

November 30, 2010

A special called meeting of the Council of the City of Martinsville, Virginia, was held on November 30, 2010, in Council Chambers, Municipal Building, at 1:30PM, with Mayor Kim Adkins presiding. Council Members present included: Mayor Adkins, Vice Mayor Kimble Reynolds, Gene Teague, Mark Stroud, Sr., and Danny Turner. Staff present included: Clarence Monday, City Manager, Leon Towarnicki, Brenda Prillaman, Eric Monday, and numerous other city employees, legislators and citizens.

Mayor Adkins welcomed everyone to the meeting and stated Council would be going into Closed Session.

In accordance with Section 2.1-344 (A) of the Code of Virginia (1950, and as amended) and upon a motion by Gene Teague, seconded by Kimble Reynolds with the following 5-0 recorded vote: Adkins, aye; Reynolds, aye; Stroud, aye; Teague, aye; and Turner, aye, Council convened in Closed Session, for the purpose of discussing the following matter: (A) A prospective business or industry or the expansion of an existing business or industry where no previous announcement has been made of the business' or industry's interest in locating or expanding its facilities in the community as authorized by Subsection 5.

At the conclusion of Closed Session, each returning member of Council certified that (1) only public business matters exempt from open meeting requirements were discussed in said Closed Session; and (2) only those business matters identified in the motion convening the Closed Session were heard, discussed, or considered during said Session. On a motion by Danny Turner, seconded by Gene Teague, with the following 5-0 recorded vote: Adkins, aye; Reynolds, aye; Stroud, aye; Teague, aye; and Turner, aye, Council returned to Open Session.

Upon returning to open session, a motion was made by Gene Teague, seconded by Kimble Reynolds, with a 5-0 vote, to authorize the City Manager to execute the following Performance Agreement with the City of Martinsville, Southern Finishing, and the Virginia Tobacco Indemnification and Community Revitalization Commission for \$380,000 funding:

#### PERFORMANCE AGREEMENT

This Performance Agreement (the "Agreement") is made and entered this 9<sup>th</sup> day of November, 2010, by and between the Virginia Tobacco Indemnification and Community Revitalization Commission (the "Commission"), a political subdivision of the Commonwealth, the City of Martinsville, Virginia (the "Grantee"), a political subdivision of the Commonwealth, and Southern Finishing Company (the "Company"), a North Carolina corporation whose Federal Employer Identification Number is 56-1208143.

#### WITNESSETH:

WHEREAS the Grantee has been selected to receive a grant in the amount of \$380,000 (the "Grant") from the Commission for its use in inducing the Company to build or expand a facility and employ a significant number of persons in the City of Martinsville (the "Locality"); and

WHEREAS the Grantee has indicated its desire to tender the Grant to the Company for its use and benefit, provided that the Company commits to the achievement of certain goals relating to employment and capital investment as described herein; and

WHEREAS the Commission, the Grantee and the Company desire to set forth their understanding and agreement as to the use of the Grant, the obligations of each party hereto, the conditions under which the Grant must be repaid, and the liability of each party hereto in the event of default.

NOW, THEREFORE, in consideration of the foregoing, the mutual benefits and promises of the parties to this Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby covenant and agree as follows:

#### Section 1. Disbursement of the Grant

The Commission shall disburse the Grant to the Grantee within 30 days of the Commission's receipt of (i) this Agreement in fully executed form, and (ii) a written request for disbursement from the Grantee, PROVIDED that the Grantee is not in default on its obligations to the Commission. In the event that the Grantee is in default on its obligations to the Commission, disbursement shall be withheld until such default is cured. If disbursement to the Grantee has not occurred within 180 days from the date of this Agreement, the Grant shall be automatically rescinded.

Unless otherwise agreed in writing, the Grantee shall disburse the Grant to the Company, or for the Company's benefit, within 30 days of receipt of the Grant from the Commission.

#### Section 2. Use of the Grant

Under this Agreement, the Commission places no restriction on the use of the Grant proceeds by the Company other than those restrictions, if any, imposed by the Grantee as described in Exhibit A attached hereto. All restrictions described in Exhibit A are enforceable only if signed thereon by an authorized Company representative, and not by reference herein. The Grantee shall be responsible for enforcement of any restrictions described in Exhibit A.

