

INCENTIVE & PERFORMANCE AGREEMENT

THIS INCENTIVE & PERFORMANCE AGREEMENT (this "Agreement") is made and entered into as of this 2nd day of August, 2006, by and among the **INDUSTRIAL DEVELOPMENT AUTHORITY OF GREENSVILLE COUNTY, VIRGINIA**, a political subdivision of the Commonwealth of Virginia (hereafter "IDA"), the **GREENSVILLE COUNTY WATER AND SEWER AUTHORITY**, a political subdivision of the Commonwealth of Virginia (hereafter "GCWSA"), **GREENSVILLE COUNTY, VIRGINIA**, a political subdivision of the Commonwealth of Virginia (hereafter "Greensville"), and **ORAN SAFETY GLASS, INC.**, a Delaware corporation (hereafter "OSG"; together with the IDA, GCWSA and Greensville, the "Parties").

RECITATIONS:

- R-1** The IDA owns certain real property (together with all improvements thereon and appurtenances thereto, the "Shell Building Property") located in the Greensville County Industrial Park in Greensville County, Virginia (the "Industrial Park"), having an address of 48 Industrial Parkway, and consisting of approximately five and one-third (5.333) acres of land briefly described as follows: fronting on the southeasternmost right-of-way for U. S. Highway 301 for a distance of approximately 357 feet, fronting on the northwesternmost right-of-way for Three Creek Drive for a distance of approximately 358 feet, fronting on the northeasternmost right-of-way for SR 645 (Industrial Parkway) for a distance of approximately 613 feet, and bounded on the northeast by a straight line which extends from the northeasternmost corner (on U. S. Highway 301) to the southeasternmost corner (on Three Creek Drive).
- R-2** The IDA has constructed an 82,800 square foot industrial shell building ("Shell Building") on the Shell Building Property.
- R-3** The Parties have developed a package of incentives to induce OSG to (i) lease the Shell Building Property from the IDA in its "as is, where is" condition, subject to the terms and conditions of a lease in the form attached hereto as Exhibit "A" (the "Lease"), (ii) improve the Shell Building and the Shell Building Property in accordance with the terms of the Lease; and (iii) operate its business from the Shell Building, and thereby create new jobs in the County.
- R-4** The parties hereto make and enter into this contract for the purpose of evidencing the terms and conditions agreed to between them, and further to cause said terms and conditions to be binding upon them and their successors and assigns.

AGREEMENT:

WITNESSETH: That for and in consideration of the mutual and reciprocal benefits inuring to the parties hereunder, and in further consideration of the duties imposed upon the Parties hereby, the Parties covenant and agree as follows:

1. RECITALS; PROPERTY: The Recitations set forth in Paragraphs R-1 through R-4 above are hereby made a part of this Agreement. The Parties agree that the property which is the subject matter of this Agreement is in all respects the identical property identified in paragraph R-1 hereof as the "Shell Building Property", which is also the identical property which is the subject of the Lease.

2. LEASE AGREEMENT: IDA and OSG have entered into the Lease as of the date hereof, which Lease sets forth the terms and conditions upon which OSG shall lease the Shell Building Property from IDA for a period of ten (10) years, commencing on January 1, 2007, and extending to and through December 31, 2016 (as the same may be extended in accordance with the terms of the Lease).

3. ESTIMATED COST OF BUILDING AND SITE IMPROVEMENTS: The Parties acknowledge that to enable use of the Shell Building by OSG for its intended purposes, improvements to the Shell Building and the Shell Building Property are necessary. The Parties have secured two cost estimates from Blair Construction Company, Inc. ("Blair"). The estimate for the initial phase of work and construction (the "Phase I Project") prepared by Blair includes, without limitation, the pouring of half of the concrete floor for the Shell Building and the completion of exterior site work (including without limitation the parking areas serving the Shell Building). The scope of the Phase I Project is more particularly set forth and identified in the cost estimate attached as Exhibit "B" hereto and incorporated herein by this reference, providing an estimated project cost of \$576,409.00 (the "Phase I Cost"). The estimate for the second phase of work and construction (the "Phase II Project") prepared by Blair includes, without limitation, the "upfitting" of half of the Shell Building to meet the specific needs of OSG. The scope and cost of the Phase II Project is more particularly set forth and identified in the cost estimate attached as Exhibit "C" hereto and incorporated herein by this reference.

