

NORTH CAROLINA
ROWAN COUNTY

RELOCATION AND EXPANSION ASSISTANCE AGREEMENT

THIS RELOCATION AND EXPANSION ASSISTANCE AGREEMENT (the "Agreement") is made and entered into as of the 15th day of March, 2021, by and between Rowan County, North Carolina, a body politic (hereinafter referred to as the "County") and Hexagon Agility (hereinafter referred to as the "Company").

WITNESSETH

WHEREAS, the Company has explored the possibility of establishing a new or expanding an existing facility in Rowan County (the "Project"), which would increase taxable property in the County and result in the creation of a number of jobs in the County, but would not have a significant detrimental impact to the environment of the County; and

WHEREAS, the Company has determined that the property located at 1010 Corporate Center Drive, Salisbury, North Carolina (the "Property"), is a suitable location for its expansion and improvement; and

WHEREAS, in order to induce the Company to relocate, expand, or improve on the Properties, the County is willing to provide, or cause to be provided, to the Company certain inducements, upon terms and conditions binding upon the County as set forth herein; and

WHEREAS, prior to beginning any relocation, expansion or improvement on the Properties, the Company and County met and agreed to enter into this Agreement; and

WHEREAS, in consideration of the undertakings and agreements set forth herein, approximately \$28.5 million will be invested by or on behalf of the Company in new equipment and other real property improvements on the Property, and to create a certain number of jobs as provided herein and further comply with the covenants and conditions binding upon it as set forth herein, all of which are intended to create a positive economic impact in the County.

WHEREAS, the Company expects to be a community-oriented business and intends to participate in philanthropy, community events and programs intended to increase the health and happiness of their employees and the greater community as a whole; and to consider participation in the Rowan EDC's Forward Rowan campaign; and

WHEREAS, the Company is encouraged, to the reasonable extent possible, to purchase local services and supplies, such as, but not limited to, locally produced products, local hotel, motel and hospitality services, local building and construction services, and other products and services;

NOW THEREFORE, in consideration of the premises and the mutual covenants and agreements set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the Company and the County hereby agree as follows:

ARTICLE I
COUNTY INDUCEMENTS

The County shall provide financial assistance to the Company through its “Relocation and Expansion Assistance Program”, as hereinafter described, with respect to the Company’s development of the Properties and other related expenses as follows:

- 1) The “Relocation and Expansion Assistance Program” will be provided as a “Relocation and Expansion Incentive Grant” (“Grant”) to assist the Company with construction, equipment, and other capital improvements in Rowan County. The Grant will specifically apply to the Properties and all real property improvements and personal property newly installed and used at the Properties (“Facility”).
- 2) The amount of the Grant will be computed using the following steps:
 - a) Real Property Valuation.
 - i) For each tax year that the Grant is applicable to a Property (subject to the limitations below), determine the actual assessed tax value of the real property, located at such Property.
 - ii) Subtract from the above amount in a) i) the baseline real property value of the Property assessed as of January 1, 2022, and prior to the investments made by the Company in real property at such property. The annual result of this computation shall be defined as the “New Real Property Value” for the applicable Property.
 - b) Personal Property Valuation.
 - i) For each tax year that the Grant is applicable (subject to the limitations below), determine the actual assessed tax value of all personal property, excluding supplies and rolling stock, located at and used in such Property.
 - ii) Subtract from the above amount in b) i) the assessed tax value of personal property, excluding supplies and rolling stock, located at and used on such Property as of January 1, 2022. The annual result of this computation shall be defined as the “New Personal Property Value” for the applicable Property.
 - c) County Property Tax Determination. The sum of the New Real Property Value and the New Personal Property Value of a Property for each applicable year shall be the “New Property Value” of such Property for such year. Multiply the New Property Value for each applicable Property by the County tax rate (excluding municipal and fire district tax rates) applicable for the tax year at issue to determine the amount of property taxes applicable to the new property at such Property.
 - d) Grant Amount Determination. Multiply the property taxes applicable to the New Property Value for each applicable Property by 75% (0.75).
- 3) The Grant will be structured as a reimbursement of a portion of the real and personal property taxes assessed against each applicable Property and the Company. Such payment of the Grant will be made to the Company. Payment may be requested by