#### Section 3. Employment Commitment

The Company shall employ at least 67 persons in the Locality with a quarterly payroll of at least \$452,920. Said employment and payroll will be in addition to those already employed and paid during the calendar quarter ending on September 30, 2010, hereinafter called the "Base Period". Persons employed by the Company at other locations within the Commonwealth of Virginia and moved to the Locality shall not be counted as progress toward this commitment.

#### Section 4. Capital Investment Commitment

The Company shall make capital investments in the Locality of at least \$2,900,000 in assets subject to local tax levy, notwithstanding the local taxing authority's election to waive or refund the taxes so levied. Said investments will be in addition to those already made as of the end of Base Period.

#### Section 5. Determination of Performance - Employment

The Company shall meet its employment obligations hereunder not later than 36 months after the end of the Base Period. The Company's employment obligation will be deemed to have been fully met when it can document any three consecutive calendar quarters after the Base Period in which (i) the total wages paid by the Company in each quarter exceed the wages paid by the Company in the Base Period by at least the amount promised in Section 3 above, AND (ii) the number of employees who received pay from the Company during each of those three consecutive quarters\* exceeds the number of employees who received pay in the Base Period by at least the number promised in Section 3 above, AND (iii) all such employees worked in the Locality. The foregoing shall be based upon payroll tax filings made by, or on behalf of, the Company to the Virginia Employment Commission (now/formerly made on Form VEC FC-20 or facsimile thereof). If such tax filings include Company employees who did not work in the Locality, it shall be the duty of the Company to provide additional information sufficient to identify those employees who did work in the Locality. Employees of subsidiary companies, related entities, entities under common ownership or control, or employees of independent contractors hired by the Company shall not be counted as employees of the Company in fulfillment of its promise hereunder UNLESS such entities and their relationship to the Company are disclosed to and approved by the Commission in writing, AND such entities supply the Commission with the same employment documentation as described herein.

\* the number of persons who received pay in any given quarter is calculated by adding together the number of persons who received pay in each month of the quarter and dividing that sum by three.

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**Section 6. Determination of Performance – Capital Investment**

The Company shall meet its capital investment obligations hereunder not later than 36 months after the end of the Base Period. The Company's capital investment obligation shall be deemed to have been fully met when

(1) the Grantee submits to the Commission a letter from the Commissioner of Revenue for the Locality attesting to:

(a) the highest assessed value of all real property acquired or leased by the Company during the 36 months after the end of the Base Period and owned or leased without interruption until 36 months after the end of the Base Period, notwithstanding the Locality's election to waive or refund taxes levied on such property, and

(b) the original cost of all personal property subject to taxation and acquired or leased by the Company during the 36 months after the end of the Base Period and owned or leased without interruption until 36 months after the end of the Base Period, notwithstanding the Locality's election to waive or refund taxes levied on such property. In the event that the original cost is not known to the Commissioner of Revenue, the assessed value shall be reported in lieu thereof, and

(2) the sum of items 1(a) and (b) above equals or exceeds the amount promised in Section 4.

The Company hereby expressly grants its consent for the Commissioner of Revenue for the Locality to release to the Commission or the Grantee all Company property records of any kind held by the Commissioner.

**Section 7. Repayment Obligation**

In the event that the Company does not meet its obligations hereunder within 36 months after the end of the Base Period, it shall repay to the Grantee the unearned portion of the Grant, which is calculated as follows:

- a. A minimum capital investment of \$1.0 million is required before any portion of the Grant is earned by the Company, hereinafter called the Minimum Investment Requirement.
- b. For purposes of repayment, fifty percent (50%) of the Grant is allocated for the Company's capital investment commitment and fifty percent (50%) for its employment commitment.
- c. After exceeding the Minimum Investment Requirement, the fraction of the Grant allocated to employment that is earned by the Company is determined by dividing the number of employees receiving pay during the three consecutive quarters\* with the highest employee count by the number of jobs promised in Section 3 notwithstanding the total wages paid by the employer.

