

**PROJECT PANDORA A COMPANY ,
COUNTY OF ASHE, NORTH CAROLINA
TOWN OF WEST JEFFERSON, NORTH CAROLINA
and
ASHE COUNTY JOB DEVELOPMENT, INC.**

INCENTIVE AGREEMENT

Dated as of November 3rd, 2025

INCENTIVE AGREEMENT

THIS INCENTIVE AGREEMENT is dated as of November 3rd, 2025 (as supplemented or amended, the "Agreement"), and is between **PROJECT PANDORA A COMPANY**, in good standing and authorized to do business in North Carolina, (the "Company"), on the one part, and **COUNTY OF ASHE, NORTH CAROLINA**, a public body politic and a political subdivision of the State of North Carolina (the "County"), the **TOWN OF WEST JEFFERSON, NORTH CAROLINA**, a public body politic and a political subdivision of the State of North Carolina (the "Town"), and **ASHE COUNTY JOB DEVELOPMENT, INC.**, a nonprofit corporation incorporated in North Carolina and in good standing and authorized to do business in North Carolina ("AJCD"), as joint and several parties to provide incentive support for the Company. The County, Town, AJCD and the Company are also each individually referred to herein as a "Party" and collectively, as the "Parties".

RECITALS:

NOW, THEREFORE, for and in consideration of the mutual promises and covenants contained in this Agreement, the Parties hereby agree as follows:

ARTICLE I **DEFINITIONS: RULES OF CONSTRUCTION**

1.01. Definitions. For all purposes of this Agreement, unless the context requires otherwise, the following terms shall have the following meanings:

"Abandonment" means a change to the operations at the Facility such that, in any year following the New Closing Date, the number of Full Time Employees of the Company is less than ninety (90%) of Forty-Four (44); or the Company, fails to maintain at least ninety-five percent (95%) of the total of the Annual Taxable Investment(s) in the Facility, as shown in Article II.

"Annual Taxable Investment(s)" means the initial tax value of all new land, building and equipment at the Facility that were placed by the Company on the ad valorem tax rolls, of the County as set forth in Article II of this Agreement, regardless of the funding sources for said property, which were in excess of the amount of taxable investments on the ad valorem tax rolls of the County prior to the Closing Date in the amount of fifty-two million and nine hundred thousand dollars (\$52,900,000), which includes tax valuations for the real estate occupied by the Company and the equipment utilized by the Company.

"Business Day" means any day that is not a Saturday or a Sunday, or a day on which banks in the State are required by law to be closed.

"Change in the Expansion" means any reduction in the expansion of production at the Facility which would not provide the guaranteed minimum levels of the Extended Term Company Commitments of Retained Annual Taxable Investment or Full Time Employees, as set forth herein and in Exhibit B, but such reduction is less than an Abandonment.

"Closing Date" means date of public announcement for Project Pandora A

"Company Commitments" means the number of Full Time Employees and of the amounts of Annual Taxable Investments that were created and are to be maintained by the Company during the term of this Agreement, as shown in the chart contained in Article II.

"Facility" means the manufacturing facility currently owned and previously expanded by the Company, as more particularly described in Exhibit A.

The number of "Full Time Employees" means the number of employees employed for a thirty-five (35) hour work week. The number of Full Time Employees during the term of this Agreement shall be based on the highest number of Full Time Employees on the payroll of the Company in any week of each calendar year during the term of this Agreement.

"Grant Year" means an individual calendar year of the Extended Grant Years.

"Incentive(s)" means the various incentive payments from the Town, the County and ACJD to the Company, as referred to in this Agreement.

"New Employees" means all Full Time Employees hired from the Closing Date through the term of this Agreement, in excess of the number of Full Time Employees of the Company as of the Closing Date, which number is one hundred sixty (160).

"Retained Annual Taxable Investments" means the tax value of the land, building and equipment at the Facility placed by the Company on the ad valorem tax rolls of the County, regardless of the funding sources for said property, which includes tax valuations for the real estate occupied by the Company and the equipment utilized by the Company that are to be maintained by the Company at the Facility for the duration of the Extended Grant Years in accordance with the Table set forth in Article II below.