4. SOURCES OF FUNDING FOR PHASE I PROJECT COSTS: The Phase I Project shall be constructed at the sole cost and expense of Landlord, subject to the terms of the Lease and subject to the following:

4.1. Committed Grant Funds:

- a. Greenville represents and warrants that it has made all necessary applications and submittals to, and has obtained a full and final approval of and commitment from, the Tobacco Indemnification and Community Revitalization Commission (the "Tobacco Commission") for a \$100,000.00 grant from the Tobacco Commission Local Allocation Shell Building Fund (the "TCLASBF Grant"). The TCLASBF Grant shall be used by Greenville and IDA to offset a portion of the Phase I Cost.
- b. The Emporia/Greenville Industrial Development Corporation ("IDC"), has awarded a grant to Greenville in the sum of \$50,000.00 (the "IDC Grant"), which shall be used by Greenville to offset a portion of the Phase I Cost. Greenville represents and warrants that it has made all necessary applications

and submittals to, and has obtained a full and final approval of and commitment from, the IDC for the foregoing grant.

- c. Greensville represents and warrants that it has made all necessary applications and submittals to, and has obtained a full and final approval of and commitment from, the Tobacco Indemnification and Community Revitalization Commission (the "Commission") for a Tobacco Region Opportunity Fund Grant in the sum of \$125,000.00 (the "TROF Grant"), subject to the terms of the Performance Agreement (as hereinafter defined). The TROF Grant shall be used by Greensville and IDA to offset a portion of the Phase I Cost.
- d. Greensville represents and warrants that it has made all necessary applications and submittals to, and has obtained a full and final approval of and commitment from, the office of the Governor of the Commonwealth of Virginia, for a grant from the Governor's Opportunity Fund in the sum of \$125,000.00 (the "GOF Grant"), subject to the terms and conditions of the Performance Agreement. The GOF Grant shall be used by Greensville and IDA to offset a portion of the Phase I Cost.
- e. OSG represents and warrants that it has made or will make all necessary applications and submittals to the Virginia Department of Housing and Community Development ("VDHCD") for a Virginia Enterprise Zone Real Property Improvement Grant in the estimated sum of \$125,000.00 (the "VEZRPI Grant"). OSG shall dedicate the VEZRPI Grant proceeds to offset a portion of the Phase I Cost. Greensville and IDA agree to cooperate with OSG and VDHCD to provide any additional information or documentation required in connection with the VEZRPI Grant. In the event that the full amount of the VEZRPI Grant noted above is not delivered in accordance herewith due to the unavailability of funds and subsequent prorating of grant money by VDHCD, OSG and the IDA shall each be responsible for one half (1/2) of the amount by which the amount set forth in this Section 4.1(e) exceeds the amount of the VEZRPI Grant actually received.

4.2. Greensville Loan:

- a. Greensville shall secure a loan from the Virginia Small Business Finance Authority in the amount (which amount, together with all reasonable costs incurred by Greensville in connection with obtaining such financing, is hereinafter referred to as the "Loan") by which the total Phase I Cost exceeds \$400,000.00, which Loan shall be applied to the Phase I Cost. The extent to which the Phase I Cost exceeds \$525,000 and the portion of the Loan applicable thereto is referred to herein as the "OSG Loan Portion." The amount of the Loan shall not otherwise be adjusted or affected in any way by any failure of Greensville or any other party to make, obtain or distribute any of the grants described in Section 4.1 above, except as caused solely and directly by a breach by OSG of its obligations hereunder. Greensville, OSG and the IDA each

covenant to diligently proceed with and submit any and all applications and other submittals required in connection with the Loan such that the Loan is obtained no later than thirty (30) days following the date hereof and otherwise to ensure timely completion of the Phase I Project. When received, the VZRPI Grant and the amounts, if any, payable by OSG and Greenville pursuant to the last sentence of Paragraph 4.1(e) for any shortfall in the VZRPI Grant, shall be applied promptly to partial prepayment of the Loan (other than the OSG Loan Portion).

