of loan obligations—Gator State Storage TB

David Minor <davidm@statestoragegroup.com>

Reminder of loan obligations—Gator State Storage TB

2 messages

David Heil <davejheil@statestoragegroup.com> Fri, Jul 12, 2019 at 2:42 PM
To: Austin Good <austin@statestoragegroup.com>, Jordan Hidalgo <Jordan@statestoragegroup.com>, Pinellas Construction Services <Info@pinellasconstructionservices.com>
Cc: Jayme Wait <jrw@statestoragegroup.com>
Bcc: davidm@statestoragegroup.com

To all,

We have a \$405,000 loan due to state storage Lubbock October 5th as a reminder.

In addition I'm requesting my optional contribution of roughly 100k to be paid back in a reasonable time per section 4.2 in our operating agreement.

Austin you also made a optional 80k contribution as well. What are your preferences on your contribution.

I prefer to open dialogue now to record these larger liability I see coming up soon for discussion.

Best regards,

--

Dave J Heil CEO-State Storage Group

Davejheil@statestoragegroup.com
Mobile: 651-955-9468
Admin: 612-940-8442
www.StorageAF.com

334 East Lake Rd
Suite 258
Palm Harbor FL 34685

David Heil <davejheil@statestoragegroup.com> Sat, Jul 13, 2019 at 6:14 PM
To: David M <davidm@statestoragegroup.com>

----- Forwarded message -----

From: Austin Good <austin@statestoragegroup.com>
Date: Sat, Jul 13, 2019 at 4:57 PM
Subject: Re: Reminder of loan obligations—Gator State Storage TB
To: Pinellas Construction Services <Info@pinellasconstructionservices.com>
CC: David Heil <davejheil@statestoragegroup.com>, Jayme Wait <jrw@statestoragegroup.com>, Jordan Hidalgo <Jordan@statestoragegroup.com>

Jordan,

It's not my intention to do anything out of any sort of malice or bad intent towards you or anyone else, I don't operate that way when it comes to business and besides I respect and like you as a person.

I am only trying to do what I feel is in the best interest of the company and my family. I have 3/4 of a million dollars in all partnerships so far and that's way too much money for me to act on anything other than my best business judgement.

DEF 0222

1/12/2021

State Storage Group Mail - Reminder of loan obligations—Gator State Storage TB

The majority has come together and agreed that under the current management arrangement we are not achieving the results we feel the company should be. This is why we voted to remove management rights. It's not worth me going into detail on the nuances of why I think it's not working or who is to blame or not to blame and in what varying degrees. That really doesn't matter at the end of the day. It is what it is.

As you know in these partnerships we like to reserve equity for the partner who plans on being the main driver. The one who is going to make it their baby by devoting a large amount of their time and focus to ensuring the project will not just be completed in the quickest, most efficient and profitable manner possible but are also pledging allegiance to protect and maximize the shareholder's capital investment returns as if it was 100% their own. This sort of duty is hard to get with a paid employee vs an owner.

Although it was not specifically outlined in the OA there was an understanding that you would be that person. Now that you are not this changes the direction of the company and therefore any sort of understandings that we all previously had are no longer relevant. Just like if you were giving someone directions to a destination those directions are only good if your starting point hasn't changed. Now that we have a management void to fill (and no ownership % to give) it's going to require a more conservative capital intensive approach moving forward. (Assuming the majority continues voting in this manner)

You mention buyout, I am not opposed to discussing that further. I'm not sure about the other partners but if that makes more sense for you then being a non-managing member and the current majority's new business direction doesn't align with yours then maybe it makes sense. We will just have to evaluate the economics of that buyout vs the economics of just continuing on the business path that we anticipate over the life of the project to determine what is best for the company. If you are going to be asking for some premium over your basis though I doubt that it's going to make sense.

As far as checking with Blum you definitely can. I have been consulting with them over the past couple weeks to interpret the OA so you shouldn't hear anything different. You should know though there's a chance that they won't speak to you though since the only person they have a representation agreement with is me from when I did all my estate planning with them but they may just disclose that to you and then still answer your questions, I'm not really sure.