"State" means the State of North Carolina.

1.02. Rules of Construction. Unless the context otherwise indicates.

- a. Words importing the singular shall include the plural and vice versa, and words importing the masculine gender shall include the feminine and neuter genders as well;
- b. All references to Articles, Sections or Exhibits are references to Articles, Sections and Exhibits of this Agreement;
- c. All references to officers are references to County, Town and *ACJD* officers; and
- d. The headings and Table of Contents herein are solely for convenience of reference and shall not constitute a part of this Agreement nor shall they affect its meanings, construction or effect.

ARTICLE II
COMPANY COMMITMENTS

In return for the Incentives to be paid to the Company by the County, and the Town, the Company makes certain Company Commitments as defined herein.

The Company agrees to meet or exceed the following Company Commitments of the Company's actual estimates of the number of New Employees and Annual Taxable Investments:

Reporting Date	Annual Taxable Investments <i>In excess of any investment in place at significant of agreement</i>	New Employees <i>In excess of 306 Full time Employees</i>
April 15, 2026	\$6,200,000	16
April 15, 2027	\$6,200,000	16
April 15, 2028	\$20,250,000	12
April 15, 2029	\$20,250,000	0
April 15, 2030	\$0	0
TOTAL	\$52,900,000	44

The Company agreed that the average wage level of all Full Time Employees in the Facility would meet or exceed the current average weekly manufacturing wage for the County, as published by the N.C. Department of Commerce. The calculation of employment shall be the number of Full Time Employees who are New Employees at the highest level of employment in any week during the calendar year of the reporting dates shown above.

The Parties agree that the Company met or exceeded the Company Commitments for both New Employees and Annual Taxable Investments to avoid any potential repayments of local incentives.

Company is required to submit complete, fair, and accurate listings of all taxable value over the lifetime of this agreement to the tax office before the due date of April 15th. All determination of current value and progress made toward fulfilling this agreement will be identified, and if needed arbitrated, by Ashe County's Tax Administrator. Failure to comply with this or any other section of the agreement will jeopardize issuance of the annual payment on local incentives.

The number of Full Time Employees (including the New Employees and three hundred and six (306) Full Time Employees of the Company prior to the Closing Date) shall be verified by the Company providing to a representative of the County, the Town and ACJD payroll records as may be requested by that representative. In addition, a representative of the County, the Town and ACJD shall be allowed to inspect the records of the Company as may be necessary to confirm the number of all Full Time Employees for each year. Any records provided by the Company shall be maintained as confidential trade secrets of the Company as defined by N.C.G.S. §66-152(3) and shall therefore be exempt from disclosure under the terms of the Public Records Law pursuant to N.C.G.S. §132-1.2.

The amount of Ad Valorem Taxable Investments in each year shall be verified by reference to the ad valorem tax values of the property the Company has listed on the County's ad valorem property tax roles as of January 1st 2025, and January 1 of each year thereafter. The amount of Annual Taxable Investments shall be all capital investments made by the Company, as shown on Business Real and Personal Property Listing Forms filed with the County's tax office each year.

The above terms regarding reporting requirements for the number of Full Time Employees and Annual Taxable Investments, notwithstanding, for the Incentives grants for the Extended Grant Years the verifications of these performance requirements shall be as follows:

- a. The number of Full Time Employees shall be determined based on the NCUI 101 rep filed by the Company for the first (1st) quarter (January through March) of each Grant Year. All of the other terms above regarding additional verifications by access to the Company's payroll records, and the confidentiality of the Company's records shall continue in effect. The Company shall maintain at least three hundred and six (306) Full Time Employees through each of the Grant Years and the amount of additional employees identified in Article II, or be subject to a reduction of Incentives grants as described in Article III below and Exhibit B.
- b. The Retained Annual Taxable Investments shall be determined by reference to the property tax records in the County as of December 31 of the year preceding each Grant Year.

