

## Adam Stumb

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**From:** Adam Stumb  
**Sent:** Tuesday, January 29, 2019 7:43 AM  
**To:** 'ekm@carolinatimberworks.com'  
**Cc:** 'craig@carolinatimberworks.com'; Todd McNeill; Cathy Barr  
**Subject:** Carolina Timber Works

Eric,

I wanted to follow up from our meeting this morning and to also reinforce our perspective. The County is happy to work with you in developing the property at the industrial park and hope that this goal can be achieved this year. If not, we are serious about pursuing the repayment of the incentives or the return of the property as outline in the letter from John Kilby.

Moving forward, I have outlined the steps that will need to take place:

1. Appear at the February 22, 2019 Board of Commissioners Meeting
2. Prior to the meeting, prepare a history of events from the signing of the agreement.
3. Prior to the meeting, prepare a project schedule with measureable goals
  - a. Prepare building plans
  - b. Acquire permits to build 60 days
  - c. Break ground at on project
  - d. And so on...
4. The schedule should also include a 6 month reassessment.

These steps will help the Commissioners see your progress and commitment to upholding the agreement. We looking forward to working with you on this project.

### **Adam Stumb, AICP, CFM**

Ashe County  
Interim County Manager  
Director of Planning  
150 Government Circle, Suite 2400  
Jefferson, NC 28640

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[www.ashecountygov.com](http://www.ashecountygov.com)

***KILBY & HURLEY***

Attorneys and Counselors at Law

122 North Jefferson Avenue

PO Box 24

West Jefferson, North Carolina

28694-0024

John T. Kilby \*  
Benjamin G. Hurley, Jr.  
\*Also licensed in VA

Telephone  
336/246-3144  
Fax: 336/246-6346

January 14, 2019

Tamara DiVenere  
280 Queen Street  
Boone, NC 28607

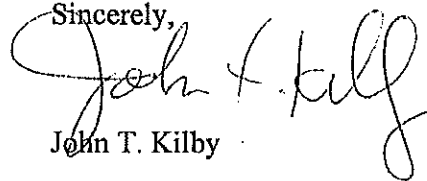
Re: Ashe County/Carolina Timberworks

Tammy,

We have discussed this matter a few times with no resolution. The County now wants the matter resolved. They have instructed me that if Carolina Timberworks does not pay back the \$ 62,643.00 incentive or sell the land back to the County for \$ 46,617.00 within 30 days, I am to bring suit to resolve the matter.

I will wait to hear from you.

Sincerely,

A handwritten signature in black ink, appearing to read "John T. Kilby". The signature is fluid and cursive, with the first name "John" being more prominent than the last name "Kilby".

John T. Kilby

JTK/sm  
cc: Cathy Barr



County of Ashe  
150 GOVERNMENT CIRCLE SUITE 2500  
Jefferson, N.C. 28640

DEPARTMENT OF  
ECONOMIC DEVELOPMENT  
Phone: 336-219-2502  
Fax: 336-219-2516  
pmitchell@ashencedc.com

February 22, 2007

Eric K. Morley  
Chris Miller  
Carolina Timberworks, LLC  
1172 Highland Hall Road  
Boone NC 28607

Dear Eric and Chris:

We have met with the Board of Commissioners to discuss the Beaver Creek Industrial Park location for Timberworks, specifically Parcel Number 19227267 005. That parcel is 3.642 acres. Currently, the tax value on that particular lot is \$109,300, or \$30,010 per acre. The Commissioners, in considering offering the land at a reduced value, based that decision on the following: the value of your proposed building (\$533,000), equipment and inventory investment (\$131,027) as well as the number of jobs (11 plus two full-time subcontractors) and the payroll (approximately \$498,480 in FY07) you will bring to Ashe County. The Board of Commissioners will offer the land for Parcel 19227267 005 at \$12,800 per acre or a total cost of \$46,617.

If you have questions, please do not hesitate to contact me. We look forward to hearing from you and sincerely hope you make the decision to locate in Beaver Creek Industrial Park.