- b. The Loan shall be amortized over a period of ten (10) years, with interest accruing at a rate of four percent (4%), or the lowest rate that is otherwise reasonably obtainable by Greenville. The OSG Loan Portion shall be repaid to Greenville by OSG in the form of ten (10) equal annual payments of principal and interest, each of which shall be due and payable on or before December 31 of each calendar year commencing on December 31, 2007, as and when OSG receives payment of the Job Grants (as defined below) for such calendar year. Notwithstanding anything in this Agreement to the contrary, OSG shall have the right, at any time during the Term of the Lease, to prepay to Greenville any or all outstanding principal sums and then-accrued interest due and payable under the OSG Loan Portion, and Greenville agrees that any such amounts paid to Greenville by OSG shall be promptly applied to the payment of the OSG Loan Portion (applied first to payment of interest and other lawful charges, with the balance applied to the principal).

5. SOURCE OF FUNDING FOR PHASE II PROJECT COSTS: OSG shall be solely responsible for the costs actually incurred for the Phase II Project as and when the same become due and payable pursuant to the Phase II Agreement (as defined in the Lease), whether such actual costs are greater or less than the Phase II Cost set forth above.

6. OSG'S DUTY TO REPAY GRANT FUNDS FOR FAILURE TO CREATE REQUISITE NUMBER OF JOBS:

- 6.1. OSG acknowledges and agrees that receipt by it and Greenville (or IDA), without repayment, of the GOF Grant and the TROF Grant is conditioned upon OSG creating a minimum of ninety percent (90%) of fifty (50) new jobs within thirty (30) months from the date the last grant is received by Greenville under Section 4.1 above. OSG acknowledges and agrees that if it fails to create at least forty-five (45) jobs within said thirty (30) month period, such the GOF Grant and the TROF Grant must be repaid to the applicable granting agencies in an amount that is proportional to the job shortfall, and OSG shall reimburse Greenville for any such repayment due from Greenville.
- 6.2. OSG hereby acknowledges that the liabilities and responsibilities imposed on it as a condition of receiving the grant funds described in Section 6.1 above shall be set forth in that certain Performance Agreement dated as of July 17, 2006 between OSG, the Virginia Economic Development Partnership, the Commission and Greenville

(the "Performance Agreement"), a copy of which is attached as Exhibit "E" hereto, and the terms of which are incorporated herein by this reference. OSG further acknowledges that to its knowledge all terms and conditions of the Performance Agreement shall be valid and enforceable, and in the event of a conflict between any term of that separate agreement and any term hereof, the term of that separate agreement shall control and be enforceable.

7. OSG'S DUTY TO REPAY GRANT FUNDS FOR FAILURE TO MAKE REQUISITE MINIMUM INVESTMENT FOR REAL ESTATE IMPROVEMENTS AND MACHINERY & EQUIPMENT:

- 7.1. OSG acknowledges and agrees that receipt by it and Greensville (or IDA), without repayment, of the GOF Grant and the TROF Grant is conditioned upon OSG making a capital investment of at least ninety percent (90%) of \$4,100,000.00 (which amount includes the cost of the Phase II Project) at the Shell Building Property within thirty (30) months from the date the last grant is received by Greensville (or IDA) under Section 4.1 above. OSG acknowledges and agrees that if it fails to make a capital investment of at least \$4,100,000.00 at the Shell Building Property within said thirty (30) month period, such grants must be repaid to the applicable granting agencies in an amount that is proportional to the investment shortfall, and OSG shall reimburse Greensville for any such repayment due from Greensville.
- 7.2. OSG hereby acknowledges that the liabilities and responsibilities imposed on it as a condition of receiving said grant funds described in Section 6.2 above shall be set forth in the Performance Agreement. OSG further acknowledges that all terms and conditions of the Performance Agreement shall be valid and enforceable, and in the event of a conflict between any term of that separate agreement and any term hereof, the term of that separate agreement shall control and be enforceable.