the Company no sooner than January 1st and no later than June 30th of the fiscal year in which the taxes are due. The Grant will be paid within sixty (60) days of the Company providing certifications as set forth in Article III(3), and receipt of the Company's full payment of all real and personal property taxes due to the County. Payment of the Grant shall be equal to Seventy-Five Percent (75%) of the County property taxes (excluding municipal and fire district taxes) paid by the Company on the New Property Value of the Property according to Article I (2), at the prevailing Rowan County tax rate for the tax year of the requested Grant.

- 4) Tax amounts due on property discovered by the County through its customary audit procedures and not listed by the Company shall be excluded from this Agreement, and the County shall not be responsible for reimbursement on these amounts for any tax year.

ARTICLE II SCHEDULE OF CORPORATE IMPROVEMENTS

- 1) The Company has determined that the Property is a suitable site for location of its Facility and shall acquire all local permits, zoning approvals, and required state and federal permits, if applicable. The Company expects to have the Facility substantially completed by December 31, 2023.
- 2) The Company shall receive the Grant for five separate tax years ("Grant Term"), which shall begin with property assessed as of January 1, 2024, with the first such reimbursement to be provided to the Company by the County during fiscal year ended June 30, 2024. If the Facility is not complete by January 1, 2024, the Grant shall be based on the percentage complete and assessed for that year.
- 3) Unless an event triggering the Force Majeure provision set forth in Article VIII herein shall occur, the initial year shall commence on property assessed as of January 1, 2024.
- 4) Any subsequent qualifying expansion of the Facility by the Company shall be eligible (provided the Relocation and Expansion Assistance Program is still in effect) for consideration as a separate Grant under the Relocation and Expansion Assistance Program, each for a separate Grant Term.

ARTICLE III EMPLOYMENT

- 1) The Company projects that it will create 75 Full Time Equivalents ("FTEs") with this Project. As of December 31, 2022, the Company shall employ 230 FTEs at this Project. A FTE position requires at least 1,600 hours of work per year and is provided standard company benefits.
- 2) In each Fiscal Year (FY) that the company requests the disbursement of grant funds, the Company shall certify that the following employment goals have been met, prior to receiving payment:

<u>County Fiscal Year (FY)</u>	<u>Number of New FTE (in aggregate)</u>
FY 2025-26	75
FY 2026-27	75
FY 2027-28	75
FY 2028-29	75
FY 2029-30	75

- 3) The Company shall certify annual progress towards the employment of the required number of FTEs to the County on or before June 30, 2025, and on June 30th following each of the remaining years of the Grant Term. Such certification shall include a copy of the Company's "*Employers Quarterly Tax and Wage Report*" (Form NCU1 101 filed with the NC Employment Security Commission) for the quarter a) ending on or immediately preceding the date of the annual request and b) the number of FTEs as of that same date. If the NCUI 101 is discontinued or modified, a successor form performing a comparable function must be submitted. The Company shall also provide copies of its One NC Grant reporting to the County when they have been submitted to the State.
- 4) Should the Company fail to certify its annual employment numbers by June 30th, the County may allow the Company an extended cure period to file and certify this particular report annually.
- 5) If the Company does not meet the employment goals, the County will reduce the annual Grant payment on a pro-rata basis until such time as the Company once again meets employment goals. Pro-rata reduction shall be computed based on the percentage of the goal not met for the given year.

ARTICLE IV

TERMINATION OF GRANT AGREEMENT AND REQUIRED REPAYMENT OF GRANT FUNDS UPON ANNOUNCED TERMINATION OF OPERATIONS OR MAJORITY REDUCTION IN WORKFORCE

- 1) The assistance provided by Rowan County, through the Relocation and Expansion Assistance Program, represents a substantial commitment of public resources. Companies that participate in this program are expected to maintain and continue operations beyond the end of the Grant Term.
- 2) Should the Company cease operations or eliminate the majority of their workforce (51% reduction or more within a twelve (12) month span), the Agreement will be terminated and the Company will be required to repay all grant proceeds provided during the thirty-six (36) months prior to the cessation or reduction.
- 3) Repayment of grant funds shall be required if the Company has received any grant disbursements from the County within the thirty-six (36) months prior to the earlier of (a) Public announcement by the Company of plans to close or eliminate the majority of the workforce, (b) Actual cessation of operations, or elimination of a majority of the workforce.
- 4) The Company shall make payment to the County within one hundred and twenty (120) days of such announcement or event. The County may use any and all legal recourse to pursue restitution from the Company and / or its successors.

