

17123

STATE OF NORTH CAROLINA

ECONOMIC DEVELOPMENT  
INCENTIVE AGREEMENT

GUILFORD COUNTY

THIS INCENTIVE AGREEMENT, made and entered into this 19<sup>th</sup> day of October, 2007, by and between the CITY OF GREENSBORO, a North Carolina municipal corporation, hereinafter referred to as the "City" and the INTERNATIONAL TEXTILE GROUP, INC., with a principal offices in Greensboro, NC, at 804 Green Valley Road, including its subsidiaries and affiliates, hereinafter referred to as the "Company,"

WITNESSETH:

WHEREAS, in 2005, the City Council approved and adopted "Economic Development Incentive Guidelines," known as the Financial Assistance Guidelines, whereby the City will assist the promotion and retention of industry and economic development in accordance with said guidelines and approved variances thereto;

WHEREAS, the Company, operates its White Oak manufacturing facility at 16<sup>th</sup> Street, in the City and has been under significant pressure from international market forces to relocate outside the City to foreign locations;

WHEREAS, the Company as of July 1, 2007 employed approximately 738 people locally at the White Oak Plant and desires to remain in Greensboro if financially feasible;

WHEREAS, the Company, has requested that the City provide up to 100% annually of the methane gas output from the Phase II City landfill for a three year in kind economic incentive for the retention of such facility in Greensboro, the amount of said incentive having an estimated value of \$400,000.00 annually based upon the current discounted unit price as of July 1, 2007;

WHEREAS, it is further anticipated that the Company will continue to employ approximately 738 people, or such other number that is commercially feasible, at its White Oak location for the duration of the three year period;

WHEREAS, the Company has agreed to a good faith effort to retain its White Oak Plant location and its required employees in consideration of the receipt of an estimated \$400,000.00 annually of methane gas from the Phase II City Landfill for a period of three (3) years from the expiration of the Company's current methane agreement with Duke Energy; this retention of the manufacturing site and employees is hereinafter referred to as the "Project";

WHEREAS, it is deemed in the best interest of the City to enter into a three (3) year retention incentive agreement with the Company to provide an estimated value of \$400,000.00 annually of methane gas at the current discounted unit price as of July 1, 2007 from the City's Phase II landfill for the Project;

WHEREAS, pursuant to a public hearing held on 17 July 2007, the City Council adopted a Resolution authorizing this agreement in accordance with its economic development incentive guidelines and NCGS § 158.7.1;

WHEREAS, the aforementioned economic retention project will promote the public safety and welfare, add to the City's tax base, maintain private-sector employment, and increase and retain Greensboro business prospects.

NOW, THEREFORE, in consideration of the mutual covenants by and between the Parties hereto, it is hereby agreed as follows:

A. Company Obligations. In order to receive the full benefit of the incentive Agreement the Company shall, for a period of three (3) consecutive years beginning January 1, 2008, maintain its manufacturing operations at its White Oak Plant on 16<sup>th</sup> Street in the City of Greensboro and during said period of time shall make a good faith effort to continue to retain 738 jobs, or more, at the site.

The Company shall provide quarterly to the City, beginning December 31, 2007, the most recent Employer's Quarterly Tax and Wage Report to the North Carolina Employment Security Commission (NCUI 101); which Report shall indicate the number of existing jobs at the site.

The Company shall maintain its on-site methane gas transmission lines, valves, gauges, and facilities in acceptable working condition and agrees to defend and indemnify the City for any losses, casualties, or injury to persons or property resulting from the use, delivery and/or transmission of the methane gas.

B. City's Obligations. The City agrees to provide, at the current discounted unit price as of July 1, 2007, an amount of methane gas valued at \$400,000.00 annually from its Phase II City Landfill, for each year of the three (3) year period from January 1, 2008 until December 31, 2010.

The City will maintain its existing methane gas transmission lines from its landfill to the property site of the White Oak Plant on 16<sup>th</sup> Street during the period of this agreement. The City shall be responsible for injury, casualties, or injury to persons or property as the result of its negligent failure to properly maintain its transmission lines. The City will not, however, be responsible for business interruptions or delays or for any economic or monetary losses resulting from the failure of the transmission of the methane gas to the White Oak Site and will use its best efforts to avoid such interruptions or delays.

Should the quality or quantity of the methane gas product from the Phase II City Landfill not meet the standards or requirements necessary for use by the Company this contract shall terminate and be null and void and shall be of no further effect.

C. Permit Requirements. The Company agrees to obtain all necessary permits, licenses, and approvals and to meet all governmental regulatory requirements, environmental and otherwise. It agrees to comply with all federal, state and local regulations with regard to the use of the methane gas and its on-site lines.

D. Independent Contractor. In the process of carrying out this Project, the Company is operating as an independent contractor and the City shall not be responsible for the Company's acts or omission.