Austin Good, Principal
State Storage Group
Cell : 469-231-1383
www.StateStorageGroup.com

Sent from my iPhone

On Jul 13, 2019, at 2:28 PM, Pinellas Construction Services <Info@pinellasconstructionservices.com> wrote:

Dave

My main concern is the intent, don't want to go through an selective capital call where im restricted to the bench without a clear understanding of how operation works going forward is all. Largo S wasn't too bad on delays once we got funding, until we hit this underground water line fiasco around a month ago, which put us at a standstill. You'll be able to see that clearer as Minor starts working with them start of week.

I understood the Largo S plan to be that you'd have someone lined up to take out the BD, SSG and ANG loans upon CO – or at latest sometime in Q3/Q4 of this year. A cap call at this point in the game vs a bank paying them off a few months down the rd just seem unnecessary to me, but I understand we may be looking at it differently and the plan may not still be as I stated above.

Largo N is my main concern where It maybe difficult to match call in October, and the \$400k is owed back to an entity I hold 40% off, yet I don't have the authority to extend the loan on my own. Third kid to be born end of September and I need to plan for that accordingly. I have full faith in Largo sites, that's why it was the first site and the most recent site that I brought to the table. I do not however see the clear path to success on them with me on the outside, where as im sure you have a management plan in mind for both that I've yet to be privy to.

I joined this organization because I saw what had been done so far, and the potential in it. Everyone doesn't have to agree on everything, as long as there's at least a conversation so one party can adapt to working

DEF 0223

1/12/2021

State Storage Group Mail - Reminder of loan obligations—Gator State Storage TB

with the others thoughts. We still hold what I see as assload of real estate together that I wouldn't have pulled down on my own in last 2 yrs, and I want that to work out positively.

Jordan

Sent from Mail for Windows 10

From: David Heil <davejheil@statestoragegroup.com>
Sent: Saturday, July 13, 2019 3:05:21 PM
To: Pinellas Construction Services
Cc: Austin Good; Jayme Wait; Jordan Hidalgo
Subject: Re: Reminder of loan obligations—Gator State Storage TB

Jordan,

My Loan was from my IRA to SSG, the money was moved from IRA on behalf of SSG and will be paid in full end of this month.

I'll bring forward if majority believes it adds value here, but the agreement arrangement does not include the affiliated entity Gator State Storage TB LLC.

Capital calls are not intended to dilute interest, they are to maintain business expansion and create the ability to finalize project without additional holding expenses that are roughly \$300 a day currently.

This project for example at a 20% share hold would only require 40k to the majority's 160k for continued investment and each members vested confidence of completion.

If member feels less confident and doesn't choose to support project after these delays that would be at their sole decision.

If member joined into a organization they didn't intent to support they cannot demand interest free loans or low interest loans from the majority.

Best regards,

On Sat, Jul 13, 2019 at 1:38 PM Pinellas Construction Services <Info@pinellasconstructionservices.com> wrote:

Dave

I'll go into branch Monday and let you know if I have any issues getting on view only on accounts.

I know its moot point now, but wanted to note I've handled millions of dollars out on our behalves over the last couple years, around \$800k in construction on this one, and have and continue to have no interest in sending anything out that would be objected to by you all. When everyone stated don't pay the installer on Largo – I suggested 30%, but did not, and would not have sent in objection to the group, fwiw. I respect all of your rights to do as you see fit, by whatever methods we all agreed to in writing.

DEF 0224

1/12/2021

State Storage Group Mail - Reminder of loan obligations—Gator State Storage TB

Everyone was aware when signing the loan for Largo S that it was going to be 150-200k short, and that money would need to be lent in, and the decision was made to proceed with the loan from BD.

Do you have a copy of that IRA loan to gator at 10% so Austin can see as well ? – I know you and I discussed via email/text, but cannot locate any paperwork moment and actually don't know if it was just stated in the WF acct transfer vs actual paperwork, as I cannot login.

Austin your loan as discussed with me was at the same terms of Daves loan – so those docs would be the starting point. I do not believe there is formal docs with you aside from agreeing matching terms via text/email with me. I didn't see a need at the time due to our working relationships. Brought it up to note that they were loans from SSG and ANG, and not optional contributions. I am sure you both have the ability to call them due either way, just looking to continue logging things properly as we have begun to do here so we stay on same page.