- d. After exceeding the Minimum Investment Requirement, the fraction of the Grant allocated to capital investment that is earned by the Company is determined by dividing the greatest value of assets attested to by the Commissioner of Revenue under Section 6 above by the capital investment promised in Section 4.
- e. All unearned portions of the Grant shall be repaid by the Company to the Grantee not later than thirty days after the date on which the Company is notified of the unearned amount. The Grantee agrees to remit the same to the Commission. Any refund owed by the Company to the Grantee hereunder shall immediately constitute an obligation of the Grantee to repay the Commission and such Grantee obligation shall not be contingent upon successful collection of any amount from the Company. The Grantee shall be liable for repayment to the Commission of that portion of the Grant determined by the Commission to be due under the terms of this Section and hereby agrees to make such repayment without regard to whether Grantee has received repayment from the Company.
- f. Interest shall accrue on unpaid balances at the rate of 3% per annum beginning on the 31<sup>st</sup> day after the Company is notified of the amount due.

**Section 8. Events of Default**

If any of the following should occur within the 36-month period after the end of the Base Period, it shall constitute an event of default and the Commission may, at its election, accelerate the Company's obligation to repay the unearned portion of the Grant:

- a. the Company applies for or consents to the appointment of a receiver, trustee or liquidator of all or a substantial part of its assets, files a voluntary petition of bankruptcy, makes a general assignment for the benefit of creditors, files a petition or an answer seeking reorganization or arrangement with creditors, or if an order, judgment or decree shall be entered by any court of competent jurisdiction, on the application of a creditor, adjudicating the Company as bankrupt or insolvent or approving a petition seeking reorganization of the Company or appointing a receiver, trustee or liquidator of the Company or of all or a substantial part of its assets which remains undismissed, undischarged or unstayed for a period of forty-five (45) days.
- b. the Company fails to fulfill at least one-fourth (25%) of either its employment commitment described in Section 3 above or its capital investment commitment described in Section 4 above within 18 months after the end of the Base Period.

**Section 9. Verification of Performance**

The Company shall provide, at the Company's expense, detailed verification satisfactory to the Commission and the Grantee, of the Company's progress toward meeting the capital investment and employment goals stated herein. Such verification includes, but is not limited to, Company's payroll tax filings, property tax filings, and internal documents in support thereof.

Such progress reports will be provided at such time(s) as the Commission or the Grantee may require and failure to provide the same shall constitute default under this Agreement and the entire Grant will then become immediately due and payable.

**Section 10. Acknowledgment and Notice**

The Company and the Grantee each acknowledge and agree to its respective repayment obligation in accordance with Section 7 of this Agreement. Any notices required or permitted under this Agreement shall be given in writing, and shall be deemed to be received upon receipt or refusal after mailing of the same in the United States Mail by certified mail, postage fully pre-paid or by overnight courier (refusal shall mean return of certified mail not accepted by the addressee) and addressed as follows:

if to the Company, to:

NAME: Southern Finishing Company  
ADDRESS: 100 West Main Street  
Stoneville, North Carolina 27048  
Attention: Ed Brown, President & CEO

if to the Grantee, to:

NAME: City of Martinsville  
ADDRESS: P.O. Box 1112  
Martinsville, Virginia 24114  
Attention: Clarence Monday, City Manager

if to the Commission, to:

NAME: Tobacco Indemnification and Community Revitalization Commission  
ADDRESS: 701 East Franklin Street, Suite 501  
Richmond, Virginia 23219  
Attention: Executive Director

This Agreement constitutes the entire agreement between the parties hereto as to the subject matter contained herein and may not be amended or modified, except in writing, signed by each of the parties hereto. This Agreement is made, and intended to be performed, in the Commonwealth and shall be construed and enforced by the laws of that state. Jurisdiction and venue for any litigation arising out of or involving this Agreement shall lie in the Circuit Court located nearest to the Locality and such litigation shall be brought only in such court.

This Agreement may be executed in one or more counterparts, each of which shall be an original, and all of which together shall be one and the same instrument. This Agreement shall

be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. If any provision of this Agreement is determined to be unenforceable, then the remaining provisions of this Agreement shall, in the sole discretion of the Commission, be voidable by the Commission or interpreted as in effect as if such unenforceable provisions were not included therein.

The provisions of this Agreement are intended to and shall survive closing, the delivery of any deed or other instrument, and any other event.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement to become effective as of the date first written above.