ARTICLE V
RELOCATION AND ASSISTANCE GRANT ADDITIONAL TERMS AND
CONDITIONS

As further consideration for the granting of certain relocation and assistance grants to the Company by the County, the Company further agrees that it shall abide by the Federal Immigration and Control Act of 1986 and all subsequent amendments thereto (collectively the "Act"). To that end, the Company agrees as follows:

- 1) The Company shall provide to Rowan County an annual certification, as of the time the Company first claims the Grant and each year it claims an installment or carryforward of the Grant, that the Company has implemented measures necessary to be in compliance with the Act and does not knowingly employ any unauthorized alien at the Facility; and
- 2) If the Company fails to implement measures necessary to be in compliance with the Act or knowingly employs an unauthorized alien at the Facility, and if upon learning of such event, fails to cure such matter within sixty (60) days from learning of such, then the Grant shall expire and the Company may not take any remaining installment or carryforward of the Grant.

ARTICLE VI
REPRESENTATIONS, WARRANTIES AND COVENENANTS - COMPANY

The Company represents, warrants and covenants to the County, as applicable, as of the date of this Agreement that:

- 1) Standing. The Company is a company duly organized and existing and in good standing under the laws of the State of North Carolina.
- 2) Authority. The Company has the corporate power and authority to own its properties and assets, to carry on its business as it is now being conducted and to execute and perform this Agreement.
- 3) Enforceability. This Agreement is the legal, valid and binding agreement of the Company enforceable against the Company in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar state or federal laws, in effect from time to time, which affect the enforcement of creditors' rights generally.
- 4) No Violations. This agreement does not violate the charter documents or bylaws of the Company or any provisions of any indenture, agreement or other instrument to which the Company is a party.
- 5) No Conflicts. This agreement does not conflict with, result in a breach of or constitute an event of default under (or an event which, with notice or lapse of time, or both, would constitute an event of default under) any indenture, agreement or other instrument to which the Company is a party.
- 6) Certifications. The Company shall be solely responsible for providing certifications of expenditures and jobs to the appropriate County officer at the time of filing the request for the annual Grant

ARTICLE VII
REPRESENTATIONS, WARRANTIES AND COVENANTS - COUNTY

The County represents, warrants and covenants to the Company, as applicable, as of the date of this Agreement that:

- 1) The County (a) has full power and authority to enter into this Agreement and to enter into and carry out the transactions contemplated by this Agreement (b) by proper action has duly authorized the execution and delivery of this Agreement; and (c) is not in default under any provisions of this Agreement.
- 2) The County has duly authorized, executed, and delivered this Agreement, and this Agreement constitutes the County's legal, valid, and binding obligation, enforceable in accordance with its terms.
- 3) There is no litigation or proceeding pending or threatened against the County or affecting it which would adversely affect the validity of this Agreement.
- 4) The County is not in default under any provision of State law which would affect its existence or its powers as referred to in subsection (1).
- 5) To the best of the County's knowledge, no officer or official of the County has any interest (financial, employment, or other) in the Company or the transactions contemplated by this Agreement.
- 6) With respect to this Agreement, the County has complied fully with all requirements of N.C. General Statute 158-7.1 *et seq.*

ARTICLE VIII
GENERAL PROVISIONS

- 1) Governing Law. This Agreement shall be governed and construed under the laws of the State of North Carolina, notwithstanding any rules concerning application of the laws of another state or jurisdiction.
- 2) Assignment. This Agreement shall not be assignable by either party without the prior written consent of the other party, except that Company may assign this Agreement to a parent, subsidiary or affiliate as a part of any corporate restructuring.
- 3) Entire Agreement. This Agreement, and its attachments, constitute the entire agreement of the parties, and may not be contradicted by any prior or contemporaneous communications of any kind. This Agreement may only be modified by a written instrument that is signed by an authorized representative of each party.
- 4) Breach. In the event of a breach of this Agreement, the non-breaching party shall provide written notice of the breach to the breaching party, and the party in breach shall have thirty (30) days from the date of notice of the breach to cure its performance under this Agreement.