Sincerely,

Dan McMillan  
County Manager

Dr. Patricia Mitchell  
Director of Economic Development



MARCH 1, 2007

DAN MCMILLAN & PATRICIA MITCHELL  
COUNTY OF ASHE  
150 GOVERNMENT CIRCLE, SUITE 2500  
JEFFERSON, NC 28640

DEAR DAN & PAT,

WE RECEIVED YOUR FEBRUARY 22, 2007 LETTER WHEREIN YOU CONVEYED THAT YOU'D MET WITH THE BOARD OF COMMISSIONERS CONCERNING OUR PROPOSAL TO CONSTRUCT A NEW FACILITY IN ASHE COUNTY.

ON BEHALF OF ALL OF US AT CAROLINA TIMBERWORKS, WE WOULD LIKE TO THANK YOU BOTH AND THE BOARD OF COMMISSIONERS FOR YOUR SUPPORT, ASSISTANCE, AND BELIEF IN OUR COMPANY. WE GENUINELY APPRECIATE ALL OF YOUR EFFORTS ON OUR BEHALF AND WE PROMISE YOU WE WILL TRY VERY HARD TO BECOME ONE OF ASHE COUNTY'S BEST SMALL BUSINESSES.

PAT HAD MENTIONED THAT THE NEXT STEP WAS FOR US TO WRITE A LETTER OF ACCEPTANCE, AND THEREFORE, PLEASE CONSIDER THIS LETTER AS FORMAL ACCEPTANCE OF THE BOARD OF COMMISSIONERS OFFER AS OUTLINED IN YOUR LETTER OF FEBRUARY 22, 2007.

PLEASE LET US KNOW WHAT THE NEXT STEP IS AND HOW WE MAY ASSIST.

SINCERELY,

CHRIS MILLER

ERIC K. MORLEY

NORTH CAROLINA  
ASHE COUNTY

**COPY**

### INCENTIVE RECAPTURE AGREEMENT

This Agreement entered into by and between **ASHE COUNTY** (1<sup>st</sup> Party), hereafter referred to as the **County**, and **CAROLINA TIMBERWORKS, LLC** (2<sup>nd</sup> Party), hereafter referred to as the **Company**, this 22<sup>nd</sup> day of June, 2007.

#### WITNESSETH:

That whereas **ASHE COUNTY** (1<sup>st</sup> Party) owns a certain parcel of land containing 3.643 acres located in the Beaver Creek Industrial Park, which land is intended to be used for economic development purposes, and;

Whereas the second Party, **CAROLINA TIMBERWORKS, LLC** desires to acquire said property for the purpose of constructing a facility to manufacture post and beam construction units, which business is expected to employ up to 13 employees and require the building of a new manufacturing facility which will result in the increase in jobs, payroll, and ad valorem taxes all of which would be a direct benefit to the County, and;

Whereas, the County is willing to sell the property referred to here and above, which is valued at \$109,260, for the price of \$46,617, thereby, creating an economic development incentive to the Company in the amount of \$62,643. This incentive, however, is conditioned on the Company meeting its anticipated goals and staying in business for a period of at least five (5) years and in the event they fail to do so the County will be entitled to recover its Economic Development Incentive monies on a pro rata basis as set forth hereinafter.

It is therefore agreed between the parties that if the second party purchases the property at the agreed upon reduced purchase price and thereafter builds a manufacturing facility on the property and employs 13 employees at an agreed upon wage rate, but thereafter fails to meet the anticipated goals of length of ownership and business operation the County will be repaid its incentive price reduction as follows:

1. If the Company owns the land and is in business as anticipated for a minimum of five (5) years, there shall be no repayment due the County.
2. If the Company owns the land and stays in business for at least four (4) but less than five (5) years, the Company will pay back to the County 20 percent of the incentive monies.
3. In the event the Company owns the land and stays in business for at least three (3) but less than four (4) years, the company will pay back to the County 40 percent of the incentive monies.
4. In the event the Company owns the property and stays in business for at least two (2) years but less than three (3) years, they will pay back to the County 60 percent of the incentive monies.

5. In the event the Company owns the property and stays in business for one (1) year but less than two (2) years, the Company will pay back to the County 80 percent of the incentive monies.