TOBACCO INDEMNIFICATION AND  
COMMUNITY REVITALIZATION  
COMMISSION

By: Neal E. Joyce  
Executive Director

Date: 12/9/10

CITY OF MARTINSVILLE

By: Clarence Monday

Title: City Manager  
Date: 11-30-10

SOUTHERN FINISHING COMPANY

By: [Signature]

Title: PARS  
Date: 11/30/10

November 30, 2010

On a motion by Gene Teague, seconded by Kimble Reynolds, with a 5-0 vote, Council authorized the City Manager to execute the following Performance Agreement with the City of Martinsville and Southern Finishing Company for \$135,000 from the Governor's Development Opportunity Fund through the VEDP:

**GOVERNOR'S DEVELOPMENT OPPORTUNITY FUND**

**PERFORMANCE AGREEMENT**

This **PERFORMANCE AGREEMENT** made and entered this 30th day of November, 2010, by and between the **CITY OF MARTINSVILLE, VIRGINIA** (the "Locality") a political subdivision of the Commonwealth of Virginia (the "Commonwealth"), and **THE SOUTHERN FINISHING COMPANY, INCORPORATED** (the "Company"), a North Carolina corporation authorized to transact business in the Commonwealth.

WITNESSETH:

WHEREAS, the Locality has received a grant of and expects to receive \$135,000 from the Governor's Development Opportunity Fund (a "GOF Grant") through the Virginia Economic Development Partnership Authority ("VEDP") for the purpose of inducing the Company to acquire, expand, consolidate and improve facilities in the Locality (together, the "Facility"), thereby making a significant Capital Investment, as hereinafter defined, and creating a significant number of New Jobs, as hereinafter defined;

WHEREAS, the Locality is willing to provide the funds to or for the use of the Company, provided that the Company meets certain criteria relating to Capital Investment and New Jobs;

WHEREAS, the Locality and the Company desire to set forth their understanding and agreement as to the payout of the GOF Grant, the use of the GOF Grant proceeds, the obligations of the Company regarding Capital Investment and New Job creation, and the repayment by the Company of all or part of the GOF Grant under certain circumstances;

WHEREAS, the acquisition, expansion, consolidation, improvement and operation of the Facility will entail a capital expenditure in machinery and equipment of approximately \$1,700,000 and will further entail the creation of 67 New Jobs at the Facility; and

WHEREAS, the stimulation of the additional tax revenue and economic activity to be generated by the Capital Investment and New Jobs constitutes a valid public purpose for the expenditure of public funds and is the animating purpose for the GOF Grant:

NOW, THEREFORE, in consideration of the foregoing, the mutual benefits, promises and undertakings of the parties to this Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties covenant and agree as follows.

**Section 1. Definitions.**

For the purposes of this Agreement, the following terms shall have the following definitions:

"Capital Investment" means a capital expenditure in taxable real property, tangible personal property, or both, at the Facility, excluding the purchase of land or existing real property improvements. The Capital Investment must be in addition to the capital improvements at the Facility as of August 30, 2010. Excluding the purchase of land and existing real property improvements, the expected \$1,700,000 capital investment in machinery and equipment is referred to in this Agreement as the "Capital Investment."

"Maintain" means that the New Jobs created pursuant to the GOF Grant will continue without interruption from the date of creation through the Performance Date. Positions for the New Jobs will be treated as Maintained during periods in which such positions are not filled due to temporary reductions in the Company's employment levels in connection with recruitment for open positions or strikes and other work stoppages.

"New Job" means new permanent full-time employment of an indefinite duration at the Facility for which the standard fringe benefits are paid by the Company for the employee, and for which the Company pays an average annual wage of at least \$27,040. Each New Job must require a minimum of either (i) 35 hours of an employee's time per week for the entire normal year of the Company's operations, which "normal year" must consist of at least 48 weeks, or (ii) 1,680 hours per year. Seasonal or temporary positions, positions created when a job function is shifted from an existing location in the Commonwealth, and positions with construction contractors, vendors, suppliers and similar multiplier or spin-off jobs shall not qualify as New Jobs. The New Jobs must be in addition to the 137 full-time jobs at the Facility as of August 30, 2010 paying an average annual wage of at least \$28,548.

"Performance Date" means December 31, 2013. If the Locality, in consultation with VEDP, deems that good faith and reasonable efforts have been made and are being made by the Company to achieve the Targets, the Locality may agree to extend the Performance Date by up to 15 months. If the Performance Date is extended, the Locality shall send written notice of the extension to the Company and VEDP and the date to which the Performance Date has been extended shall be the "Performance Date" for the purposes of this Agreement.