- 5) Waiver. Nothing in this Agreement shall constitute a waiver of any rights that the Company may have to appeal or otherwise contest any listing, appraisal or assessment that the County may make relative to the Properties.
- 6) Force Majeure. Any delay in the performance of any duties or obligations of either party hereunder (the "Delayed Party") shall not be considered a breach of this Agreement and the time required for performance shall be extended for a period equal to the lesser of (a) the period of such delay or (b) 24 months, provided that such delay has been caused by or is the result of any acts of God; acts of the public enemy; insurrections; riots; embargoes; labor disputes, including strikes, lockouts, job actions, or boycotts; shortages of materials or energy; fires; explosions; floods; changes in laws governing international trades; or other unforeseeable causes beyond the control and without the fault or negligence of the Delayed Party. The Delayed Party shall give prompt notice to the other party of such cause, and shall take whatever reasonable steps are necessary to relieve of such cause as promptly as possible. No such event shall excuse the payment of any sums due and payable hereunder on the due date thereof except any payment due upon the occurrence of any act or event for which delayed performance is excused as provided above.
- 7) Notices. All notices required or allowed by this Agreement shall be delivered in person, by overnight courier service (such as Federal Express), by certified mail, return receipt requested, postage prepaid, secure electronic transfers or by fax with written confirmation of receipt (with a copy sent by one of the other methods specified herein), addressed to the party or person to whom notice is to be given at the following addresses:

To County: Rowan County Manager
130 West Innes Street
Salisbury, NC 28144
Phone: (704) 216-8180
Facsimile: (704) 216-8195

With Copy (which does not constitute notice to):
Ketner & Dees, PA
121 East Kerr Street
Salisbury, NC 28144
Phone: (704) 637-3434
Facsimile: (704) 637-3449

To Company: Name and Contact Information

To Company Regarding Payment of Grant, also include:
Contact for the Grants

With Copy (which does not constitute notice to):
If requested by the Company

Notice shall be deemed to have been given with respect to overnight carrier or certified mail, one (1) day after deposit with such carrier and as to facsimile, on date of transmission, provided additional service is made. The addresses may be changed by giving written notice as provided herein: provided, however, that unless and until such written notice is actually received, the last address stated herein shall be deemed to continue in effect for all purposes hereunder.

[Signature page follows]

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IN WITNESS WHEREOF, the County and the Company have caused this Agreement to be executed in quadruplicate originals, in their respective names, by persons duly authorized by proper authority, and have sealed the same as of the day and year first above written.

HEXAGON AGILITY

By: _____
Title: _____

[Corporate Seal]

ATTEST:

Name _____ (Seal)

ROWAN COUNTY, NORTH CAROLINA

Gregory C. Edds
Rowan County Board of Commissioners

[Corporate Seal]

ATTEST:

Carolyn Barger
Clerk to the Board of Commissioners

This instrument has been pre-audited in the manner required by the Local Government Budget and Fiscal Control Act.

James M. Howden
Rowan County Finance Director

APPROVED AS TO FORM AND LEGAL SUFFICIENCY:

John Dees II
County Attorney

ATTACHMENT I

LEGAL DESCRIPTION OF THE PROPERTY

BEGINNING at an existing iron rod on the southerly margin of the right-of-way of Corporate Center Drive (60-foot public right-of-way), said iron being the northwesterly corner of Tract 6 as shown on the revised plat of Summit Corporate Center as recorded in Plat Book 9995, Page 3694 of the Rowan County Public Registry, said iron being furthermore located South 86°44'45" West, a distance of 2,151.68 feet (ground distance) from North Carolina Geodetic Survey Control Monument "County" (SPC 83 Coordinates N: 685,454.21 feet; E: 1,559,773.72 feet; Combined Grid Factor: 0.99985943), and runs thence from said BEGINNING point with the westerly line of Tract 6 as referenced above South 14°59'14" East a distance of 591.88 feet to an existing iron pipe at the northerly corner of the Alfred R. Carter property as described in Deed Book 1085, Page 887 of said Registry; thence with Carter's westerly line, and continuing with the westerly line of another parcel owned by Alfred R. Carter as described in Deed Book 1085, Page 888 of said Registry, South 10°37'39" East a distance of 379.08 feet to an existing iron pipe at the corner of the Tammy H. Alexander property as described in Deed Book 776, Page 586 of said Registry; thence with Alexander's line South 28°42'06" West a distance of 130.91 feet to an existing iron pipe at the northeasterly corner of the Michael Hartness property as described in Deed Book 1243, Page 957 of said Registry; thence with Hartness' northerly line South 59°22'21" West a distance of 278.01 feet to an existing iron rod in a tree, said iron being on the northerly line of the Donna S. Barbee property as described in Deed Book 668, Page 574 and Deed Book 1210, Page 486, both of said Registry; thence with Barbee's northerly line the following two (2) courses and distances: 1.) North 61°57'43" West, and passing an existing iron pipe at 53.00 feet, for a total distance of 346.23 feet to an existing iron pipe; 2.) South 88°52'03" West, and passing an existing concrete monument at 340.72 feet, for a total distance of 433.97 feet to an existing iron rod at the northeasterly corner of the Donald L. Menius property as described in Deed Book 700, Page 273 of said Registry; thence with Menius' northerly line South 88°52'03" West, and passing an existing iron pipe at 99.20 feet, for a total distance of 103.68 feet to a 20" oak tree, said tree being on the easterly line of the Darren W. Menius property as described in Deed Book 700, Page 276 of said Registry; thence with Darren Menius' easterly line North 20°26'33" West a distance of 4.75 feet to an existing iron pipe at the southeasterly corner of the Jack T. Myers, Jr., property as described in Deed Book DC93, Page 1072 of said Registry; thence with Myer's line the following two (2) courses and distances: 1.) North 20°26'33" West a distance of 399.47 feet to an existing iron pipe; 2.) South 71°31'10" West a distance of 236.54 feet to a capped existing iron rod on the easterly margin of the right-of-way of East Ritchie Road (S.R. 2574; 60-foot public right-of-way); thence with the easterly margin of the right-of-way of East Ritchie Road North 19°35'39" West a distance of 240.11 feet to an existing iron pipe at the southwesterly corner of the James R. Earnhardt, Jr., property as described in Deed Book 567, Page 742 of said Registry; thence with Earnhardt's line the following two (2) courses and distances: 1.) South 89°27'26" East a distance of 151.99 feet to an existing iron pipe; 2.) North 35°16'32" East a distance of 237.75 feet to an existing iron

rod at the southeasterly corner of the Herbert A. Ritchie property as described in Deed Book 171, Page 23 of said Registry; thence with Ritchie's line North $36^{\circ}15'51''$ East a distance of 244.07 feet to an existing concrete monument at the southeasterly corner of the Duke Energy Corporation property as described in Deed Book 800, Page 244 of said Registry; thence with Duke Energy's line North $35^{\circ}45'35''$ East a distance of 572.14 feet to an existing iron pipe at the southwesterly corner of the Rowan County property as described in Deed Book 231, Page 7 of said Registry; thence with the line of Rowan County North $78^{\circ}10'30''$ East a distance of 135.10 feet to an existing iron rod on the southerly margin of the right-of-way of Corporate Center Drive; thence with the southerly margin of the right-of-way of Corporate Center Drive with the arc of a circular curve to the left having a radius of 430.00 feet for an arc distance of 653.19 feet (chord: South $52^{\circ}13'28''$ East, 592.18' feet) to the point and place of BEGINNING; containing 1,417,805 square feet or 32.548 acres, more or less, as shown on a survey prepared by James Mauney & Associates, P.A. dated February 3, 2015 (Map File F-1363).

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