

REQUEST FOR BOARD ACTION

HENDERSON COUNTY

BOARD OF COMMISSIONERS

MEETING DATE: 4 October 2010

SUBJECT: Elkamet Agreement

ATTACHMENT(S): Draft agreement terms

SUMMARY OF REQUEST:

Elkamet, Inc., entered into an agreement with the County in 2006 requiring them to expend not less than \$4,800,000.00 toward the construction of a new factory in Henderson County. They did so, in fact expending, according to tax value, over \$8,500,000.00. This agreement would conclude and terminate the previous agreement with Elkamet, Inc.

County staff will be present and prepared if requested to give further information on this matter.

BOARD ACTION REQUESTED:

Approval of the draft agreement.

If the Board is so inclined, the following motion is suggested:

I move that the Board approve the draft agreement with Elkamet, and direct the chairman and staff to execute the same.

STATE OF NORTH CAROLINA

COUNTY OF HENDERSON

A G R E E M E N T

THIS AGREEMENT is made this _____ day of October, 2010, by and between the County of Henderson, North Carolina, a body corporate and politic ("the County"), and Elkamet, Inc., a North Carolina Corporation ("the Company").

Facts and Circumstances

1. The County and the Company are parties to an "Economic Incentives Agreement" dated the 20th day of March, 2006. Under that agreement, the Company purchased real estate (upon which the factory referred to below was ultimately constructed) using the incentives supplied by the County (plus an additional cash payment by the Company).
2. Under the terms of the Economic Incentive Agreement the Company was to provide new permanent jobs at a factory to be constructed in Henderson County, and to invest not less than Four Million Eight Hundred Thousand Dollars (\$4,800,000.00) in the same.
3. In reliance on the Economic Incentive Agreement, the Company has in fact invested more than Eight Million Five Hundred Thousand Dollars (\$8,500,000.00) in the construction and equipping of the factory.
4. Under the Economic Incentives Agreement, the County placed on the Company, and the Company undertook, certain requirements for taxable real and personal property expenditures and job creation.
5. Under the Economic Incentives Agreement, the county holds a collateral interest in the factory site constructed by the Company.
6. The parties desire to terminate the Economic Incentives Agreement, on the terms stated herein.

Statement of Agreement

1. The Company shall pay to the County the sum of Four Thousand Dollars (\$4,000.00) as additional compensation for the real estate upon which the above referenced factor was built, and for the early termination of its agreement.
2. Upon receiving the payment from the Company, the County shall execute such documents as are required to release the County's security interest in the said real estate, to be delivered to the Company upon the payment of the sum noted above.
3. Upon such payment and release, both parties' obligations arising specifically and solely under the Economic Incentives Agreement are terminated.

NOW, THEREFORE, the two parties have caused this Agreement to be duly approved and duly executed in triplicate, each to have the force and effect of an original as of the date and year above first written.

HENDERSON COUNTY

By: _____
William L. Moyer, Chairman
Henderson County Board of Commissioners

Attest:

(County Seal)

Clerk to the Board

ELKAMET, INC., a North Carolina Corporation

BY: _____
EBERHARD FLAMMER, President

Attest:

(Corporate Seal)

Corporate Secretary