6. That this agreement is contingent and is computed on the assumption that the subject property will appraise at no less than \$12,800 per acre.

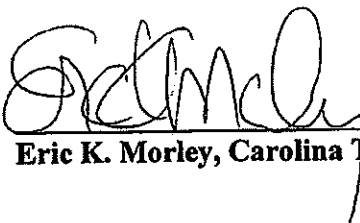
The time period for determining the Company's compliance and recapture schedule shall commence at such time as the company has completed its manufacturing facility and begun operations as anticipated.

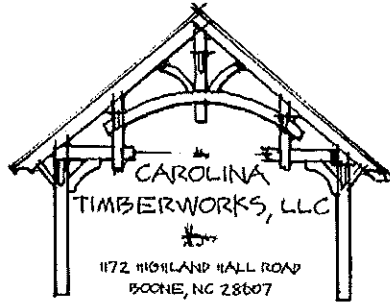
This agreement entered into this the date and year as first above written.

  
\_\_\_\_\_  
**Dan McMillan, County Manager of Ashe**

  
\_\_\_\_\_  
**Richard Blackburn, Chairman  
Ashe County Board of Commissioners**

  
\_\_\_\_\_  
**Chris Miller, Carolina Timberworks, LLC**

  
\_\_\_\_\_  
**Eric K. Morley, Carolina Timberworks, LLC**



 COPY

JUNE 25, 2007

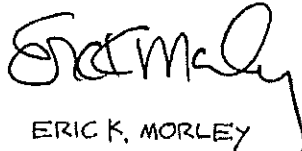
PAT MITCHELL, DAN MCMILLAN & THE BOARD OF COMMISSIONERS  
COUNTY OF ASHE  
150 GOVERNMENT CIRCLE, SUITE 2500  
JEFFERSON, NC 28640

DEAR PAT, DAN & MEMBERS OF THE BOARD OF COMMISSIONERS,

WE WANTED TO TAKE A MOMENT OF YOUR TIME TO DO SOMETHING WE TOO  
OFTEN FORGET TO DO—NAMELY, TO SAY THANK YOU. WE SINCERELY  
APPRECIATE THE HELP AND SUPPORT YOU'VE GIVEN OUR SMALL COMPANY, AND  
WE WILL WORK VERY HARD TO MAKE A POSITIVE CONTRIBUTION TO ASHE  
COUNTY.

MOST OF ALL, THANK YOU FOR HELPING US, FOR BELIEVING IN US, AND FOR  
MAKING OUR MOVE TO ASHE COUNTY POSSIBLE. WE WON'T EVER FORGET WHAT  
YOU'VE MADE POSSIBLE, AND WILL DO OUR VERY BEST TO MAKE YOUR DECISION  
ONE THAT YOU LOOK BACK ON FAVORABLY A FEW YEARS FROM NOW.