8. REFUND TO OSG OF REAL PROPERTY AND MACHINERY & TOOLS TAX:

- 8.1. For ten (10) consecutive calendar years, commencing with the first full calendar year of OSG's business operation at the Shell Building Property, IDA shall refund to OSG one-half (1/2) of the real property tax paid by OSG to Greensville for each such calendar year. OSG shall pay to Greensville the total real property tax (or payment lieu thereof, or "PILOT") due from it each calendar year to the extent required in the Lease. Within thirty (30) days from the date of any such payment by OSG, IDA shall refund to OSG one-half (1/2) of the tax (or payment in lieu thereof) so paid by OSG. OSG shall be entitled to offset the refund due to OSG under this Section 8.1 against the Base Rent due and payable under the Lease, in any manner reasonably determined by OSG. In no event shall there be a refund to OSG of any penalty, interest, late payment fee or other charge imposed on OSG resulting from its failure to make timely payment of any such tax. OSG shall not be entitled to any refund of real property tax after the first ten (10) consecutive calendar years of its operation at the Shell Building Property.

8.2. For ten (10) consecutive calendar years, commencing with the first full calendar year of OSG's business operation at the Shell Building Property, IDA shall refund to OSG one-half (1/2) of the machinery & tools tax paid by OSG to Greensville for each such calendar year. OSG shall pay to Greensville the total machinery & tools tax due from it each calendar year to the extent required in the Lease. Within thirty (30) days from the date of such payment by OSG, IDA shall refund to OSG one-half (1/2) of the tax so paid by OSG. OSG shall be entitled to offset the refund due to OSG under this Section 8.2 against the Base Rent due and payable under the Lease, in any manner reasonably determined by OSG. In no event shall there be a refund to OSG of any penalty, interest, late payment fee or other charge imposed on OSG resulting from its failure to make timely payment of such tax. OSG shall not be entitled to any refund of machinery & tools tax after the first ten (10) consecutive calendar years of its operation at the Shell Building Property.

9. WAIVER OF CONNECTION FEES; MANDATORY CHARACTERISTICS OF OSG WASTEWATER:

9.1. OSG shall comply with the reasonable Rules and Regulations of the GCWSA, as now in effect or as hereafter amended from time-to-time. Accordingly, OSG shall ensure that wastewater delivered by it into GCWSA's collection system shall meet, or exceed, the standards imposed by such Rules and Regulations. GCWSA represents and warrants that it has provided a true, accurate and complete copy of the Rules and Regulations to OSG on or prior to the date of this Agreement, and will use best efforts to provide actual notice to OSG of any amendment thereto.

9.2. GWSCA shall waive the entire water and sewer connection fees or similar charges otherwise due and payable by OSG in connection with its occupancy and operation of the Shell Building Property, which fees are acknowledged by the Parties to be estimated at \$20,000.00. GWSCA represents and warrants that it has obtained and secured all full and final approvals required to effect the aforementioned waiver.

10. WAIVER OF BUILDING PERMIT FEE: Greensville shall waive the entire building permit fees or charges otherwise due and payable by OSG in connection with the Phase I Project or the Phase II Project, which fees are acknowledged by the Parties to be estimated at \$4,300.00. Greensville represents and warrants that it has obtained and secured all full and final approvals required to effect the aforementioned waiver.

11. MECKLENBURG ELECTRIC COOPERATIVE: The Parties acknowledge that electrical service to the Shell Building Property is and shall be provided by the Mecklenburg Electric Cooperative ("MEC"). MEC is eligible to apply on behalf of qualified companies for financing to assist economic development projects in the area of Greensville County, Virginia, through the U.S. Department of Agriculture's Rural Economic Development Loan Program ("REDLP"). Greensville represents and warrants to OSG that it has received a letter from MEC expressing MEC's desire to assist in making an application for an REDLP loan in the amount of \$400,000.00, at zero percent (0%) interest with a payment period of ten (10) years. Greensville, IDA and OSG each covenant to provide any information or other reasonably necessary cooperation

to MEC in connection with the REDLP loan. The foregoing shall not constitute a guarantee by Greenville of MEC's approval of the REDLP loan application.