If the Company fails to maintain the above levels of Retained Annual Taxable Investments for any year of the Extended Grant Years, the Incentive grants for that year may be subject to reduction pursuant to Article III below and Exhibit B.

ARTICLE III **ANNUAL INCENTIVES**

For each calendar year from 2025 through and including 2030 the County, the Town and ACJD have paid to the Company Incentives grants based upon the Annual Taxable Investments made and maintained, and New Employees hired and maintained in the prior calendar year, as shown below. The Incentive grant for calendar year 2025 in the amount of one hundred and fifty five thousand dollars (\$155,000), as shown below, will be paid to the Company within thirty (30) days following the Closing Date.

Provided that if the Company meets its Company Commitments for each of the Grant Years indicated in Article II of this Agreement, and has maintained in place all of the Retained Annual Taxable Investments made and retained 44 Full-Time Employees, the Company shall be paid Incentive(s) grants for Grant Years 2026, 2027, 2028, 2029 as follows, with Extended Term Incentive grants being payable on or before August 1 of each Grant Year:

Grant Year	Ashe County	West Jefferson	ACJD	Total
2025	\$0	\$0	\$155,000	\$155,000
2026	\$0	\$0	\$155,000	\$155,000
2027	\$130,000	\$100,000	\$0	\$230,000
2028	\$130,000	\$100,000	\$0	\$230,000
2029	\$130,000	\$100,000	\$0	\$230,000
TOTAL	\$390,000	\$300,000	\$310,000	\$1,000,000

Each entity contributing funds to current and future Incentive(s) payments shall make the payments to ACJD which shall pay the cumulative amount to the Company upon certification of the Company Commitments as outlined in the Article II of this Agreement. No Incentive payments shall be made to the Company at any time that tax payments or fees are in arrears to either the County or the Town. In the event the Company is in arrears on tax payments or fees to either the County or the Town, that year's incentive payment shall be made within thirty (30) business days from the time all past due tax payments or fees are paid to the County and the Town.

During the above payment years of Incentive(s) grants, should the Company not achieve the level of ninety-five percent (95%) of the Company Commitments of Retained Annual Taxable Investments and ninety percent (90%) New Employees, or fail to maintain the levels of the Company Commitments from prior years of the term of Agreement, but the number of New Employees or the levels of Retained Annual Taxable Investment(s) in the Facility remains above the level at which an Abandonment would be deemed to have occurred, the amount of Extended Term Incentive(s) grants for that year shall be reduced by a pro rata amount. The pro rata amount shall be calculated as the unweighted average of the percentages by which the Company is short of ninety percent (90%) of its Company Commitments of Retained Annual Taxable Investments and New Employees cumulatively for that calendar year and the maintenance of its Company Commitments for previous years of the term of this Agreement. Exhibit B describes the formulation for this reduction in annual Extended Term Incentive(s) grants in more detail.

In addition to the above terms regarding the reduction of Incentive(s) grants during the Grant Years, the following terms shall apply as to reductions in the final Incentive(s) payment under the terms of this Agreement:

a. If on December 31 2029, the Company has failed to maintain one hundred percent (100%) of the full amounts of the Company Commitments as to New Employees and Annual Taxable Investments, the Company shall reimburse to ACJD for the benefit of the County, the Town and ACJD an amount for each year equal to one-fifth of all Incentive(s) grants paid to the Company by the County, the Town and ACJD, times the unweighted average of the percentages by which the Company is short of one hundred percent (100%) of its Company Commitments as of December 31, 2029. An example of this calculation is shown on Exhibit B.

b. If in any year of the term of this Agreement there is an Abandonment, all Incentive(s) grants for that year and future years shall be abated, and the County, the Town and ACJD shall have no further obligations to pay Incentive(s) grants from that year forward. In addition, the Company shall be required to reimburse portions of the previously paid Incentive(s) grants, as described by the following:

If there is an Abandonment, in any year of the term of this Agreement, the Parties to this Agreement shall compute the amount of ad valorem taxes paid by the Company to the County and the Town during the Grant Years, and the amount of all Incentive(s) grants received to that date from the County and the Town. If the Company has received Incentive(s) grants from the County and the Town which are in excess of eighty percent (80%) of the amount of ad valorem taxes paid by it to the County and the Town, it shall within thirty (30) Business Days from the receipt of a reimbursement request from ACJD repay to ACJD, for the benefit of the County and the Town, the amount of Incentives grants received from the County and the Town which is in excess of eighty percent (80%) of the amount of ad valorem taxes paid. In addition, the Company shall reimburse to the ACJD all of the Incentive(s) grants paid to it by ACJD.

ARTICLE IV **INDEMNIFICATION**

The Company hereby agrees to indemnify, protect and save the County, the Town and ACJD, their officers, directors and employees harmless from all liability, obligations, losses, claims, damages, actions, suits, proceedings, costs and expenses, including attorneys' fees, arising out of, connected with, or resulting directly or indirectly from the transactions contemplated by or relating to this Agreement, including without limitation, the possession, condition, construction or use thereof, insofar as such matters relate to events subject to the control of the Company and not the County, the Town or ACJD. The indemnification arising under this Article shall survive the Agreement's termination for a period of two (2) years after the agreement expiration date. In any case, Company shall not be liable for any indirect, consequential, incidental, or punitive damages, regardless of whether or not Company was aware of such damages.

ARTICLE V **DISCLAIMER OF WARRANTIES**

The Company acknowledges that the County, the Town and ACJD have not designed the expansion of the Facility; that the County, the Town and ACJD have not supplied any plans or specifications with respect thereto; and that the County, the Town and ACJD (a) are not manufacturers of, nor dealers in, any of the component parts of the Facility or similar facilities; (b) have not made any recommendation, given any advice nor taken any other action with respect to (1) the choice of any supplier, vendor or designer of, or any other contractor with respect to, the Facility or any component part thereof or any property or rights relating thereto, or (2) any action taken or to be taken with respect to the Facility or any component part thereof or any property or rights relating thereto at any stage of the construction thereof; (c) have not at any time had physical possession of the Facility or any component part thereof or made any inspection thereof or any property or rights relating thereto; and (d) have not made any warranty or other representation, express or implied, that the Facility or any component part thereof or any property or rights relating thereto (1) will not result in or cause injury or damage to persons or property, (2) has been or will be properly designed, or will accomplish the results which the Company intends therefor, or (3) is safe in any manner or respect.

Neither the County nor the Town nor ACJD makes any express or implied warranty or representation of any kind whatsoever with respect to the Facility or any component part thereof, including but not limited to any warranty or representation with respect to the merchantability or the fitness or suitability thereof for any purpose, and further including the design or condition thereof; the safety, workmanship, quality or capacity thereof; compliance thereof with the requirements of any law, rule, specification or contract pertaining thereto; any latent defect; the Facility's ability to perform any function; or any other characteristic of the Facility. It is agreed that the Company is to bear all risks relating to the Facility, the completion thereof or the transactions contemplated hereby and the Company hereby waives the benefits of any and all implied warranties and representations of the County, the Town and ACJD.

The provisions of this Article shall survive the Agreement's termination.

ARTICLE VI
TERMINATION OF AGREEMENT

Upon the failure of the County, the Town or ACJD to make annual Incentive payments, as provided for in Article III of this Agreement, the Company shall have the option of terminating this Agreement.

Upon the occurrence of the Abandonment by the Company of the expanded manufacturing operations in the Facility, the County, Town, and ACJD have the ability to terminate this agreement. Provided however, that the Company shall continue to be obligated to make any required reimbursements of the Incentives as described in Article III.

If not terminated earlier pursuant to the terms set forth above, this Agreement shall be terminated on January 1, 2030 (the "Expiration Date"), or as soon thereafter as the final Incentive(s) payment is made to the Company. The term of this Agreement is from the Closing Date until January 1, 2030.

