
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

**CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934**

Date of Report (Date of earliest event reported):
December 11, 2009

UNIFI, INC.

(Exact name of registrant as specified in its charter)

New York
(State of Incorporation)

1-10542
(Commission File Number)

11-2165495
(IRS Employer
Identification No.)

7201 West Friendly Avenue
Greensboro, North Carolina 27410
(Address of principal executive offices, including zip code)

(336) 294-4410
(Registrant's telephone number, including area code)

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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ITEM 1.01 ENTRY INTO A MATERIAL DEFINITIVE AGREEMENT.

On December 11, 2009, Unifi Manufacturing, Inc. (“UMI”), a wholly owned subsidiary of Unifi, Inc. (the “Registrant”), and Dillon Yarn Corporation (“DYC”), entered into a Second Amendment (the “Amendment”) to the Sales and Services Agreement dated as of January 1, 2007 (the “Agreement”). The Amendment provides that effective January 1, 2010, the term of the Agreement will be extended for a one (1) year term, which will expire on December 31, 2010, and the consideration for the Sales Services (as defined in the Agreement) and Transitional Services (as defined in the Agreement) to be provided by DYC to UMI during the one year term of the Amendment shall be \$1,300,000, paid in advance, in quarterly installments of \$325,000 each.

Mr. Stephen Wener, the Chairman of the Board of Directors of the Registrant, is the President and Chief Executive Officer of DYC, and together with his wife, beneficially owns 17.5% of the equity interest in DYC.

The foregoing description of the Amendment does not purport to be complete and is qualified in its entirety by reference to the full text of the Amendment, a copy of which is filed as Exhibit 10.1 hereto and is incorporated herein by reference.

ITEM 9.01. FINANCIAL STATEMENTS AND EXHIBITS.

(d) Exhibits.

EXHIBIT NO.	DESCRIPTION OF EXHIBIT
10.1	Second Amendment to Sales and Services Agreement, executed on December 11, 2009, by and between UMI and DYC.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

UNIFI, INC.

By: /s/ Charles F. McCoy
Charles F. McCoy
Vice President, Secretary and General Counsel

Dated: December 11, 2009

INDEX TO EXHIBITS

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10.1	Second Amendment to Sales and Services Agreement, executed on December 11, 2009, by and between UMI and NYC.

SECOND AMENDMENT TO SALES AND SERVICES AGREEMENT

THIS SECOND AMENDMENT TO SALES AND SERVICES AGREEMENT (hereafter "Second Amendment") is made effective the 1st day of January, 2010 (the "Effective Date") by and between Unifi Manufacturing, Inc., a North Carolina corporation ("Unifi") and Dillon Yarn Corporation, a South Carolina corporation ("DYC"). Unifi and DYC are sometimes hereinafter collectively referred to as the "parties" or individually as a "party."

RECITALS:

WHEREAS, Unifi and DYC entered into a Sales and Services Agreement dated as of January 1, 2007 (the "Original Agreement", the terms of which are incorporated herein by reference) and a First Amendment To Sales and Services Agreement effective January 1, 2009 (the "First Amendment", the terms of which are incorporated herein by reference). The Original Agreement, as amended by the First Amendment, is hereinafter referred to as the "Sales Agreement"; and

WHEREAS, the extended Term of the Sales Agreement expires on December 31, 2009; and

WHEREAS, Unifi desires to exercise its right to extend the Term of the Sales Agreement for an additional one (1) year period to December 31, 2010 in order to continue the orderly transition of the services provided by DYC to Unifi; and

WHEREAS, DYC hereby acknowledges its acceptance and agreement to the additional one year extension of the Sales Agreement; and

WHEREAS, the parties have agreed to amend certain provisions to the Sales Agreement as set forth below.

NOW THEREFORE, in consideration of these premises, the terms and conditions set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Sales Services, Schedule A and Schedule B to the Sales Agreement are deleted in their entireties and replaced by Schedule A and Schedule B hereto respectively.

2. Compensation for Services. Section 3(a) of the Sales Agreement is deleted in its entirety and replaced by the following provision:

(a) As consideration for the Sales Services and the Transitional Services, and subject to Section 3(b), Unifi shall pay DYC \$1,300,000 per year (the "Base Amount"), in advance, in

quarterly installments of \$325,000 each. Unifi shall reimburse DYC for the reasonable travel and entertainment expenses (“T&E expenses”) of its Sales Staff and Executive Staff related to providing the Sales Services to Unifi pursuant to Unifi’s policies and procedures related to T&E expenses.

Except as expressly stated herein, all of the other terms and conditions of the Sales Agreement shall continue in full and effect as originally written. Any capitalized terms set forth herein that are not expressly defined shall have the meaning ascribed thereto in the Sales Agreement. Should there be a conflict in the terms of this Second Amendment and the Sales Agreement the terms of this Second Amendment shall prevail and all applicable terms of the Sales Agreement shall be hereby deemed amended and modified as necessary to give effect to the intents and purposes of this Second Amendment.

This Second Amendment may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have executed this Second Amendment, this the 11th day of December, 2009.

UNIFI MANUFACTURING, INC.
WILLIAM L. JASPER

By: /s/ William L. Jasper
Name: William L. Jasper
Title: President and C.E.O.

DILLON YARN CORPORATION
STEPHEN WENER

By: /s/ Stephen Wener
Name: Stephen Wener
Title: C.E.O.

Schedule A

Sales Staff

Ralph Mormile

John Barrie

William Clark

Palmer Blair

Schedule B

Executive Staff

Stephen Wener