E. Audit Requirements. It is understood and agreed that the City through its internal, or external, auditors shall have the right upon reasonable notice, to inspect, audit, examine and copy those records of Company pertaining to its job count and maintenance of its onsite methane gas lines. All records revealed by the Company to the City's internal or external auditors shall remain confidential, as allowed by law, and may be used by the City only for purposes of the audit.

F. No Discrimination. The Company agrees that it will not discriminate on the basis of age, sex, race, religion, color, nation origin, or disability in its hiring, employment, and contracting practices.

G. Default. The commitment of the City of Greensboro to provide the Company with methane gas for the Project will provide a unique benefit to the City and its citizens. If the City supplies the Company with methane gas pursuant to this Agreement and it is determined that any of the conditions in Paragraph A have not been met, in the City's discretion the contract may be continued, terminated, or a new price or amount negotiated for methane supplied pursuant to this agreement.

H. Binding Effect. This Agreement shall inure to the benefit of, and is binding upon, the Company and the City and their respective successors and assigns.

I. Amendments, Changes and Modifications. Except as otherwise provided in this Agreement, this Agreement may not be amended, changed, modified or altered except by written agreement of the parties hereto.

J. Severability. If any provision of this Agreement is held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

K. Governing Law. This Agreement is governed by and shall be construed in accordance with the laws of the State of North Carolina.

L. Captions. The captions or headings used herein are for convenience only and in no way defined, limit, or describe the scope or intent of any provision of this Agreement.

M. Notices. All notices, certificates or other communications hereunder shall be

sufficiently given and shall be deemed given when delivered or mailed by registered or certified mail, postage prepaid, as follows:

The City: John B. Brown, Jr.  
Assistant City Manager  
P. O. Box 3136  
Greensboro, NC 27402

Copy to: Linda A. Miles  
City Attorney  
P. O. Box 3136  
Greensboro, NC 27402

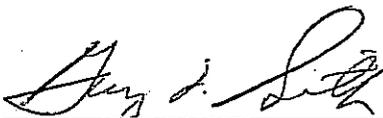
The Company: Gary L. Smith  
Executive Vice President & CFO  
International Textile Group, Inc.  
804 Green Valley Road, Suite 300  
Greensboro NC 27408

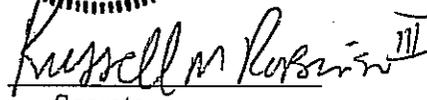
Copy to: Neil W. Koonce  
Vice President & General Counsel  
International Textile Group  
804 Green Valley Road, Suite 300  
Greensboro NC 27408

IN WITNESS WHEREOF, this Agreement is hereby signed and sealed by its duly authorized officials, all on the day and year first above mentioned and this Agreement is executed in duplicate.



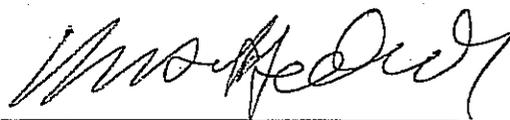
INTERNATIONAL TEXTILE GROUP, INC.

By:   
Title: Executive Vice President &  
Chief Financial Officer

ATTEST:   
Secretary

CITY OF GREENSBORO

(Corporate Seal)

By:   
Mayor

Mayor

ATTEST: *Janice J. Cooper*  
City Clerk  
11-20-07

Recommended By:

*John B. Bicecum Jr.*  
Assistant City Manager

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

By: *Dwain C. Smith* 11/14/07  
City Finance Director ~~Officer~~

Approved as to form and legality:

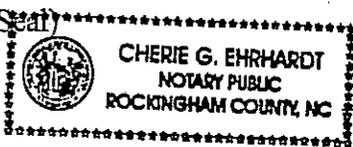
By: *Marguerite N. Kontar*  
Assistant City Attorney

STATE OF North Carolina  
COUNTY OF Rockingham

I, Cherie G. Ehrhardt, a Notary Public of North Carolina, certify that Russell M. Rotenager III personally came before me this day and acknowledged that she/he is VP and Secretary of International Textile Group, Inc., and that by authority duly given and as to the act of the corporation, the foregoing instrument was signed in its name by its (Title) Chief Financial Officer sealed with its corporate seal, and attested by herself/himself as its VP and Secretary.

Witness my hand and official seal, this the 19 day of October, 2007

(Notarial Seal)



Cherie G. Ehrhardt  
Notary Public

My Commission Expires: December 12, 2009

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STATE OF NORTH CAROLINA  
COUNTY OF GUILFORD

I, Janet Valent, a Notary Public of North Carolina, certify that Juanita F. Cooper personally came before me this day and acknowledged that she/he is \_\_\_\_\_ City Clerk of the City of Greensboro, a municipal corporation, and that by authority duly given and as to the act of the municipal corporation, the foregoing instrument was signed in its name by its Mayor sealed with its corporate seal, and attested by herself/himself as its \_\_\_\_\_ City Clerk.

Witness my hand and official seal, this the 20<sup>th</sup> day of November, 2007

(Notarial Seal)

Janet Valent  
Notary Public Janet Valent

My Commission Expires: 11/23/2009