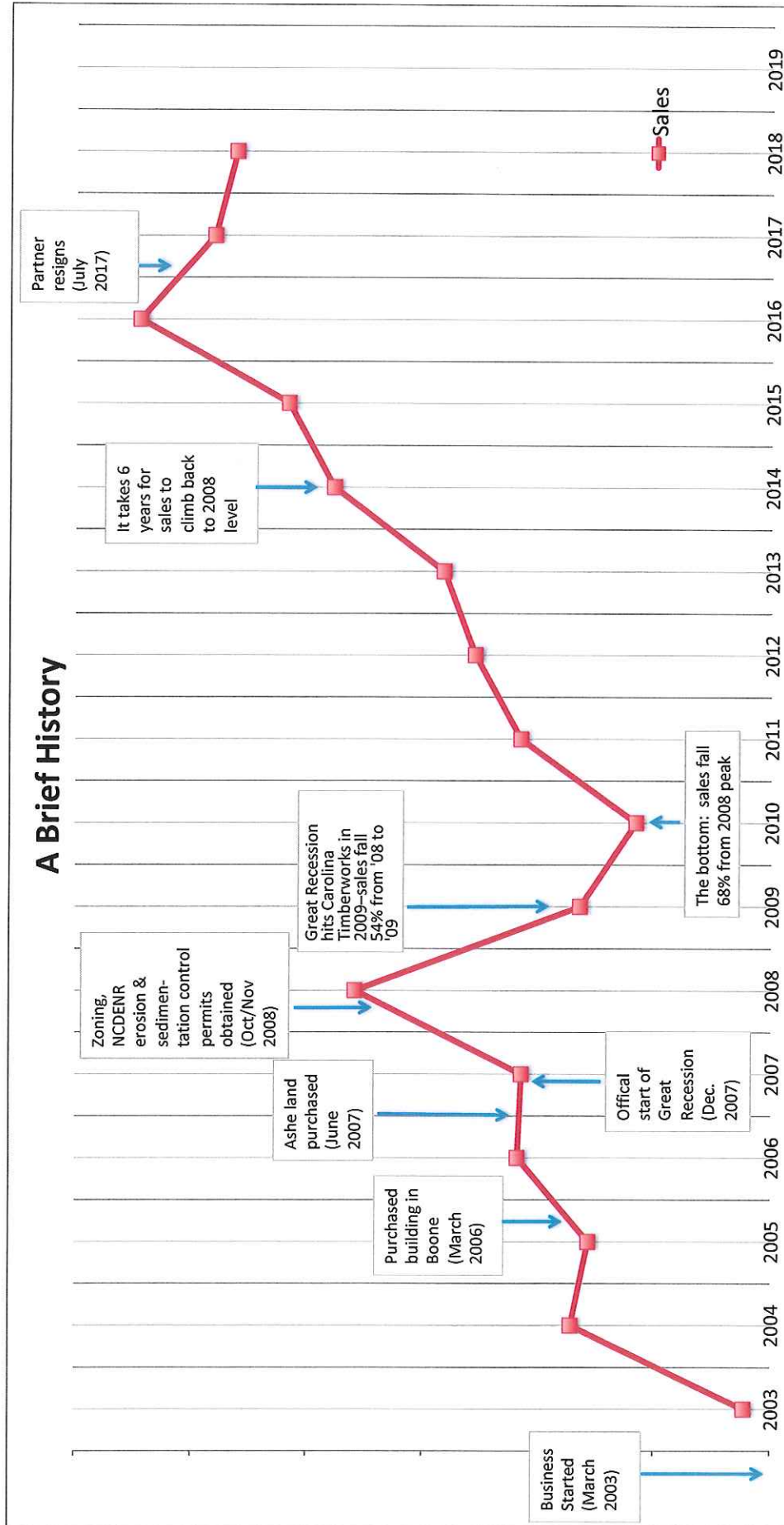
SINCERELY,



CHRIS MILLER

ERIC K. MORLEY

## A Brief History





# Employment, Carolina Timberworks

(as of February 2019)

<b>Total employees</b>	<b>15</b>
<i>Total full-time employees</i>	13
<i>Total part-time employees</i>	2

<b>Overhead employees</b>	<b>7</b>
<i>Full-time</i>	6
<i>Part-time</i>	1

<b>Direct labor employees*</b>	<b>8</b>
<i>Full-time</i>	7
<i>Part-time</i>	1

\*we are currently recruiting one additional shop employee

## Notes:

- 11 employees currently live in Ashe county
- No independent subcontractors--everyone is an employee
- Company matches 3% of pay for Simple IRA retirement plan
- Company pays 50% of cost of health insurance
- Company pays cost of federal and state unemployment insurance
- Company pays 7.65% of total wages for Social Security and Medicare
- Company reimburses mileage at current IRS rate (.58/mile in 2019)
- Company pays overtime (time and a half) to hourly employees
- Company pays for Timber Framers Guild membership
- Company pays half the cost of hand tools for shop employees
- Company pays for 100% of the cost of personal protective safety equipment
- Company pays per diem to employees while traveling
- Company pays full hourly wages during travel (and overtime if applicable)
- Company pays logo-branded clothing
- Company pays carpooling bonus
- Total 2019 est. wages & salaries = \$836,013.04
- Total 2019 est. Simple IRA and health ins. benefits = \$40,904.36