Upon the termination of this Agreement, pursuant to this Article the County and the Town and ACJD shall have no further obligation to make annual Incentive payments. The Company shall not be liable for payment to any of the parties of any further damages, other than as set forth herein. Further the County, the Town and ACJD shall not be liable for payment to the Company of any damages.

ARTICLE VII
TEMPORARY REDUCTIONS IN BENCHMARK MINIMUMS

Notwithstanding anything herein to the contrary, if the Company shall be prevented or delayed from fulfilling, or continuing to fulfill, either or both of the Company Commitments of Full Time Employees and/or Annual Taxable Investment as set forth herein by reason of a:

- a. Government moratorium;
- b. Delay in obtaining any governmental or quasi-governmental approvals, permits or certificates, despite reasonable efforts by the Company to obtain same;
- c. Enemy or hostile governmental action;
- d. Act of God, including but not limited to hurricane, tornado, snowstorm, windstorm, earthquake or flood, fire or other extreme weather conditions or other casualty;
- e. Strike, lockout or a labor dispute involving entities other than the Company which causes the Company an inability to obtain labor or materials; or
- f. Any other event, other than normal business exigencies, which is beyond the reasonable control of the Company.

Then the Company Commitments for the year(s) in which such event occurred shall be equitably reduced to reflect the effect of such event.

The Parties shall negotiate in good faith to make an equitable reduction in the Company Commitments for an affected year(s). However, if the Parties cannot in good faith reach an agreement as to such adjustment, all parties agree to submit this issue to binding arbitration on an expedited basis.

ARTICLE VIII **ASSIGNMENTS**

No Party shall sell or assign any interest in or obligation under this Agreement without the prior express written consent of all the Parties. Provided, however, that this Agreement may be assigned by the Company to a wholly owned subsidiary of the Company, without the consent of all other Parties, provided that the Company will guarantee the performance by the Subsidiary of the obligations due under this Agreement. Should the Company propose to sell the building and other assets to another company, which would be a successor in the interest to the Company's operations in the County, the other Parties to this Agreement will negotiate in good faith to allow some or all of the Incentives described herein to be available to that successor in interest, with consent in this regard to not be unreasonably withheld.

ARTICLE IX **LIMITED OBLIGATION OF COUNTY AND TOWN**

NO PROVISION OF THIS AGREEMENT SHALL BE CONSTRUED OR INTERPRETED AS CREATING A PLEDGE OF THE FAITH AND CREDIT OF THE COUNTY OR THE TOWN WITHIN THE MEANING OF ANY CONSTITUTIONAL DEBT LIMITATION. NO PROVISION OF THIS AGREEMENT SHALL BE CONSTRUED OR INTERPRETED AS DELEGATING GOVERNMENTAL POWERS NOR AS A DONATION OR A LENDING OF THE CREDIT OF THE COUNTY OR THE TOWN WITHIN THE MEANING OF THE STATE CONSTITUTION. THIS AGREEMENT SHALL NOT DIRECTLY OR INDIRECTLY OR CONTINGENTLY OBLIGATE THE COUNTY OR THE TOWN TO MAKE ANY PAYMENTS BEYOND THOSE APPROPRIATED IN THE COUNTY'S AND THE TOWN'S SOLE DISCRETION FOR ANY FISCAL YEAR IN WHICH THIS AGREEMENT SHALL BE IN EFFECT. NO PROVISION OF THIS AGREEMENT SHALL BE CONSTRUED TO PLEDGE OR TO CREATE A LIEN ON ANY CLASS OR SOURCE OF THE COUNTY'S OR THE TOWN'S MONEYS, NOR SHALL ANY PROVISION OF THE AGREEMENT RESTRICT TO ANY EXTENT PROHIBITED BY LAW, ANY ACTION OR RIGHT OF ACTION ON THE PART OF ANY FUTURE COUNTY OR TOWN GOVERNING BODY. TO THE EXTENT OF ANY CONFLICT BETWEEN THIS ARTICLE AND ANY OTHER PROVISION OF THIS AGREEMENT, THIS ARTICLE SHALL TAKE PRIORITY.