12. OTHER GRANTS AND INCENTIVES:

- 12.1.** Greenville, IDA and OSG each acknowledge the commitment from VDHCD for job creation grants in the sum of \$153,600.00 (the "Job Grants"), as more particularly set forth in that certain letter given by the Virginia Economic Development Partnership and attached hereto as Exhibit "D" (the "Incentive Letter"), and subject to the terms thereof and to the terms of the Performance Agreement. Each of Greenville, IDA and OSG agrees to cooperate with one another and with VDHCD and to provide any additional information or documentation required in connection with the Job Grants.
- 12.2.** Greenville, IDA and OSG each acknowledge the commitment from the Workforce Services department of the Virginia Department of Business Assistance ("VDBA") for certain training and recruitment incentives in the sum of \$30,000.00, and certain training and recruitment services valued at \$67,680.00, as more particularly described in the Incentive Letter, and subject to the terms of the Performance Agreement. Each of Greenville, IDA and OSG agrees to cooperate with one another and with VDBA and to provide any additional information or documentation required in connection with the foregoing grants and incentives.
- 12.3.** Following the date of this Agreement, Greenville shall use commercially reasonable diligence to take all necessary action and make all necessary applications and submittals to Southside Virginia Community College and the Greenville County Public Schools (together, the "Schools") to secure a commitment to provide OSG with free classroom space for pre-employment testing and training to assist OSG in developing its initial staffing needs and prepare new employees for work upon the commencement of the Lease. A copy of such commitment is attached hereto and satisfies Greenville's obligations under this Section 12.3.

13. RENT CREDIT: OSG's obligations under this Agreement and under the Lease shall be subject to the proper and timely filing of all applications and filings required in connection with the grants and other incentives described herein, and the timely receipt of all such grants and other incentives. In the event that all or part of any grant or incentive due and payable or otherwise deliverable under Sections 8, 9 or 10 of this Agreement is not made, obtained or otherwise received by the party entitled thereto in accordance herewith, OSG shall be entitled to credit and offset the amount of such grant or incentive against the Base Rent due and payable under the Lease; provided however that OSG shall not have the right to make such offsets if the grant or incentive in question is not made, obtained or otherwise received directly and solely as a result of a breach by OSG of its obligations hereunder. In accordance with Section 4.1(e) above, OSG shall be entitled to an offset against (or abatement of) the Base Rent due under the Lease, applied in its reasonable discretion, in the amount of one half (½) of the amount by which (a) the amount of the VEZRPI Grant actually received under Section 4.1(e), is less than (b) \$125,000.00.

14. DEFAULT: It shall be an "Event of Default" hereunder in the event that any Party hereto is in breach of any of the terms and conditions hereof, and such breach is not cured within thirty (30) days following receipt of written notice from the non-breaching party (or, if such breach cannot reasonably be cured within a 30-day period the breaching party shall have a reasonable time following receipt of such notice to cure such breach, provided that the breaching party has commenced to cure such default within such 30-day period and thereafter diligently pursues such cure to completion). Following an Event of Default each Party shall be entitled to exercise all rights available to it under the laws of the Commonwealth of Virginia, whether at law or in equity. Greenville shall have no liability for any failure by the Commonwealth of Virginia to take any actions required by it under the terms of this Agreement (except to the extent of the rent abatements provided in Section 4.2 and Section 13 above).

15. CONTROLLING LAW: The parties acknowledge that the terms and conditions hereof shall be interpreted, construed and enforced under the laws of the Commonwealth of Virginia. The parties further acknowledge that in the event of litigation under any of the terms and conditions hereof, the Circuit Court/General District Court for Greenville County, Virginia, shall have exclusive jurisdiction.

16. MODIFICATIONS OR AMENDMENTS: The parties agree that any modification or amendment of this Agreement shall be in writing signed by all parties before such modification or amendment shall have force or effect.

17. BINDING AGREEMENT: The terms and conditions of this Agreement shall be binding on the parties hereto, their heirs, assigns and other successors in title.

18. ENTIRE AGREEMENT: The parties acknowledge that the terms and conditions of this Agreement, the Lease, and all Exhibits hereto and thereto, constitute the entire agreement between the parties, and that no modification or amendment hereof shall be binding upon the parties unless reduced to writing and signed by all parties hereto.

