CITY OF LINCOLNTON INCENTIVE GRANT AGREEMENT

NORTH CAROLINA

LINCOLN COUNTY

THIS AGREEMENT is made and entered into as of the 6th day of February 2025, by and between THE CITY OF LINCOLNTON , a body corporate and politic (hereinafter referred to as "the CITY"), and SPANTEK, a Minnesota corporation (hereinafter referred to as "SPANTEK").

WITNESSETH:

WHEREAS, SPANTEK has developed plans for the installation of new manufacturing machinery and equipment in the City of Lincolnton, North Carolina; and

WHEREAS, the City of Lincolnton verily believes that the location of new industries and the expansion of existing industries is vital to the economic health of The City of Lincolnton and to the welfare of its citizens; and

WHEREAS, the City Council wishes to encourage such development by means of offering incentives to recruit new industries and to aid in expansion of existing industries; and

WHEREAS, such incentives are predicated on the notion of expanding the City of Lincolnton's tax base and providing additional jobs for City of Lincolnton's citizens that pay wages higher than the current prevailing average hourly wage in the particular industry; and

WHEREAS, the City Council has determined that it is appropriate and in the best interests of The City of Lincolnton and its citizens to offer incentives in the form of both cash grants and assistance with making public services available; and

WHEREAS, the City Council believes that it is appropriate and reasonable to expect SPANTEK to bind itself to the City to produce certain results in conjunction with the project described herein as conditions of the incentives being offered by the City;

NOW, THEREFORE, for and in consideration of the mutual promises and covenants herein set forth, the parties hereby agree as follows:

1. On or before February 6, 2025 (actual effective date will be the start of the project) SPANTEK shall begin installation of equipment and machinery in the City of Lincolnton, North Carolina.

2. Within two years of the effective date of this agreement (said effective date being referred in item 1.), SPANTEK shall make an investment upon such site in (building/land and/or machinery and equipment of $3,850,000, (the expected capital investment) of which $3,205,000 will qualify for incentives under the City of Lincolnton Industrial Incentive Grant Policy.

3. Within two years of the effective date of this agreement, SPANTEK shall provide at such site at least 4 new jobs paying average wages of $1000 a week.
4. In consideration of the performance of the aforesaid obligations by SPANTEK, the City will provide cash grants to SPANTEK of $12,018.75 per year for a five-year period. The City of Lincolnton will pay such grants beginning in the tax year after the project's completion. Grants

will be paid to SPANTEK within 30 days after SPANTEK has made its tax payment for the then current year and has notified Lincoln Economic Development Association of the payment. This amount represents a Level 2 grant under the City of Lincolnton Industrial Development Incentive Grant Policy for New and Existing Industries.

5. SPANTEK shall on a no less than annual basis provide evidence satisfactory to the City of Lincolnton how many jobs (as provided in Paragraph 3 herein) it has maintained.

6. a. In the event that the value of the investment actually made by SPANTEK pursuant to this agreement is greater or less than the Expected Capital Investment then the grant will be equitably adjusted upward or downward on a pro-rata basis.

b. In the event that the number of people in qualifying jobs actually employed by SPANTEK pursuant to this Agreement in any year during the term of the Agreement is fewer than the Expected Number of Jobs, then the City may, in its discretion, reduce the amount of the Grant to be paid for the year (or seek reimbursement for the Grant already paid for said year) in the amount of $1,000.00 per job shortfall.

7. SPANTEK specifically agrees that in the event that all or any portion of this agreement or any incentive grant or payment to be made hereunder is declared to be unconstitutional, illegal, or otherwise enjoined by a court of competent jurisdiction, SPANTEK shall indemnify and hold harmless the City of Lincolnton and the members of the City Council, individually and collectively, from any loss or liability and shall reimburse the City of Lincolnton by the amount of any such grant or payment.

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals as of the day and year first above written.

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COMPANY

By:_____
President

CITY OF LINCOLNTON

By: _____
Ed Hatley, Mayor
City of Lincolnton

ATTEST:

_____
Daphne Ingram
Clerk to the City Council

STATE

COUNTY

This the ____day of _____, 20___, _____ personally came before me _____ and acknowledged that he/she is _____ of _____, a _____ corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument its name on its behalf as its act and deed.

Witness my hand and official stamp or seal, this _____ day of , 20_.

My Commission Expires:_____ _____ Notary Public

NORTH CAROLINA

LINCOLN COUNTY

This the _____ day of _____, 20__, personally came before me Daphne Ingram, Clerk to the City Council of the City of Lincolnton, North Carolina, who being by me duly sworn says that she knows the common seal of the City of Lincolnton, North Carolina and is acquainted with Ed Hatley, who is the Mayor of the City of Lincolnton, North Carolina, and that she, the said Daphne Ingram, is Clerk to the City Council of the City of Lincolnton, North Carolina, and saw the Mayor of the City of Lincolnton, North Carolina, sign the foregoing instrument and affix said seal to said instrument and that she, the said Daphne Ingram, signed her name in attestation of said instrument in the presence of said Mayor of the City of Lincolnton, North Carolina.

My Commission Expires:_____ _____ Notary Public