ARTICLE X **MISCELLANEOUS**

10.01 Governing Law. The parties intend that this Agreement shall be governed by the law of the State of North Carolina.

10.02 Notices.

a. Any communication required or permitted by this Agreement must be in writing except as expressly provided otherwise in this Agreement;

b. Any communication shall be sufficiently given and deemed given when delivered by hand or five days after being mailed by first-class mail, postage prepaid, and addressed as follows:

1) If to the Company, to PANDORA A COMPANY , Attn: VP Supply Chain Division, REDACTED CORPORATE HEADCORDERS , with copies to PANDORA A COMPANY , Attn: Plant Manager, PANDORA A COMPANY PHYSICAL PLANT ADDRESS, and PANDORA A COMPANY, Attn: COMPANY MAILING ADDRESS;

2) If to the County, to County Manager, Ashe County Government, 150 Government Circle, Suite 2500, Jefferson, North Carolina 28640;

3) If to the Town, to Town Manager, PO Box 490, West Jefferson, North Carolina 28694;

4) If to ACJD to Chairman, Ashe County Job Development, Inc., PO Box 1104, Jefferson, NC 28640

c. Any communications hereunder sent to the County, the Town or ACJD, shall also be sent to each of the other.

d. Any addressee may designate additional or different addresses for communications by notice given under this Section to each of the others.

10.03 Non-Business Days. If the date for making any payment or the last day for performance of any act or the exercising of any right shall not be a Business Day, such payment shall be made or act performed or right exercised on or before the next preceding Business Day.

10.04 Severability. If any provision of this Agreement shall be determined to be unenforceable, that shall not affect any other provision of this Agreement.

10.05 Entire Agreement; Amendments. This Agreement, including Exhibits A and B, which are incorporated herein and made a part hereof, constitutes the entire contract between the Parties, and this Agreement shall not be changed except in writing signed by all the Parties.

10.06 Binding Effect. Subject to the specific provisions of this Agreement, this Agreement shall be binding upon and inure to the benefit of and be enforceable by the Parties and their respective successors and assigns.

10.07 **Time.** Time is of the essence in this Agreement and each and all of its provisions.

10.08 **Liability of Officers and Agents.** No officer, agent or employee of the County, the Town, ACJD or the Company shall be subject to any personal liability or accountability by reason of the execution of this Agreement or any other documents related to the transactions contemplated hereby. Such officers, agents, or employees shall be deemed to execute such documents in their official capacities only, and not in their individual capacities. This Section shall not relieve any such officer, agent or employee from the performance of any official duty provided by law.

10.09 **Counterparts.** This Agreement may be executed in several counterparts, including separate counterparts. Each shall be an original, but all of them together constitute the same instrument.

10.10 **Superseding Effect of this Agreement.** The Parties hereby acknowledge and agree that this Agreement amends, restates and replaces the Original Agreement in its entirety as of the New Closing Date.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed in their corporate names by their duly authorized officers, all as of the date first above written

Pandora A Company

By: _____
Name: _____
Empowered Official

ASHE COUNTY, NORTH CAROLINA

By: _____
Name: Todd McNeill, Chairman
Ashe County Board of Commissioners

ATTEST: [SEAL]

Name: Missy Seivers, County Clerk

This instrument has been preaudited
in the manner required by The Local

Government Budget and Fiscal Control Act

Name: Sandra Long
Finance Officer, Ashe County
North Carolina

TOWN OF WEST JEFFERSON, NORTH CAROLINA

By: _____
Name: Russell W. Barr, III, Mayor Pro Tem

ATTEST: [SEAL]

Name: Rebecca Eldreth Town Clerk

This instrument has been preaudited
in the manner required by The Local
Government Budget and Fiscal Control Act

Name: Heather Holdaway
Finance Officer, Town of West Jefferson
North Carolina

ASHE COUNTY JOB DEVELOPMENT INC.

Name: Adam Stumb, Chairman Board of Directors

ATTEST: [SEAL]

Name: Brantley Price, Secretary