"Targets" means the Company's obligations to make Capital Investments at the Facility of at least \$1,700,000 and to create and Maintain at least 67 New Jobs at the Facility, all as of the Performance Date.

"Virginia Code" means the Code of Virginia of 1950, as amended.

**Section 2. Targets.**

The Company will develop and operate the Facility in the Locality, make a Capital Investment of at least \$1,700,000, and create and Maintain at least 67 New Jobs at the Facility, all as of the Performance Date.

average annual wage of the 137 existing jobs of at least \$28,548 is greater than the prevailing average annual wage in the Locality. The Locality is a high-unemployment locality, with an unemployment rate for 2009 which is the last year for which such data is available, of 20.1%, as compared to the 2009 statewide unemployment rate of 6.7%.

**Section 3. Disbursement of GOF Grant.**

The GOF Grant in the amount of \$135,000 will be paid to the Locality, upon its request. Within 30 days of its receipt of the GOF Grant proceeds, the Locality will disburse the GOF Grant proceeds to the Company as an inducement to the Company to achieve the Targets at the Facility. The Company will use the GOF Grant proceeds to pay the costs of public and private utility extension or capacity development on and off site; public and private installation, extension, or capacity development of high-speed or broadband Internet access, whether on or off site; and grading, drainage, paving, and any other activity required to prepare a site for construction, all as permitted by Section 2.2-115(C) of the Virginia Code.

By no later than December 31, 2010, the Locality will request the disbursement to it of the GOF Grant. If not so requested by the Locality by December 31, 2010, this Agreement will terminate. The Locality and the Company will be entitled to reapply for a GOF Grant thereafter, based upon the terms, conditions and availability of funds at that time.

**Section 4. Break-Even Point; State and Local Incentives.**

VEDP has estimated that the Commonwealth will reach its "break-even point" by the Performance Date. The break-even point compares new revenues realized as a result of the Capital Investment and New Jobs at the Facility with the Commonwealth's expenditures on incentives, including but not limited to the GOF Grant. With regard to the Facility, the Commonwealth will provide incentives in the following amounts:

Category of Incentive:	Total Amount
GOF Grant	\$135,000
Virginia Jobs Investment Program ("VJIP") (Estimated)	53,600
Tobacco Region Opportunity Fund Grant ("TROF")	380,000
Enterprise Zone Job Creation Grants	157,500

The Locality has committed to provide the following incentives, as matching grants or otherwise, for the Facility:

Category of Incentive:	Total Amount
Grant Based on Machinery & Tools Taxes Paid (Estimated)	\$69,000

If, by the Performance Date, the grant funds disbursed or committed to be disbursed by the Locality to the Company total less than the \$67,500 GOF Grant local match requirement, the

Locality, subject to appropriation, will make an additional grant to the Company of the difference at the Performance Date, so long as the Company has met its Targets.

The proceeds of the GOF Grant shall be used for the purposes described in Section 3. The VJIP grant proceeds shall be used by the Company to pay or reimburse itself for recruitment and training costs. The proceeds of the TROF Grant shall be used for building/equipment upfits. The proceeds of the Enterprise Zone Job Creation Grant and the Locality's grant may be used by the Company for any lawful purpose.

**Section 5. Repayment Obligation.**

(a) *If Statutory Minimum Requirements are Not Met:* Section 2.2-115 of the Virginia Code requires that the Company make a Capital Investment of at least \$1,500,000 in the Facility and create and Maintain at least 15 New Jobs at the Facility in order to be eligible for the GOF Grant. Failure by the Company to meet either of these eligibility requirements by the Performance Date shall constitute a breach of this Agreement and the entire GOF Grant must be repaid by the Company to the Locality.

(b) *If Statutory Minimum Requirements are Met:* For purposes of repayment, the GOF Grant is to be allocated as \$67,500 (50%) for the Company's Capital Investment Target and \$67,500 (50%) for its New Jobs Target. If the Company has met at least ninety percent (90%) of both of the Targets at the Performance Date, then and thereafter the Company is no longer obligated to repay any portion of the GOF Grant. If the Company has not met at least ninety percent (90%) of either or both of its Targets, the Company shall repay to the Locality that part of the GOF Grant that is proportional to the Target or Targets for which there is a shortfall. For example, if at the Performance Date, the Capital Investment is only \$1,500,000 and only 45 New Jobs have been created and Maintained, the Company shall repay to the Locality twelve percent (12%) of the moneys allocated to the Capital Investment Target (\$8,100) and thirty-three percent (33%) of the moneys allocated to the New Jobs Target (\$22,275).