19. CONSTRUCTION: The captions in this Agreement are for convenience only, are not a part of this Agreement and do not in any way define, limit, describe or amplify the terms of this Agreement. The masculine (or neutral) pronoun and the singular number shall include the masculine, feminine and neutral genders and the singular and plural number. The word "including" followed by any specific item(s) is deemed to refer to examples rather than to be words of limitation. Both parties having participated fully and equally in the negotiation and preparation of this Agreement, this Agreement shall not be more strictly construed, nor any ambiguities in this Agreement resolved, against any one of the Parties. Each covenant, agreement, obligation, term, condition or other provision contained in this Agreement shall be deemed and construed as a separate and independent covenant of the party bound by, undertaking or making the same, not dependent on any other provision of this Agreement unless otherwise expressly provided. If any provisions of this Agreement shall be declared unenforceable in any respect, such unenforceability shall not affect any other provision of this Agreement, and each such provision shall be deemed to be modified, if possible, in such a manner as to render it enforceable and to preserve to the extent possible the intent of the Parties as set forth herein.

[Signatures on Next Page]

IN WITNESS WHEREOF, this contract is executed on behalf of the Industrial Development Authority of Greensville County, Virginia, by the Chairman/Vice-Chairman of its Board of Directors, on behalf of the Greensville County Water and Sewer Authority by the Chairman/Vice-Chairman of its Board of Directors, on behalf of Greensville County, Virginia, by the Chairman/Vice-Chairman of its Board of Supervisors, in each case such signature being attested by the Clerk, pursuant to a resolution duly adopted by each respective Board, and on behalf of Oran Safety Glass by Gabi Magen, its CEO.

INDUSTRIAL DEVELOPMENT
AUTHORITY OF GREENSVILLE
COUNTY, VIRGINIA

ORAN SAFETY GLASS, INC.

By: _____
Chairman/Vice-Chairman
Board of Directors

By: Gabi Magen
Title: CEO

ORAN SAFETY GLASS
INC.

ATTEST:

Clerk

GREENSVILLE COUNTY WATER
AND SEWER AUTHORITY

GREENSVILLE COUNTY, VIRGINIA

By: _____
Chairman/Vice-Chairman
Board of Directors

By: _____
Chairman/Vice-Chairman
Board of Supervisors

ATTEST:

ATTEST:

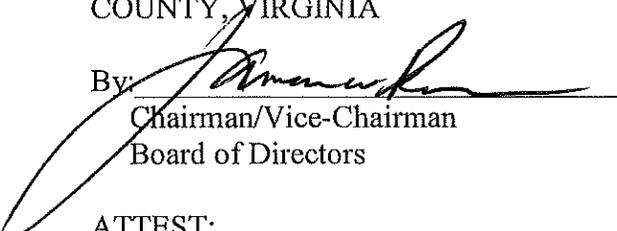
Clerk

Clerk

IN WITNESS WHEREOF, this contract is executed on behalf of the Industrial Development Authority of Greensville County, Virginia, by the Chairman/Vice-Chairman of its Board of Directors, on behalf of the Greensville County Water and Sewer Authority by the Chairman/Vice-Chairman of its Board of Directors, on behalf of Greensville County, Virginia, by the Chairman/Vice-Chairman of its Board of Supervisors, in each case such signature being attested by the Clerk, pursuant to a resolution duly adopted by each respective Board, and on behalf of Oran Safety Glass by Gabi Magen, its CEO.

INDUSTRIAL DEVELOPMENT
AUTHORITY OF GREENSVILLE
COUNTY, VIRGINIA

ORAN SAFETY GLASS, INC.

By: 
Chairman/Vice-Chairman
Board of Directors

By: _____
Title: _____

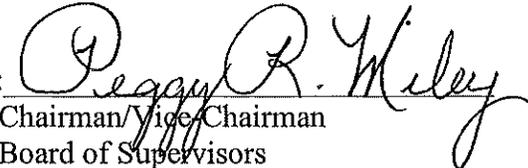
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Clerk

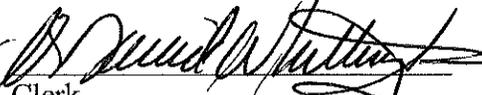
GREENSVILLE COUNTY WATER
AND SEWER AUTHORITY

GREENSVILLE COUNTY, VIRGINIA

By: 
Chairman/Vice-Chairman
Board of Directors

By: 
Chairman/Vice-Chairman
Board of Supervisors

ATTEST:


Clerk

ATTEST:


Clerk