Would like to handle all Gator Loans from all parties in the same conversation due to the size and scale of them if that can be done. I do not want to see capital calls and loan payoffs solely to dilute me, and then right after to transfer to another entity at my reduced equity intentionally, if we are being open. If you want me out all together at that time, we can talk about it. I am not looking to change anyones mind or votes at moment, just to hear where everyones head is at and go from there. I am aware I may not have any say in that order of events, and will make a couple calls and verify that start of week, as my intent was to avoid cap calls when sorting through OA drafts so will have Blum Firm confirm so that vs roping another firm in, if that's an issue lmk, but easiest way for me to clarify as the same terms apply to all members.

Austin I will provide a more thorough explanation on Palmetto once I can pull some check dates off bank accounts and give you a decent overview of how that ended up where it is.

I'll check some things out, work on banking, and start notifying/routing Largo contacts to David M and send synopsis email on site and vendor statuses over next few days.

Jordan

Sent from Mail for Windows 10

From: David Heil <davejheil@statestoragegroup.com>
Sent: Friday, July 12, 2019 10:32:00 PM
To: Austin Good
Cc: Jayme Wait; Jordan Hidalgo; Pinellas Construction Services

Subject: Re: Reminder of loan obligations—Gator State Storage TB

Jordan,

We will work on your admin view of operating accounts. I only took away your signer rights with majority consent.

Most likely you will need to find a local banker to help you with access due still being a owner on account. You just can't move any captial.

DEF 0225

We have also moved back in the \$105,000 into account now that we have management under control and less risk of mis-paid vendors.

In best interest of the company I'll move back the 1.5% interest accrued at \$4.35 a day once it's posts to account as well.

Best regards,

On Fri, Jul 12, 2019 at 6:41 PM Austin Good <austin@statestoragegroup.com> wrote:

Can you send me the paperwork I can't find it in Dropbox right now for whatever reason. Regardless of that I vote to call my loan due, unless there was a specific term that was previously promised but I guess I will see when you send over the paperwork as I can't recall if we signed anything or not. I remember discussing it but can't find it, please send over so I can review.

Also, What do you mean by find someone with a checkbook?

To be clear if I did vote to sell I would not be voting to sell the property to an unrelated entity. The vote would be to sell the property to another entity with some common ownership at market value.

In any event that's not something that I am prepared to vote for yet. We will just continue said projects and kick in capital as required and see where we land at the end.

I will continue to vote on those interests that best protect me individually as is my right just as it's yours. As of right now I am voting to not extend the loans since I feel like it puts me as an individual member of SSL at greater risk due to my evaluation of how well these projects have been managed up to this point and their ability to reach refinance in time. I can't speak on behalf of Dave but that's my vote and that won't change.

Austin Good, Principal
State Storage Group
Cell : 469-231-1383
www.StateStorageGroup.com

Sent from my iPhone

On Jul 12, 2019, at 4:41 PM, Pinellas Construction Services <Info@pinellasconstructionservices.com> wrote:

I don't see any optional contributions on gator - only interest bearing loans by both of you at 10% IO deferred with paperwork to match.

We can either adopt the goal of moving sites forward from here, or go a different direction. As of today i am still looking to move forward together - but if you want me to find someone with a checkbook or play things out otherwise, you can let me know.

To note - I vote for SSL to extend loan 6 mo to GSS TB to allow for time to refinance Largo N - as this was the original intent when the loan was made in the first place. This would still allow time to reinvest in SSL per Tom the CPA during the 2020 tax year.

Jordan

Get Outlook for iOS

From: Austin Good <austin@statestoragegroup.com>
Sent: Friday, July 12, 2019 2:45:44 PM
To: David Heil

DEF 0226

1/12/2021

State Storage Group Mail - Reminder of loan obligations—Gator State Storage TB

Cc: Jordan Hidalgo; Pinellas Construction Services; Jayme Wait

Subject: Re: Reminder of loan obligations—Gator State Storage TB

I will be requesting my optional contribution of \$80k be paid back as well.

Austin Good, Principal
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Cell : 469-231-1383
www.StateStorageGroup.com

Sent from my iPhone

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DEF 0227