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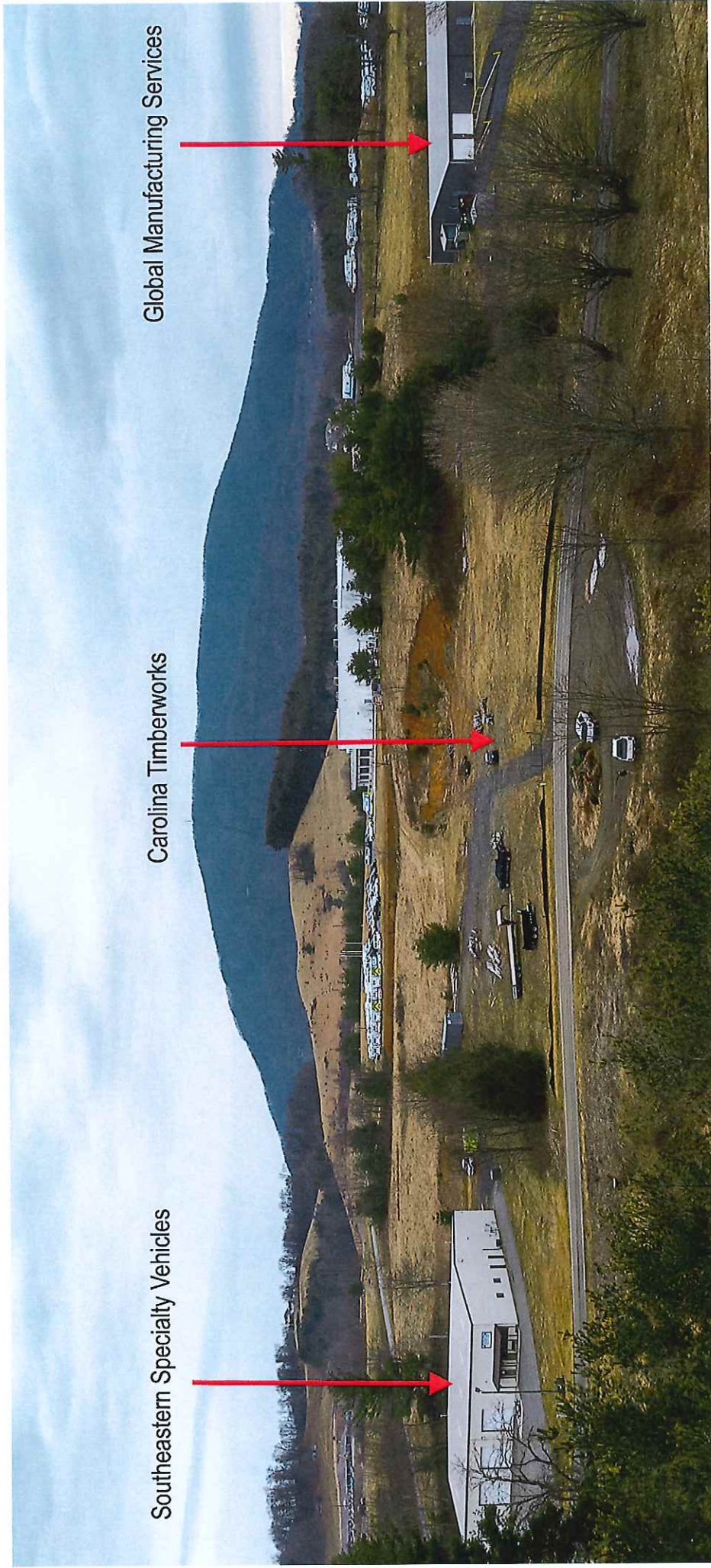