(c) *Determination of Inability to Comply:* If the Locality or VEDP shall determine at any time prior to the Performance Date (a "Determination Date") that the Company is unable or unwilling to meet and Maintain its Targets by and through the Performance Date, and if the Locality or VEDP shall have promptly notified the Company of such determination, the Company must repay the entire GOF Grant to the Locality.

(d) *Repayment Dates:* Such repayment shall be due from the Company to the Locality within thirty days of the Performance Date or the Determination Date, as applicable. Any moneys repaid by the Company to the Locality hereunder shall be repaid by the Locality promptly to VEDP for redeposit into the Governor's Development Opportunity Fund. The Locality shall use its best efforts to recover such funds, including legal action for breach of this Agreement. The Locality shall have no responsibility for the repayment of any sums hereunder unless said sums have been received by the Locality from the Company.

**Section 6. Company Reporting.**

The Company shall provide, at the Company's expense, detailed verification reasonably satisfactory to the Locality and VEDP of the Company's progress on the Targets. Such progress reports will be provided annually, starting at April 1, 2012, covering the progress on the Targets through the prior calendar year, and at such other times as the Locality or VEDP may require.

**Section 7. Notices.**

Any notices required or permitted under this Agreement shall be given in writing, and shall be deemed to be received upon receipt or refusal after mailing of the same in the United States Mail by certified mail, postage fully pre-paid or by overnight courier (refusal shall mean return of certified mail or overnight courier package not accepted by the addressee):

if to the Company, to:

The Southern Finishing Company,  
Incorporated  
100 West Main Street  
Post Office Box 888  
Stoneville, NC 27048  
Attention: President

if to the Locality, to:

City of Martinsville, Virginia  
55 West Church St.  
Martinsville, VA 24112  
Attention: City Manager

with a copy to:

Martinsville - Henry County Economic  
Development Corporation  
134 East Church Street Suite 200  
Martinsville, VA 24114  
Attention: Executive Director

if to VEDP, to:

Virginia Economic Development Partnership  
901 East Byrd Street, 19<sup>th</sup> Floor  
Post Office Box 798 (zip: 23218-0798)  
Richmond, Virginia 23219  
Attention: Executive Director

with a copy to:

Virginia Economic Development Partnership  
901 East Byrd Street, 19<sup>th</sup> Floor  
Post Office Box 798 (zip: 23218-0798)  
Richmond, Virginia 23219  
Attention: General Counsel

**Section 8. Miscellaneous.**

(a) *Entire Agreement; Amendments:* This Agreement constitutes the entire agreement between the parties hereto as to the GOF Grant and may not be amended or modified, except in writing, signed by each of the parties hereto. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. The Company may

not assign its rights and obligations under this Agreement without the prior written consent of the Locality and VEDP.

(b) *Governing Law; Venue:* This Agreement is made, and is intended to be performed, in the Commonwealth and shall be construed and enforced by the laws of the Commonwealth. Jurisdiction and venue for any litigation arising out of or involving this Agreement shall lie in the Circuit Court of the City of Richmond, and such litigation shall be brought only in such court.

(c) *Counterparts:* This Agreement may be executed in one or more counterparts, each of which shall be an original, and all of which together shall be one and the same instrument.

(d) *Severability:* If any provision of this Agreement is determined to be unenforceable, invalid or illegal, then the enforceability, validity and legality of the remaining provisions will not in any way be affected or impaired, and such provision will be deemed to be restated to reflect the original intentions of the parties as nearly as possible in accordance with applicable law.

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IN WITNESS WHEREOF, the parties hereto have executed this Performance Agreement as of the date first written above.

CITY OF MARTINSVILLE, VIRGINIA

By: [Signature]  
Name: Clarence C. Monday  
Title: City Manager  
Date: November 30, 2010

THE SOUTHERN FINISHING  
COMPANY, INCORPORATED

By: [Signature]  
Name: Kim Adkins  
Title: Mayor  
Date: November 30, 2010

There being no further business, Mayor Adkins adjourned the meeting at 2:10 PM. Following the Council meeting an official announcement of the new jobs was held in Council Chambers.

Clarence C. Monday, Clerk of Council

Kim Adkins, Mayor