

## CONTRIBUTION AGREEMENT

THIS AGREEMENT, dated as of this \_\_\_\_ day of June, 2023 is made by and between THE CITY OF KINGSPORT, TENNESSEE, a municipal corporation of the State of Tennessee ("City") and THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF KINGSPORT, TENNESSEE, a corporation organized under T.C.A. §7-53-101 et seq., commonly known as the "Kingsport Economic Development Board" ("KEDB").

### RECITALS:

- A. Situated as the intersection of Clinchfield Street and Press Street is located a 3.1 acre property upon which sits the former Kingsport Hosiery Mill now known as the Dobyntaylor Warehouse with an address of 435 Press Street, being Tax Parcel No. 046I A 024.00 ("The Property").
- B. The structure is of historical significance as a portion thereof was originally constructed in 1917 and its location provides economic opportunities which will benefit continued growth of the downtown area.
- C. KEDB has negotiated a 25 year lease of the property ( a/k/a "The Project") which includes options to purchase. Securing the lease with purchase options creates opportunities for the retention of current businesses and the attraction of new businesses.
- D. Currently, the Property is leased by commercial tenants who are expected to remain and whose lease payments are expected to materially offset KEDB's financial obligations under its lease with the current owner.
- E. The City is authorized, pursuant to T.C.A. §6-54-118, to make contributions for economic development or industrial development to an eligible industrial development corporation.

- F. KEDB is an industrial development corporation formed by the City pursuant to T.C.A. §7-53-101 et seq., and, as such, is an eligible industrial development corporation entitled to receive contributions from the City.
- G. The Board of Mayor and Aldermen of the City has heretofore adopted a resolution to provide a contribution for economic development or industrial development, if needed for the Project to KEDB in a total aggregate amount not to exceed FIVE MILLION TWO HUNDRED TWENTY EIGHT THOUSAND SIX HUNDRED DOLLARS and NO/100 (\$5,228,600.00) over the term of the lease nor more than THREE HUNDRED NINE THOUSAND THREE HUNDRED EIGHTY DOLLARS and NO/100 in any given year.
- H. KEDB may need such financial contribution from the City, in whole or in part, for economic development or industrial development for the Project.
- I. The parties desire to execute this Contribution Agreement to satisfy the conditions of the resolution and to document the terms and conditions upon which the City and KEDB will perform their respective obligations for the contribution, in whole or part, to be made by the City to KEDB for economic development or industrial development.

NOW, THEREFORE, in consideration of the foregoing premises, and in consideration of the parties' mutual covenants and undertakings set forth below, the City and KEDB do hereby mutually agree and contract with each other as follows:

1. PROJECT UNDERTAKING KEDB will take all steps necessary and proper to execute the Project including but not limited to avoiding any default of its lease with current owner of the Property. KEDB shall expend its best efforts to promote The Project for economic or industrial development purposes.

2. FINANCING FOR THE PROJECT. KEDB will be primarily responsible for all costs and financial liabilities associated with the Project and shall apply the entirety of all lease payments which it receives from the Property towards its lease payments for the Property.

3. CONTINGENCY FUNDING COMMITMENT BY THE CITY OF KINGSPORT. To support KEDB's completion of the Project and to provide an acceptable pledge as additional security for the Project the City hereby agrees to make such payments to KEDB from time to time upon 30 days prior written notice from KEDB as may be required for the Project. Though City's funding obligation shall not exceed FIVE MILLION TWO HUNDRED TWENTY-EIGHT THOUSAND SIX HUNDRED DOLLARS and NO/100 (\$5,228,600.00) over the term of the lease nor more than THREE HUNDRED NINE THOUSAND THREE HUNDRED EIGHTY DOLLARS and NO/100 in any given year. Such notice shall include information as the City may request. The notice shall be provided to the city manager and a copy provided to the city attorney.

4. NO PERSONAL LIABILITY. No member, director, officer, commissioner, elected representative, or employee, past, present, or future, of the City or KEDB, or any successor body, shall have any personal liability for the performance of any obligations of the City or KEDB set forth in this Agreement.

5. APPLICABLE LAW. This Agreement is made as a Tennessee contract and shall be construed and applied according to the laws of the State of Tennessee

IN WITNESS WHEREOF, the parties have caused this instrument to be executed by their respective duly authorized representatives as of the date first above written.

**Industrial Development Board of the  
City of Kingsport**

**City of Kingsport, Tennessee**

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Craig Dennison, Chairman

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Patrick W. Shull, Mayor

**Attest:**

**Attest:**

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Julie Bennett, Secretary

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Angela Marshall, Deputy City Recorder

**Approved as to form:**

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Rodney B. Rowlett, III, City Attorney