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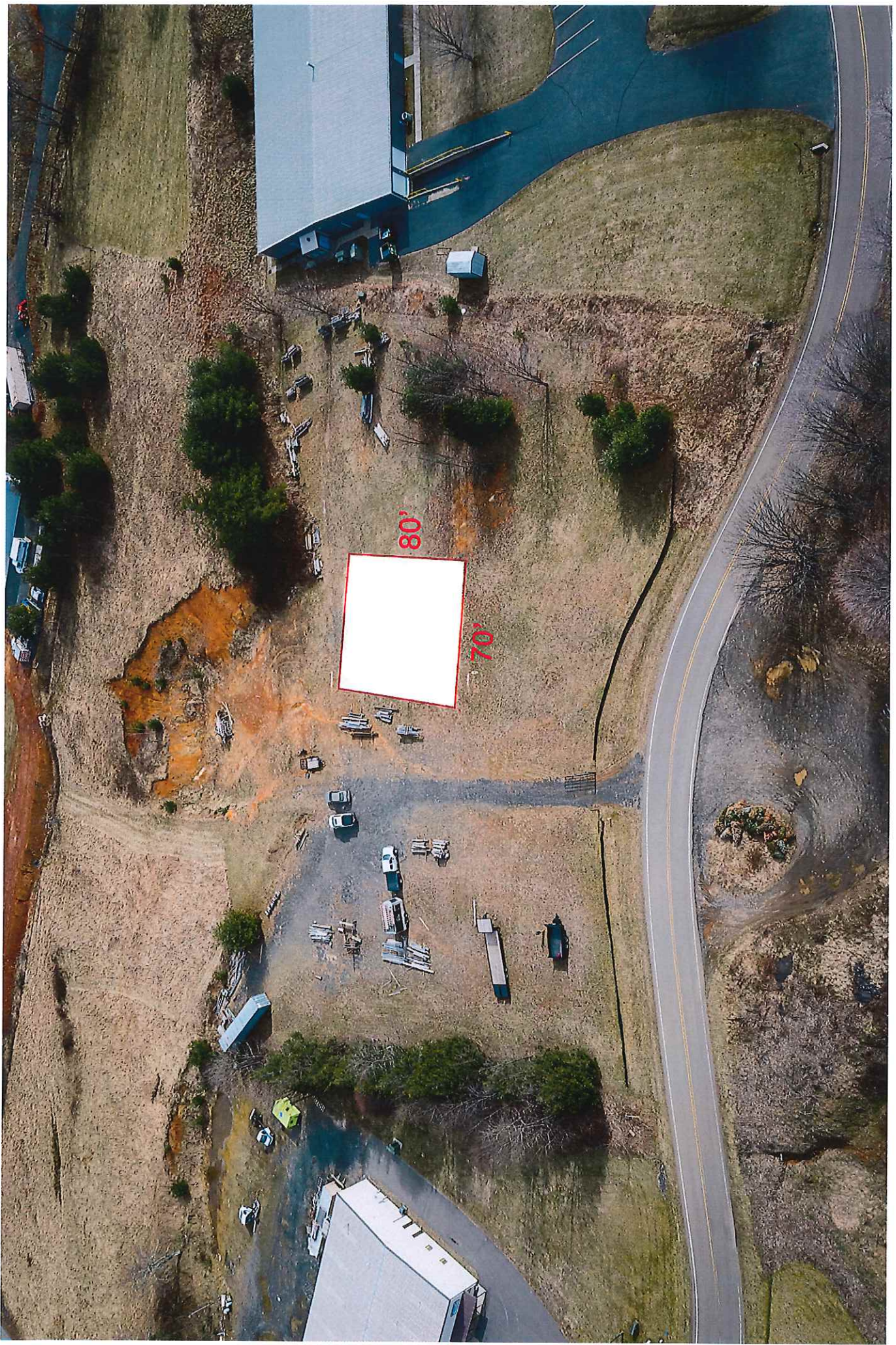
Southeastern Specialty Vehicles

Carolina Timberworks

Global Manufacturing Services







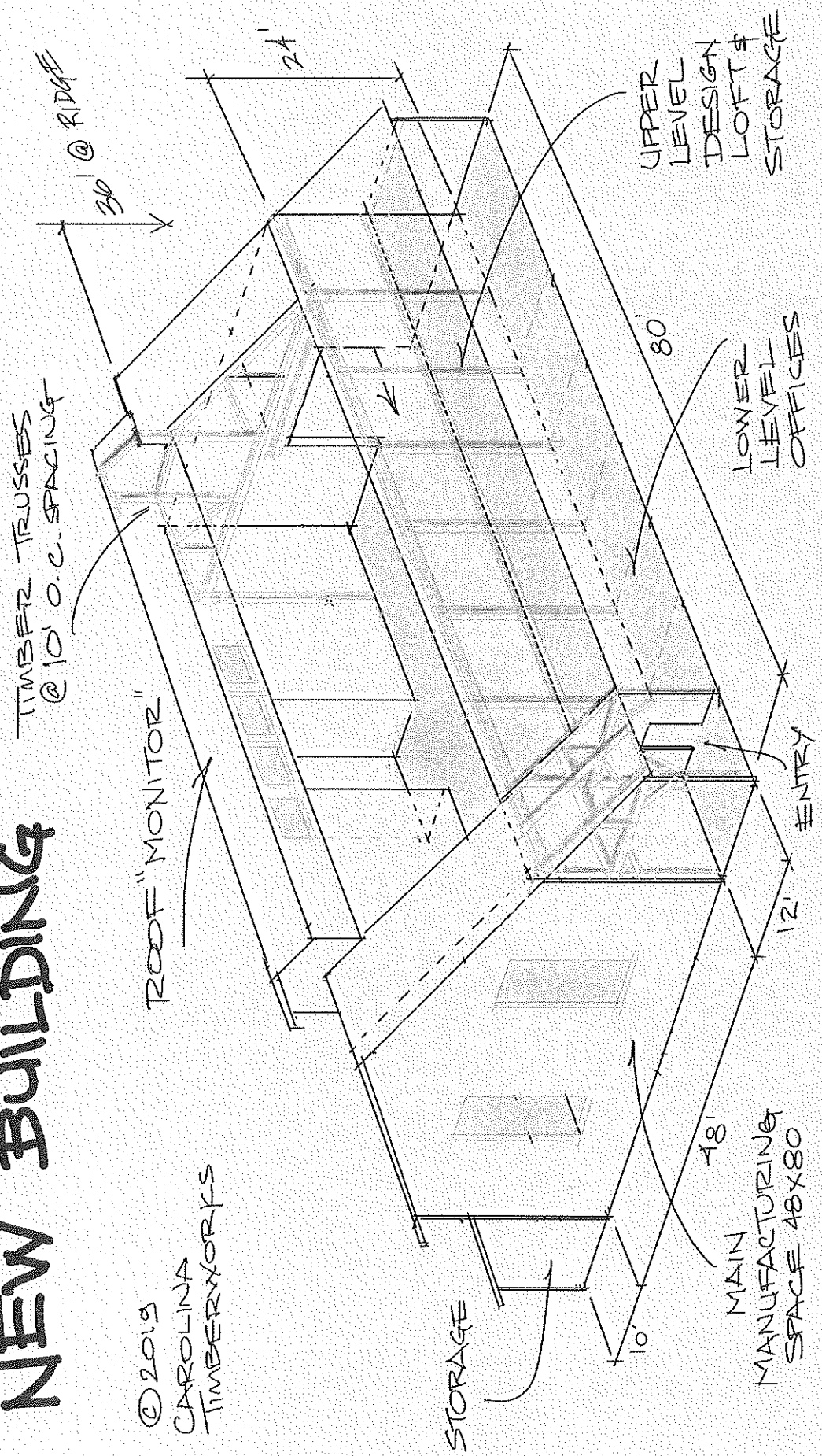


# Design Inspiration

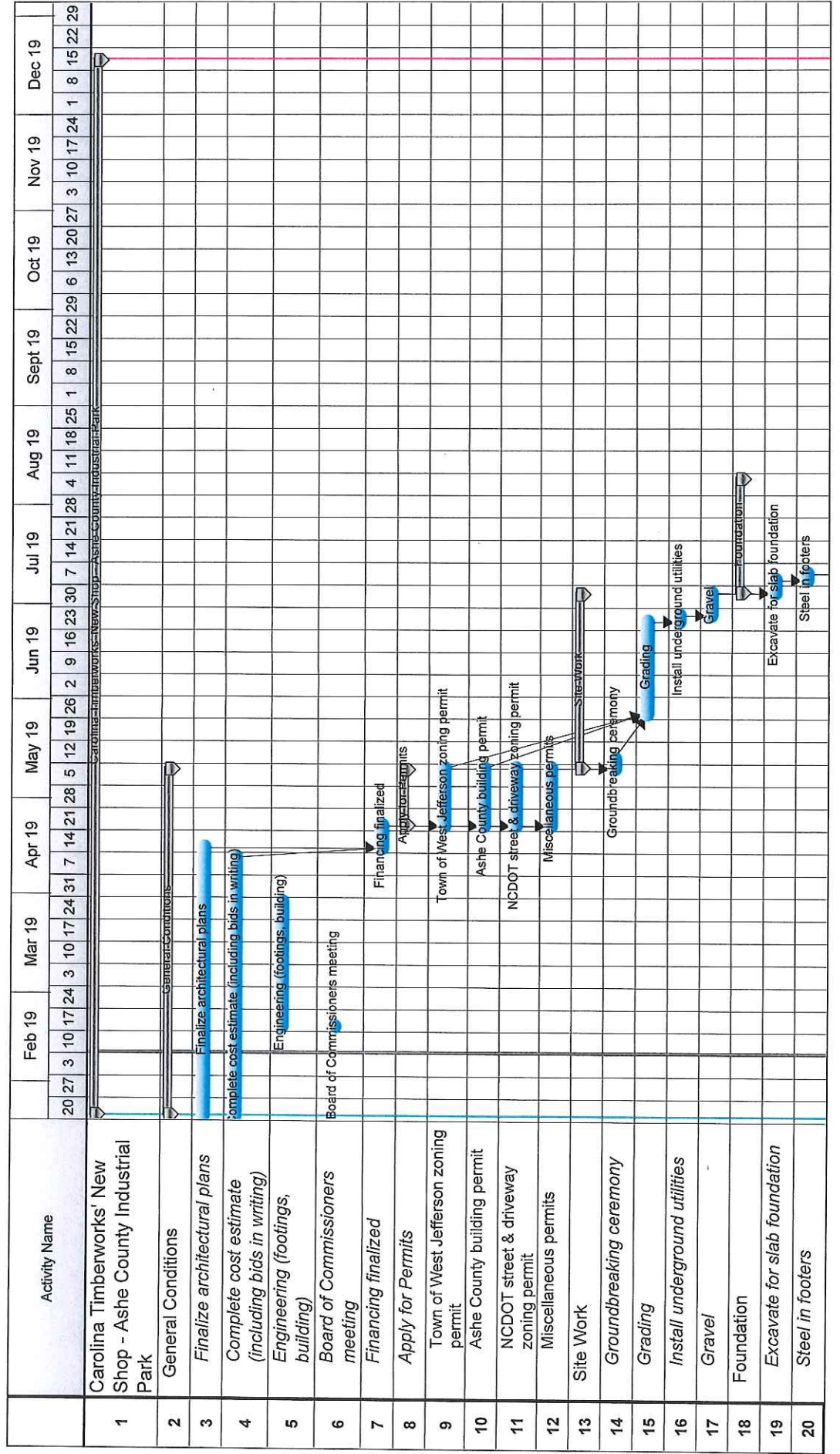


# NEW BUILDING

© 2019  
CAROLINA  
TIMBERWORKS







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	Activity Name	Start Date	2019												2020	
			Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan		
1	MILESTONES: Carolina Timberworks' new building - Ashe County Industrial Park	2/18/19														
2																
3	Board of Commissioners meeting	2/18/19														
4	Permits submitted with fee to Ashe County Building Dept.	4/23/19														
5	Groundbreaking ceremony	5/15/19														
6	Slab concrete poured	7/29/19														
7	6 months from Feb. 18 Board of Commissioners meeting	8/19/19														
8	Building dried in	10/3/19														
9	Move in	12/11/19														
			Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan		