

## **PAYMENT IN LIEU OF TAX AGREEMENT**

THIS AGREEMENT (the “Agreement”) is made and entered into with an effective date as of January 1, 2026 (“Effective Date”), by and between THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF KINGSPORT, TENNESSEE, a Tennessee public non-profit corporation (“KEDB”) and O’NEAL MANUFACTURING SERVICES, LLC, a Delaware limited liability company (the “Company”).

### WITNESSETH:

WHEREAS, KEDB is an industrial development corporation duly organized and existing under the provisions of Title 53 of Chapter 7, Tennessee Code Annotated; and

WHEREAS, Company has recently acquired an approximately 41,000 square foot facility located at 108 Regional Service Park Drive in the City of Kingsport, Sullivan County, Tennessee, on real property more particularly described in Exhibit A (the “Project Site”)

WHEREAS, Company is contemplating the renovation and expansion of the facility located on the Project Site through the purchase and installation of new metal fabrication equipment, which will include (i) new total capital investment of approximately \$4,565,000 in new tangible personal property and \$3,795,000 in the purchase and renovation of the Project Site (ii) the creation of approximately twenty-nine (29) jobs which is subject to a grant contract (“ECD Grant Contract”) between the State of Tennessee Department of Economic and Community Development (hereafter the “Project”).

WHEREAS, Company and KEDB have agreed, pursuant to Tenn. Code Ann. §7-53-305, to enter into a Payment in Lieu of Taxes (“PILOT”) Agreement whereby the Company will convey the Personal Property, as defined below, to be acquired as part of the Project by bill of sale to KEDB and KEDB has agreed to lease the Personal Property to Company under an arrangement whereby Company will make payments in lieu of ad valorem taxes as set forth herein; and

WHEREAS, KEDB has agreed during the term of this Agreement to take title to the new equipment, machinery and other tangible personal property to be located on the Project Site as part of the

Project as more particularly described on Exhibit B which is attached hereto and is incorporated herein by reference (hereafter “Personal Property” or “Property”); and

WHEREAS, KEDB has pursuant to Tenn. Code Ann. §7-53-305(b) previously adopted a resolution delegating to the Chairman or Vice-Chairman of its Board of Directors the authority to negotiate and accept payments in lieu of ad valorem taxes with respect to the Property; and

WHEREAS, the Board of Mayor and Aldermen of the City of Kingsport, Tennessee, has pursuant to Tenn. Code Ann. §7-53-305(b), previously adopted a resolution delegating to KEDB the authority to negotiate and accept payments in lieu of ad valorem taxes with respect to the Property; and

WHEREAS, the Project is designed to enhance employment opportunities, develop trade and commerce in and adjacent to the City of Kingsport, Tennessee (“City”) and Sullivan County, Tennessee (“County”), contribute to the general welfare and provide substantial economic benefits to the City and County all in furtherance of the purpose for which KEDB was created.

NOW THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and legal sufficiency of which is hereby expressly acknowledged, KEDB and Company, intending to be legally bound, enter into this Agreement.

1. Lease. KEDB hereby agrees that at such time as Company conveys the Personal Property to KEDB by bill of sale it shall lease the Property to Company for a term not to exceed five (5) years (the “Term”), with an effective beginning date as of January 1, 2026 (the “Lease”). The form of the Bill of Sale is attached as Exhibit C and the form of Lease is attached hereto as Exhibit D and are incorporated herein by reference. Company further agrees to convey all Personal Property acquired for the Project subsequent to the execution of the Lease but prior to January 1, 2026, to KEDB via a Bill of Sale at least an annual basis. The Lease shall provide that Company shall pay all costs to acquire, construct and install the Property by the Completion Date. The Lease shall also grant to Company the absolute right to purchase the Property at any time for a nominal amount and that upon transfer and conveyance of the Property to Company pursuant to Company’s exercise of its option to purchase this Agreement shall terminate. Upon termination

of this Agreement for any reason, all applicable ad valorem taxes shall be fully assessable against the Property from and after the date of termination.

2. PILOT Payments. Beginning with the 2026 tax year and each and every subsequent tax year through 2030, Company shall make a payment in lieu of ad valorem taxes (“PILOT Payment”) in an amount equal to the property taxes that would have been payable to the City and County if the Personal Property were subject to City and County property taxes without reduction (the “Applicable Ad Valorem Taxes”) multiplied by the following percentage for each applicable tax year:

2026	50%
2027	50%
2028	50%
2029	50%
2030	50%
2031 and thereafter	100%

Forty five percent (45%) of each PILOT payment due hereunder shall be paid directly to the City of Kingsport and fifty five percent (55%) shall be paid directly to Sullivan County, Tennessee.

3. Assessment. KEDB will request the Sullivan County Property Assessor (the “Assessor”) to appraise and assess the Property. The Assessor shall appraise and assess the Property in accordance with the Constitution and laws of the State of Tennessee (the “State”) as though the Property were subject to property taxes. The Assessor shall give the Sullivan County Trustee (the “Trustee”), the City Treasurer, KEDB, and Company notice of the appraisals of the Property annually in the same manner that notices are given to owners of taxable property.

4. PILOT Calculations. KEDB will request the Trustee to compute the amounts of the PILOT Payments. On or about October 1 of each year during the Term of this Agreement, the KEDB will request that the Trustee compute the taxes which would be payable on the Property if it were subject to property taxes, in accordance with the Constitution and laws of the State and in accordance with the

appraisal and assessment of the Assessor. Each year hereunder, the Trustee shall send KEDB and Company a bill for appropriate amounts of PILOT Payments.

5. Penalties and Late Charges. Company shall make the PILOT Payment for each calendar tax year before December 31 of that same year. All PILOT Payments shall be subject to penalties, late charges, fees and interest charges as follows:

(a) If Company fails to make any PILOT Payment when due, and such failure to pay shall continue and not be fully paid within thirty (30) days after written notice of such non payment has been provided to Company, then a late charge shall be charged and shall also be immediately due and payable. The late charge shall be in the amount of one and one-half percent (1.5%) of the owed amount, and shall be charged cumulatively based on the prior month's unpaid balance (including late fee) for each calendar month that a payment remains unpaid.

(b) If Company should fail to pay all amounts and late charges due as provided hereinabove, and/or otherwise fails to comply with the terms of this Agreement, then KEDB may bring suit in the Chancery Court of Sullivan County to seek to recover the PILOT Payments due, late charges, expenses and costs of collection as well as its reasonable attorneys' fees.

6. Performance Requirements. Company shall provide written notice (each, a "Performance Report") to KEDB on or before March 1 of each calendar year, starting with March 1, 2027 and ending on March 1, 2030 (the "Performance Period"), stating the number of full-time equivalent employees employed by Company in the County or working remotely and reporting to Company at a location within the County, as of December 31 of the preceding calendar year (the "Reported Jobs"). In the event that any Performance Report during the Performance Period, indicates that the number of Reported Jobs is below the number of jobs pursuant to the table below (the "Jobs Expectation"), then Company's PILOT Payment for that year during the Performance Period to which the Performance Report relates may, in the discretion of KEDB, be increased based upon a percentage of the Applicable Ad Valorem Taxes proportionate to the amount by which the Jobs Expectation exceeds the Reported Jobs, rounded to the nearest percentage point, provided that Company shall not owe an increased PILOT Payment for any year during the Performance Period if

Company’s failure to meet the Jobs Expectation is due to an event of Force Majeure and the consequences thereof, as that term is defined in the Lease. Specifically for any year during the Performance Period where the number of Reported Jobs is less than the Jobs Expectation, the PILOT Payment shall be calculated as the percentage of Applicable Ad Valorem Taxes from Section 2, plus an amount determined by subtracting (i) the quotient obtained by dividing the number of Reported Jobs by the Jobs Expectation from (ii) 1, rounded to the nearest percentage point, multiplied by the Applicable Ad Valorem Taxes. For example, if the Reported Jobs at December 31, 2027 was 20, then the PILOT Payment for the following year would be 70% of the Applicable Ad Valorem Taxes [(1 – (20/25) = 20%), plus 50%]. In no event shall the PILOT Payment exceed 100% of the Applicable Ad Valorem Taxes, and in no event shall Company owe an increased PILOT Payment for any year prior to the then-applicable Performance Period.

Year	Jobs Expectation
December 31, 2026	20
December 31, 2027	25
December 31, 2028	29
December 31, 2029	29
December 31, 2030	29

7. Covenants of Company. Company agrees to perform the following requirements during the Term of this Agreement:

- (a) Company will complete installation and construction of the entire Project in accordance with this Agreement, and all applicable local, state and federal laws, ordinances, and regulations no later than December 31, 2025 (“Completion Date”);
- (b) Maintain the Property in good order, condition and repair free from unreasonable accumulations of waste materials and odors.
- (c) Operate the Project in accordance with all applicable local, state and federal laws, ordinances, and regulations and in such manner as to not constitute a nuisance.
- (d) Pay all PILOT Payments on or before the applicable due date.

(e) Timely file all reports as Company may be required by the State as a result of this Agreement or accompanying Lease agreement or grant agreements with the State related to the Project and provide a copy of said reports to KEDB.

(f) Within six (6) months of the Completion Date, provide all documentation reasonably required by KEDB to substantiate Company's capital investment in the Project in an amount not less than \$8,540,000.

(g) On or before January 31 of each year during the Term, Company shall file a written report for the prior calendar year with KEDB summarizing its financial investment in the Project as well as the number of full time equivalent jobs in existence as a result of the Project as of December 31 of each year of the term and such other documentation as may be reasonably requested by KEDB to document the number of full time employees.

(h) Timely file all personal property schedules and other information and reports with the City and County as would be required by applicable law if Company owned the Property.

If Company fails to perform any of the performance requirements in subparagraphs (a) through (h) above within the applicable timeframe it shall be considered an Event of Default.

8. Events of Default. An "Event of Default" shall occur if (a) there shall have occurred a breach by Company in any respect to the performance of any of its respective obligations under this Agreement, including, but not limited to, the obligations more specifically set forth in Section 7. If there is an Event of Default as defined above, KEDB shall not exercise its remedies hereunder unless Company has failed to cure the Event of Default within thirty (30) days after receipt of written notice of the Event of Default; provided, however, if the circumstance or condition constituting an Event of Default cannot reasonably be cured within thirty (30) days after receipt of such written notice, then the Company shall have such additional time as may reasonable under the circumstances, but in no event more than ninety (90) days, to cure or remedy such Event of Default before KEDB shall be entitled to exercise rights and remedies with respect to such Event of Default.

8. Remedies. Upon the occurrence of an Event of Default by Company, KEDB may pursue one or more of the following remedies:

(a) KEDB may terminate this Agreement including the termination of the benefits of this Agreement for any years remaining hereunder.

(b) KEDB may pursue any other legal or equitable remedy available to it under law or as provided in this Agreement, including proceedings to compel specific performance of Company's obligations under this Agreement.

(c) If Company relocates the Project or any portion thereof from the City during the Term hereof without the consent of KEDB, KEDB reserves the right to require Company to pay an amount equal to the amount which would have been due and payable on the Personal Property if said property were subject to property taxes without reduction for the entire term of this Agreement prior to the relocation minus the annual PILOT Payments actually paid under this Agreement prior to the relocation.

9. Contest by Company. Company shall have the right to contest the appraisal or assessment of the Property by the Assessor and the computation by the Trustee of the amount of the PILOT Payment. If Company contests any such appraisal or assessment, then it shall present evidence to the Assessor in favor of its position. Likewise, if Company contests any such computation, it shall present evidence to the Trustee in favor of its position. If the PILOT Payments being contested shall be or become due and payable, Company shall make such payments under protest. Company and the Assessor or the Trustee, as the case may be, shall negotiate in good faith to resolve any disputes as to appraisal, assessment or computation. If Company and the Assessor or the Trustee are unable to resolve a dispute, then Company may file suit in the Chancery Court of Sullivan County to ask that the provisions of this Agreement, including those covering appraisal, assessment and computation, be construed or applied to the relevant facts by the Chancery Court in order to resolve such dispute.

10. Lien on Property. Any amounts which remain payable under this Agreement shall become a lien on the Property, and such lien shall be enforceable against the Property in the event that any payment owing hereunder is not timely made in accordance with this Agreement.

11. No Waiver; Remedies. No failure on the part of any party hereto, and no delay in exercising any right under this Agreement shall operate as a waiver thereof; nor shall any single or partial exercise of any right under this Agreement preclude any other or further exercise hereof or the exercise of any other right. The remedies provided in this Agreement are cumulative and are not exclusive of any remedies provided by law.

12. Severability. In the event that any clause or provision of this Agreement shall be held to be invalid by any court or jurisdiction, the invalidity of any such clause or provision shall not affect any of the remaining provisions of this Agreement.

13. No Liability of KEDB Officers. No recourse under or upon any obligation, covenant or agreement contained in this Agreement shall be had against any incorporator, member, director or officer, as such, of the KEDB, whether past, present or future, either directly or through KEDB. Any and all personal liability of every nature, whether at common law or in equity, or by statute or by constitution or otherwise, of any such incorporator, member, director or officer, as such, is hereby expressly waived and released as a condition of and consideration for the execution of this Agreement.

14. Binding Effect. This Agreement shall be binding upon and inure to the benefit of each of the parties and signatories hereto and to their respective successors and assigns.

15. Governing Law. The Agreement shall be governed by, and construed in accordance with, the laws of the State.

16. Amendments. This Agreement may be amended only in writing, signed by each of the parties hereto, except that the Trustee and the Assessor shall not be required to join in amendments unless such amendments affect their respective duties hereunder.



17. Notices. Any notice or demand required or permitted to be given by or to any of the parties hereto shall be in writing and shall be personally delivered, sent by nationally recognized overnight courier service or mailed by certified mail, return receipt requested, postage prepaid, and addressed as follows:

If to KEDB: 400 Clinchfield Street  
Suite 100  
Kingsport TN 37660  
Attn: Chair

With a copy to: J Conkin Law PLLC  
P.O. Box 2336  
Kingsport, TN 37662  
Attention: Joel A. Conkin

If to Company: O'NEAL MANUFACTURING SERVICES, LLC

\_\_\_\_\_  
\_\_\_\_\_  
Attention: \_\_\_\_\_

With copies to: \_\_\_\_\_  
\_\_\_\_\_

or to such other addresses as the parties may from time to time designate in writing in the manner set forth above.

18. Entire Agreement. This Agreement, together with the Lease and bill of sale referenced herein, constitutes the entire agreement between the parties with respect to the subject matter and all prior agreements and representations are integrated herein and superseded hereby.

19. Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

[Signatures on the Following Page]

IN WITNESS WHEREOF, the parties have executed this instrument in multiple originals as of the date first above written.

THE INDUSTRIAL DEVELOPMENT BOARD  
OF THE CITY OF KINGSPORT, TENNESSEE

By: \_\_\_\_\_  
Its: \_\_\_\_\_

O'NEAL MANUFACTURING SERVICES, LLC

By: \_\_\_\_\_  
Its: \_\_\_\_\_

EXHIBIT A TO PILOT AGREEMENT

PROJECT SITE DESCRIPTION

EXHIBIT A

Property Legal Description

Situate in the City of Kingsport, Thirteenth (13<sup>th</sup>) Civil District of Sullivan County, Tennessee, to-wit:

**BEING** all of Lots 1, 2 and 3, Block B, Kingsport Regional Service Park, as shown on map of record in the Register's Office for Sullivan County at Blountville, Tennessee, in Plat Book 16, at pages 53 through 55, AND

**BEING** all of Lot 4, Block B, of the Re-Plat of Lots 4-11, Block B, Kingsport Regional Service park, as shown on map of record in the Register's Office for Sullivan County at Blountville, Tennessee, in Plat Book 33, at pages 21 and 23.

Less and except 0.176 acres, more or less, conveyed to the State of Tennessee by instrument of record in Deed Book 1011C, at page 692.

EXHIBIT B TO PILOT AGREEMENT

PERSONAL PROPERTY DESCRIPTION

The Personal Property shall include the following machinery, equipment and other tangible personal property located on the Project Site which is described on the attached schedule, together with all replacements and substitutions therefore:

EXHIBIT C TO PILOT AGREEMENT

BILL OF SALE

**BILL OF SALE**

FOR GOOD AND VALUABLE CONSIDERATION RECEIVED, as further set forth and described in that certain Payment in Lieu of Tax Agreement with an effective date of January 1, 2026 (the “PILOT Agreement”) and that certain Lease Agreement effective as of January 1, 2026, (the “Lease Agreement”), made by and between THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF KINGSPORT, TENNESSEE, (“Purchaser”) and O’NEAL MANUFACTURING SERVICES, LLC, (“Seller”), the undersigned Seller, pursuant to the PILOT Agreement and Lease Agreement, does hereby sell, transfer, assign and convey to Purchaser all of Seller’s right, title and interest in and to: all Leased Personal Property as defined in the PILOT Agreement, together with all replacements and substitutions therefore, all as more particularly described on Schedule One attached hereto.

The Leased Personal Property as shown on Schedule One is transferred, sold and conveyed to Purchaser AS IS, WHERE IS AND with all faults, without any express or implied warranty or representation as to physical condition, merchantability, fitness for a particular purpose, or any other matter; provided, however, Seller hereby warrants and represents to Purchaser that Seller holds, and hereby delivers to Purchaser, good and marketable title to all assets, properties and interests conveyed hereby, and further warrants that title to such assets, properties and interests is unencumbered and free and clear of all mortgages, liens, security interests, pledges, and other encumbrances of title except those granted under any financing to which Seller is a debtor or guarantee which was concluded prior to the execution of this Bill of Sale.

IN WITNESS WHEREOF, the undersigned company has caused this Bill of Sale to be executed and delivered by its duly authorized officer effective as of January 1, 2026.

**SELLER:**

**O’NEAL MANUFACTURING SERVICES, LLC**

**By:** \_\_\_\_\_

**Its:** \_\_\_\_\_

**PURCHASER:**

**THE INDUSTRIAL DEVELOPMENT BOARD**

**OF THE CITY OF KINGSPORT, TENNESSEE**

**By:** \_\_\_\_\_

**Its:** \_\_\_\_\_

**Schedule One**

**Equipment List**

EXHIBIT D TO PILOT AGREEMENT

LEASE BETWEEN THE INDUSTRIAL DEVELOPMENT BOARD  
OF THE CITY OF KINGSPORT, TENNESSEE  
AND  
O'NEAL MANUFACTURING SERVICES, LLC

THE INDUSTRIAL DEVELOPMENT BOARD OF  
THE CITY OF KINGSPORT, TENNESSEE

(a public nonprofit corporation organized  
under Tennessee law)

TO

O'NEAL MANUFACTURING SERVICES, LLC  
(a Delaware limited liability company)

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LEASE

EFFECTIVE AS OF JANUARY 1, 2026

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**LEASE**

This Lease, effective as of the 1st day of January, 2026, by and between THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF KINGSPORT, TENNESSEE, a public nonprofit corporation organized under Tenn. Code Ann. §§ 7-53-101, et seq. (“Lessor”), and O’NEAL MANUFACTURING SERVICES, LLC, a Delaware limited liability company (“Lessee”).

**WITNESSETH:**

WHEREAS, Lessor is a public nonprofit corporation and a public instrumentality of the City of Kingsport, Tennessee, and is authorized under Sections 7-53-101 to 7-53-317, inclusive, Tennessee Code Annotated, as amended (the “Act”), to acquire, whether by purchase, exchange, gift, lease, or otherwise, and to own, lease and dispose of properties for certain purposes identified in the Act; and

WHEREAS, in order to encourage Lessee to locate its metal fabrication facility in the City of Kingsport, Tennessee and install approximately \$4,565,000 of manufacturing equipment in order to provide metal fabrication services (the “Project”), thereby furthering the purposes of the Act, Lessor desires to accept ownership of certain tangible personal property hereinafter more particularly described and lease said personal property to Lessee and Lessee desires to rent said property from Lessor, on the terms and conditions set forth herein; and

NOW, THEREFORE, Lessor, for and in consideration of the payments hereinafter stipulated to be made by Lessee, and the covenants and agreements hereinafter contained to be kept and performed by Lessee, does by these presents demise, lease and let unto Lessee, and Lessee does by these presents hire, lease and rent from Lessor, for the Term (as defined below) and upon the conditions hereinafter stated, the tangible personal property described on Exhibit B attached hereto which is used in connection with the Project and located on Project Site as described on Exhibit A attached hereto;

UNDER AND SUBJECT, however, to any encumbrances applicable to the tangible personal property to be leased and existing as of the date hereof and any other encumbrance hereafter existing that is not created by Lessor; and

UNDER AND SUBJECT to the following terms and conditions:

ARTICLE I  
Definitions

In addition to the words, terms and phrases elsewhere defined in this Lease, the following words, terms and phrases as used in this Lease shall have the following respective meanings:

“Act” shall mean Sections 7-53-101 to 7-53-317, inclusive of Tennessee Code Annotated, as amended.

“Additional Rent” shall mean the amounts described in Section 4.02.

“Basic Rent” shall mean the amounts described in Section 4.01.

“City” shall mean the City of Kingsport, Tennessee.

“County” shall mean Sullivan County, Tennessee.

“Force Majeure” means fires, floods, inability to obtain materials, conditions arising from governmental orders or regulations, war or national emergency, acts of God, and any other cause, similar or dissimilar, beyond the applicable party’s reasonable control. Where this Lease expressly provides that a party’s obligations are subject to Force Majeure, then delay or non-performance on the part of such party will be excused upon the occurrence and during the continuance of such event of Force Majeure, provided that such party promptly gives the other party written notice of the occurrence and abatement of such event of Force Majeure.

“Lease” shall mean this instrument as originally executed or as it may from time to time be supplemented or amended by one or more instruments supplemental hereto.

“Project Site” shall mean the real property described in Exhibit A attached hereto.

“Leased Personal Property” shall mean means all items of machinery, equipment and other tangible personal property used on the Project Site in connection with the Project that is listed on Exhibit B attached hereto, as may be amended from time to time to add additional personal property acquired for the Project through December 31, 2026, together with any replacements and substitutions therefor.

“Leased Property” shall mean the Leased Personal Property.

“Lessee” shall mean O’NEAL MANUFACTURING SERVICES, LLC, a Delaware limited liability company.

“Lessor” shall mean The Industrial Development Board of the City of Kingsport, Tennessee, a public nonprofit corporation organized under the Act.

“PILOT Agreement” shall mean the Payment in Lieu of Taxes Agreement between Lessor and Lessee of even date herewith.

“Tax Year” shall mean each annual period beginning on January 1 of each year and ending on December 31 of that year.

“Term” shall mean the term described in Article III.

## ARTICLE II LEASE

Lessor hereby leases the Leased Personal Property to Lessee and Lessee hereby accepts and leases the Leased Personal Property from Lessor at rental rate and subject to the terms and conditions of this Lease Agreement.

## ARTICLE III Lease Term

Subject to the provisions contained in this Lease, this Lease shall be in full force and effect for a Term commencing on January 1, 2026, and ending at midnight on December 31, 2029, unless terminated earlier, in accordance with the terms hereof.

Notwithstanding the foregoing, the Term of this Lease may be terminated upon exercise by Lessee of the purchase option described in Article XIV hereof.

ARTICLE IV  
Rent

Section 4.01 Basic Rent. Lessee will pay the sum of \$100.00 to Lessor without notice or demand as annual Basic Rent on or before January 1 of each year during the Term,.

Section 4.02 Additional Rent. Lessee agrees to pay, as additional rent, all other amounts, liabilities and obligations which Lessee herein assumes or agrees to pay including all Pilot Payments as defined in the PILOT Agreement.

ARTICLE V  
Compliance with Laws; Permitted Contests;  
Lessee's Acceptance of Leased Property; Reports; Net Lease

Section 5.01 Compliance with Laws. Lessee shall throughout the Term and at no expense to Lessor promptly cure any violations under all laws, ordinances, orders, rules, regulations and requirements of duly constituted public authorities, which are or shall become lawfully applicable to the Leased Property, the repair and alteration thereof, and the use or manner of use of the Leased Property, whether or not such laws, ordinances, orders, rules, regulations and requirements are foreseen or unforeseen, ordinary or extraordinary, and whether or not they shall involve any change of governmental policy or shall require structural or extraordinary repairs, alterations or additions, irrespective of the cost thereof; provided, however, that Lessee, in lieu of compliance with such laws, orders, rules, regulations and requirements, or the making of such additions, changes or alterations, may, at its option, exercise its right to purchase the Leased Property, as provided below and, in such event shall have no further liability hereunder, except as otherwise provided herein.

Section 5.02 Permitted Contests. Lessee shall not be required to comply or cause compliance with the laws, ordinances, orders, rules, regulations or requirements referenced in Section 5.01, so long as Lessee shall, at Lessee's expense, contest the same or the validity thereof in good faith, by appropriate proceedings. Such contest may be made by Lessee in the name of Lessor or of Lessee, or both, as Lessee shall determine and Lessor agrees that it will, at Lessee's expense, cooperate with Lessee in any such contest to such extent as Lessee may reasonably request. It is understood, however, that Lessor shall not be subject to any liability for the payment of any costs or expenses (including attorneys' fees) in connection with any such proceeding brought by Lessee, and Lessee covenants to pay, and to indemnify and save harmless Lessor from, any such costs or expenses.

Section 5.03 Acceptance of Leased Property. Lessee acknowledges that, as between Lessor and Lessee, it has examined the Leased Property and the state of Lessor's title thereto prior to the making of this Lease and knows the condition and state thereof, including, without limitation, the environmental and soil conditions, as of the first day of the term of this Lease, and accepts the same AS IS in said condition and state; that no representations as to the condition or state thereof have been made by representatives of Lessor; and that in entering into this Lease, Lessee is relying solely upon its own examination thereof.

Section 5.04 Net Lease. This is a "net lease" and the Basic Rent, Additional Rent and all other sums payable hereunder to or for the account of Lessor shall be paid promptly and without set off, counterclaim, abatement, suspension, deduction, diminution or defense.

Section 5.05 Identification of Leased Personal Property. Lessee will at all times maintain in its permanent records a complete list of the Leased Personal Property which will specifically identify each such item as being property of the Lessor and shall provide a copy of said records to Lessor at least annually.

ARTICLE VI  
Title and Tax Benefits

Section 6.01. No Conveyance of Title by Lessor. Lessor covenants and agrees that, except as set forth herein, during the Term of this Lease, it will not convey, pledge, encumber or suffer or permit the conveyance of, by any voluntary act on its part, its title to the Leased Property to any person, firm, corporation, or other entity whatsoever, irrespective of whether any such conveyance or attempted conveyance shall recite that it is expressly subject to the terms of this Lease unless such conveyance is consented, in writing, to by Lessee, its mortgagee that has been disclosed to Lessor in writing pursuant to Section 12.03. Lessor will not create any lien, encumbrance or charge upon its interest in the Leased Property except for any such lien, encumbrance or charge otherwise created by this Lease, the PILOT Agreement or consented to by Lessee.

Section 6.02. Tax Benefits. The parties acknowledge that Lessee is funding the construction, rehabilitation and equipping of the Project. It is agreed by the parties hereto that in no event is Lessor intended to be treated as the owner of the Leased Property or the Project for federal income and state franchise and excise tax purposes. Instead, all of the benefits and burdens of ownership of the Leased Property and the Project are held by Lessee and that Lessee shall be the owner of the Leased Property and Project for federal income and state franchise and excise tax purposes throughout the term of this Lease. Without limiting the generality of the foregoing, Lessee alone shall be entitled to claim depreciation or cost recovery deductions for all taxation purposes or cost recovery deductions on all all machinery, equipment and fixtures upon the Leased Property that are part of the Project. Lessor shall execute and deliver other and further certificates, documents and amendments to this Lease as reasonably requested by Lessee (and at the expense of Lessee) to confirm and establish that Lessee is the owner of the Leased Property or Project for federal income and state franchise and excise tax purposes.

ARTICLE VII  
Taxes and Other Charges

Section 7.01 Taxes and Other Governmental Charges. Lessee agrees, subject to the terms of the PILOT Agreement, to pay and discharge, as additional rent, punctually as and when the same shall become due and payable without penalty, all ad valorem taxes that at any time during the Term shall be or become due and payable by Lessor or Lessee and that shall be levied, assessed or imposed upon, or that shall be or become liens upon, the Leased Property or any portion thereof or any interest of Lessor or Lessee therein, under and by virtue of any present or future law, statute, regulation or other requirement of any governmental authority.

Section 7.02 Utility Services. Lessee agrees that Lessor is not, nor shall it be, required to furnish to Lessee or any other user of the Leased Property any gas, water, sewer, electricity, light, heat, power or any other facilities, equipment, labor, materials or services of any kind pursuant to this Lease and Lessee agrees that it shall pay all costs and expenses related to the foregoing. This is a fully net Lease to the Lessor.

Section, 7.03 Reports. On behalf of Lessor, Lessee shall, during the term of this Lease, submit on or before October 1 of each year to the Tennessee State Board of Equalization the annual report required to be submitted by it pursuant to Section 7-53-305 of the Act with a copy to Lessor.

ARTICLE VIII  
Maintenance and Repair

Lessor shall not be required to rebuild or to make any repairs, replacements or renewals of any nature or description to the Leased Property or to make any expenditures whatsoever in connection with this Lease or to maintain the Leased Property in any way. Lessee expressly waives the right contained in any law now or hereafter in effect to make any repairs at the expense of Lessor.

Lessee shall keep and maintain in good order, condition and repair (including any such repair as is required due to fire, storm or other casualty) the Leased Property and every part thereof and any and all appurtenances thereto. Lessee shall save Lessor harmless on account of claims for mechanics and materialmen's liens in connection with any work by Lessee, and any such liens shall exist only against Lessee's leasehold interest and shall be discharged, by bond or otherwise, within sixty (60) days after filing. Lessee shall keep and maintain the Leased Property in accordance with all directions, rules and regulations of the proper officials of the government agencies having jurisdiction, at the sole cost and expense of Lessee. Lessee shall be entitled to receive all proceeds of casualty insurance relating to any damage or destruction of any portion of the Leased Property.

ARTICLE IX  
Representations of Lessee

Lessee makes the following representations and warranties to induce Lessor to enter into this Lease:

Lessee is a limited liability company duly formed, validly existing and in good standing under the laws of the State of Delaware and qualified to do business in the State of Tennessee, has full power and authority to enter into this Agreement and to perform all obligations contained herein and therein, and has, by proper action, been duly authorized to execute and deliver this Lease and, when executed and delivered by the parties thereto, this Lease will constitute the valid and binding obligation of Lessee enforceable in accordance with its terms.

Neither the execution and delivery of this Lease, nor the consummation of the transactions contemplated herein by Lessee, nor the fulfillment of or compliance with the terms and conditions of this Lease, does or will conflict with or result in a breach of the terms, conditions or provisions of any restriction or internal governing document of Lessee or any agreement or instrument to which Lessee is now a party or by which it is bound, or any existing law, rule, regulation, judgment, order or decree to which it is subject, or constitutes a default under any of the foregoing or, except as contemplated hereby, results in the creation or imposition of any lien, charge or encumbrance whatsoever upon any of the property or assets of Lessee under the terms of any instrument or agreement.

There are no proceedings pending, or to the knowledge of Lessee threatened, against or affecting Lessee in any court or before any governmental authority, arbitration board or tribunal which involve the possibility of materially and adversely affecting the properties, business, prospects, profits or condition (financial or otherwise) of Lessee, or the ability of Lessee to perform its obligations under this Lease. Lessee is not in default with respect to an order of any court, governmental authority, arbitration board or tribunal.

No event has occurred and no condition exists with respect to Lessee that would constitute an Event of Default under this Lease, as defined in Article XIII, or which, with the lapse of time or with the

giving of notice, or both, would become such an Event of Default.

ARTICLE X  
Insurance and Indemnification

Section 10.01 Insurance. Lessee shall at Lessee's sole expense carry commercial general liability insurance covering the Leased Property and the use of the same in a company or companies licensed to do business in Tennessee under a policy satisfactory to Lessor both as to amount and coverage and shall provide evidence of same to Lessor. Lessor shall be listed as an additional insured on such policy. Lessee shall at Lessee's sole expense also insure all Leased Property at its replacement value, with Lessor being included as an additional insured, and Lessee shall provide evidence of same to Lessor. Each policy described above shall not be canceled without first giving Lessor not less than thirty (30) days prior written notice. Lessee shall provide to Lessor evidence of all insurance policies contemplated by this Section, including, upon request, annual certificates of continued coverage.

Section 10.02 Indemnification. Lessee covenants and agrees, at its expense, to pay, and to indemnify and save Lessor and its directors, agents and employees (collectively, the "Indemnified Parties") harmless against and from any and all claims by or on behalf of any person, firm, corporation, or governmental authority, arising from the occupation, use, possession, conduct or management of or from any work or activity done in or about the Leased Property or from the subletting of any part thereof, including any liability for violation of conditions, agreements, restrictions, laws, ordinances, or regulations affecting the Leased Property or the occupancy or use thereof. Lessee also covenants and agrees, at its expense, to pay, and to indemnify and save the Indemnified Parties harmless against and from, any and all claims, costs or expenses arising from (i) any condition, including any environmental condition, now existing or hereafter arising, on the Leased Property, (ii) any breach or default on the part of Lessee in the performance of any covenant or agreement to be performed by Lessee pursuant to this Lease, (iii) any act or negligence of Lessee, or any of its agents, contractors, servants, employees or licensees, (iv) the failure of the Bill of Sale to convey title to the Leased Property to Lessor on the date hereof other than as described in the Bill of Sale, (v) any disputes, demands or claims related to the title of the Leased Property or any liens or other encumbrances affecting the Leased Property (other than claims originating from an action in violation of Section 6.01 hereof), or (vi) any accident, injury or damage whatever caused to any person, firm or corporation in or about the Leased Property and from and against all costs, reasonable counsel fees, expenses and liabilities incurred in any action or proceeding brought by reason of any claim referred to in this Section. In the event that any action or proceeding is brought against any Indemnified Party by reason of any such claims, Lessee, upon notice from such Indemnified Party, covenants to resist or defend such action or proceeding. Notwithstanding anything in this Lease to the contrary, Lessee shall not be required to indemnify any of the Indemnified Parties in the event of any acts of willful misconduct or intentional misconduct of any of the Indemnified Parties. The indemnification provided shall survive termination of this Lease.

Section 10.03 Limitation of Liability. Notwithstanding anything in this Lease to the contrary, this Lease and the obligations of Lessor hereunder shall be non-recourse as to Lessor, and Lessor shall have absolutely no personal or individual liability with respect to any of the terms, covenants and conditions of this Lease. Lessee hereby expressly agrees that it shall look solely to the equity of Lessor or its successor(s) interest in the Leased Premises for the satisfaction of any remedy of Lessee in the event of any breach by Lessor of any of the terms covenants and conditions of this Lease. This exculpation of Lessor's personal liability is absolute and without any exception whatsoever. Lessee acknowledges that Lessor is a governmental entity and is subject to the protection of the Tennessee Governmental Tort Liability Act, Tennessee Code Annotated § 29-20-101 through 29-20-408 (as amended from time to time), and nothing contained herein shall constitute a waiver or release of Lessor's rights and protections under said Act.

ARTICLE XI  
Renovations, Replacements and Alterations of Property

Lessee shall have the right from time to time and to make additions to, replacements of and alterations of any such Leased Property. All work done in connection with such additions, alterations, replacements, improvements or construction shall be done promptly, and in good and workmanlike manner, and in compliance with all applicable laws, ordinances, orders, rules, regulations and requirements of all federal, state and municipal governments and the appropriate departments, commissions, boards and offices thereof. Lessee shall maintain or cause to be maintained, at all times when any work is in process in connection with such additions, alterations, improvements or construction, workmen's compensation insurance covering all persons employed in connection with such work and with respect to whom death or bodily injury claims could be asserted against Lessor, Lessee or the Leased Property.

The Lessor shall not be under any obligation to renew, repair or replace any inadequate, obsolete, worn-out, unsuitable, undesirable or unnecessary machinery or equipment constituting a part of the Project. In any instance where the Lessee in its sole discretion determines that any items of such machinery or equipment have become inadequate, obsolete, undesirable or unnecessary, the Lessee may remove such items of machinery or equipment and (on behalf of the Lessor) sell, trade-in, exchange or otherwise dispose of them (as a whole or in part). To the extent Lessee substitutes or replaces Leased Property, Lessee shall add said substitutes or replacements to Exhibit B and shall be held by Lessee under this Lease as Leased Property on the same terms and conditions as the property that was replaced. Lessee shall give Lessor written notice within thirty days of any such substitutions or replacements.

ARTICLE XII  
Subletting, Assignments and Financing

Section 12.01 Assignment or Subleasing. This Agreement may be assigned and the Property be subleased, as a whole or in part, (including collateral assignments, leasehold mortgages and similar pledges) by the Lessee without the prior written consent of Lessor provided that:

Unless authorized in writing by the Lessor, no assignment or subleasing shall relieve the Lessee from primary liability for any of its obligations hereunder, and, in the event of any such assignment or subleasing, the Lessee shall continue to remain primarily liable for performance and observance of the agreements on its part herein and the PILOT Agreement provided to be performed and observed by it to the same extent as though no assignment or subleasing had been made. The assignee or sublessee shall assume the obligations of the Lessee hereunder to the extent of the interest assigned or subleased.

Section 12.02 Lessor and Lessee acknowledge that during the Lease Term, Lessee, from time to time, may deem it advisable to obtain financing from one or more third party lender(s) and to secure such financing with the granting of a mortgage or security interest in or on all or some portion of the Leased Property. In such event(s), Lessor agrees to fully cooperate with Lessee and such lender(s) and to take such actions and execute such documents as Lessee or such lender(s) may reasonably require including, without limitation, granting security interests in the Leased Property to such lender(s). Lessor agrees to make such modifications of this Lease (and to execute documents in evidence thereof) as may be reasonably required by Lessee or such third party lender(s) in connection with such financing. However, Lessee shall be responsible for all payments on any notes and deeds of trust executed by Lessee pursuant to any such financing and Lessor shall incur no liability as a result thereof.

ARTICLE XIII  
Events of Default; Termination

If any one or more of the following events (herein called "Events of Default") shall happen:

- (a) if Lessee fails to maintain the commercial general liability insurance required by Section 10.01 after being given notice of such failure and not curing such failure within thirty (30) days of receipt of such notice; or
- (b) if default shall be made in the due and punctual payment of any payment due pursuant to this Agreement or Lessee shall fail to perform any other material obligation under this Lease, and such default shall continue for more than thirty (30) days after Lessee's receipt of written notice of such default to Lessee from Lessor; or
- (c) an Event of Default shall occur under the PILOT Agreement and such default shall continue for more than thirty (30) days after Lessee's receipt of written notice of such default to Lessee from Lessor; provided, however, if the circumstance or condition constituting an Event of Default cannot reasonably be cured within thirty (30) days after receipt of such written notice, then the Company shall have such additional time as may reasonable under the circumstances, but in no event to exceed 90 days, to cure or remedy such Event of Default before KEDB shall be entitled to exercise rights and remedies with respect to such Event of Default.

then in any such event Lessor at any time thereafter and while such Event of Default shall continue may give a written termination notice to Lessee, which notice shall specify the nature of the Event of Default and a date of termination of this Lease not less than sixty (60) days after the giving of such notice. This termination right is subject to Lessee's right to purchase the Leased Property pursuant to Section 14.01 and at any time during or within 60 days after the Term of this Lease, Lessee may exercise its right in Section 14.01 to purchase the Leased Property without regard to whether an Event of Default has occurred.

ARTICLE XIV  
Purchases and Purchase Prices

Section 14.01 Option to Purchase. Lessee shall have an irrevocable and exclusive option to purchase the Leased Property as a whole or any part thereof at any time during the Term or within sixty (60) days after the termination or expiration of the Lease for the amount provided in Section 14.02. To exercise such option Lessee shall (i) give Lessor at least ten (10) business days' prior written notice of its intent to exercise any option granted pursuant to this Section 14.01, which notice shall state the purchase date, and (ii) comply with the provisions of Section 14.02 hereof. The option to be exercised by Lessee hereunder may be exercised whether or not a default or Event of Default has occurred hereunder.

Section 14.02 Exercise of Option.

To exercise any option contained in Section 14.01, Lessee shall pay, or cause to be paid, on or prior to the purchase date, as the purchase price the sum of (i) \$100.00 plus (ii) any other amounts that are then due or that have accrued under this Lease (including, without limitation, any amounts due upon termination or expiration of this Lease).

On the purchase date for the purchase of the Leased Property pursuant to Section 14.01, this Lease shall terminate and Lessor shall convey Lessor's interest in the Leased Property to Lessee (or its assigns) by bill of sale (i) free and clear of any liens, encumbrances or exceptions to the title created by



Lessor's acquisition, and (ii) without warranty of any type regarding the status of title or condition of the Leased Property and Lessee shall accept the Leased Property in its AS IS condition. The form of the bill of sale to which property will be conveyed pursuant to this Section shall be in the form attached hereto as Exhibit C. Lessee shall pay all expenses relating to such conveyance.

ARTICLE XV  
Miscellaneous

Section 15.01 Applicable Law. This Lease shall be governed exclusively by the provisions hereof and by the applicable laws of the State of Tennessee.

Section 15.02 Severability. In the event that any clause or provision of this Lease shall be held to be invalid by any court of competent jurisdiction, the invalidity of such clause or provision shall not affect any of the remaining provisions hereof.

Section 15.03 Notices and Demands. All notices, certificates, demands, requests, consents, approvals and other similar instruments under this Lease shall be in writing, and shall be effective either (a) when delivered personally to the party for whom intended, (b) on the second business day following mailing by a nationally recognized overnight courier service, or (c) on the fifth day following mailing by certified or registered mail, return receipt requested, postage prepaid, or (d) on the date emailed provided such email transmission is followed by mailing of such notice by overnight courier or certified or registered mail, return receipt requested, postage prepaid, in any case addressed to such party as set forth below or as a party may designate by written notice given to the other party in accordance herewith.

To the Lessor:

The Industrial Development Board of the City of Kingsport, Tennessee  
400 Clinchfield Street, Suite 100  
Kingsport TN 37660  
Attention: Chairman  
Email: [ebodenweiser@kingsportchamber.org](mailto:ebodenweiser@kingsportchamber.org)

with copies to:

J Conkin Law PLLC  
P.O. Box 2336  
Kingsport, TN 37662  
Attention: Joel A. Conkin  
Email: [joelconkin@jconkinlaw.com](mailto:joelconkin@jconkinlaw.com)

To the Lessee:

O'NEAL MANUFACTURING SERVICES, LLC  
\_\_\_\_\_

with copies to: \_\_\_\_\_

Section 15.04 Headings and References. The headings in this Lease are for convenience of

reference only and shall not define or limit the provisions thereof. All references in this Lease to particular Articles or Sections are references to Articles or Sections of this Lease, unless otherwise indicated.

Section 15.05 Successors and Assigns. The terms and provisions of this Lease shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

Section 15.06 Multiple Counterparts. This Lease may be executed in multiple counterparts, each of which shall be an original but all of which together shall constitute but one and the same instrument.

Section 15.07 Expenses. Each party shall pay its own costs and expenses in connection with the preparation, negotiation and execution of this Lease and the PILOT Agreement and the performance thereof. In the event that either party shall be required to engage legal counsel for the performance or enforcement of any of the terms of this Lease or the PILOT Agreement, whether or not such employment shall require institution of suit or other legal services required to secure compliance on the part of the other party, the prevailing party shall be reimbursed by the other party upon demand of all reasonable attorney fees and expenses incurred by the prevailing party.

Section 15.08 No Liability of Officers, Etc. No recourse under or upon any obligation, covenants or agreement contained in this Lease shall be had against any incorporator, members, director or officer, as such, past, present or future, of Lessor, either directly or through the Lessor. Any and all personal liability of every nature, whether at common law or in equity, or by statute or by constitution or otherwise, of any such incorporator, member, director or officer is hereby expressly waived and released by Lessee as a condition of and consideration for the execution of this Lease.

Section 15.09 No Liability of City, County, Officers, Etc. The City, County and the officers and agents of the City and County shall not in any event be liable for the performance of any obligation or agreement of any kind whatsoever herein, and none of the agreements or obligations of Lessor contained in this Lease or otherwise shall be construed to constitute an indebtedness of the City, County or the officers or agents of the City or County, within the meaning of any constitutional or statutory provision whatsoever.

Section 15.10 Limitation of Liability. Notwithstanding any other provision hereof, Lessor's liability hereunder shall be limited to its interest in the Leased Property and the payments to be made pursuant to this Lease, and Lessee shall not have any recourse against any other assets of Lessor.

Section 15.11 Cost-Benefit Analysis. Attached hereto as Exhibit D is the analysis of the costs and benefits of the payment-in-lieu of tax provisions of this Lease required by Tennessee Code Annotated Section 7-53-305(b).

[Signatures appear on following page.]

IN WITNESS WHEREOF, this Lease has been duly executed by the parties hereto as of the date and year first above written.

THE INDUSTRIAL DEVELOPMENT BOARD OF  
THE CITY OF KINGSPORT, TENNESSEE

By: \_\_\_\_\_  
Chairman

STATE OF TENNESSEE :  
 :ss.  
COUNTY OF SULLIVAN :

Personally appeared before me, the undersigned, a Notary Public in and for the aforesaid state and county, \_\_\_\_\_, with whom I am personally acquainted and who, upon oath, acknowledged himself to be the Chairman of The Industrial Development Board of the City of Kingsport, Tennessee, the within-named bargainor, a corporation, and that he as such Chairman, being authorized to do so, executed the foregoing instrument for the purposes contained therein by signing the name of the corporation by himself as Chairman.

WITNESS my hand and official seal at office this \_\_\_\_\_ day of \_\_\_\_\_, 2024.

\_\_\_\_\_  
Notary Public

My Commission Expires: \_\_\_\_\_

O'NEAL MANUFACTURING SERVICES, LLC  
a Tennessee limited liability company

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

STATE OF TENNESSEE :  
:ss.  
COUNTY OF \_\_\_\_\_ :

Personally appeared before me, the undersigned, a Notary Public in and for the aforesaid state and county, \_\_\_\_\_, with whom I am personally acquainted and who, upon oath, acknowledged himself to be the Sr. Director, Operations of O'NEAL MANUFACTURING SERVICES, LLC, the within-named bargainer, a limited liability company, and that he/she as such \_\_\_\_\_, being authorized to do so, executed the foregoing instrument for the purposes contained therein by signing the name of the limited liability company by himself/herself as \_\_\_\_\_.

WITNESS my hand and official seal at office this \_\_\_\_\_ day of \_\_\_\_\_, 2024.

\_\_\_\_\_  
Notary Public

My Commission Expires: \_\_\_\_\_

EXHIBIT A TO LEASE

PROJECT SITE

EXHIBIT A

Property Legal Description

Situate in the City of Kingsport, Thirteenth (13<sup>th</sup>) Civil District of Sullivan County, Tennessee, to-wit:

**BEING** all of Lots 1, 2 and 3, Block B, Kingsport Regional Service Park, as shown on map of record in the Register's Office for Sullivan County at Blountville, Tennessee, in Plat Book 16, at pages 53 through 55, AND

**BEING** all of Lot 4, Block B, of the Re-Plat of Lots 4-11, Block B, Kingsport Regional Service park, as shown on map of record in the Register's Office for Sullivan County at Blountville, Tennessee, in Plat Book 33, at pages 21 and 23.

Less and except 0.176 acres, more or less, conveyed to the State of Tennessee by instrument of record in Deed Book 1011C, at page 692.

EXHIBIT B TO LEASE  
LIST OF LEASED PROPERTY

The Personal Property shall include the following machinery, equipment and other tangible personal property located on the Project Site which is described on the attached schedule, together with all replacements and substitutions therefore:

**[ATTACH EQUIPMENT SCHEDULE]**

**EXHIBIT C TO LEASE**

**BILL OF SALE**

FOR GOOD AND VALUABLE CONSIDERATION RECEIVED, as further set forth and described in that certain Payment in Lieu of Tax Agreement effective as of January 1, 2026, (the “PILOT Agreement”) and that certain Lease Agreement effective as of January 1, 2026, (the “Lease Agreement”), made by and between THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF KINGSPORT, TENNESSEE, (“Seller”) and O’NEAL MANUFACTURING SERVICES, LLC, (“Purchaser”), the undersigned Seller, pursuant to the PILOT Agreement and Lease Agreement, does hereby sell, transfer, assign and convey to Purchaser all of Seller’s right, title and interest in and to: all Leased Personal Property as defined in the Lease Agreement, together with all replacements and substitutions therefore, all as more particularly described on Schedule One attached hereto.

The Leased Personal Property as shown on Schedule One is transferred, sold and conveyed to Purchaser AS IS, WHERE IS AND with all faults, without any express or implied warranty or representation as to physical condition, merchantability, fitness for a particular purpose, or any other matter; provided, however, Seller hereby warrants and represents to Purchaser that Seller holds, and hereby delivers to Purchaser, good and marketable title to all assets, properties and interests conveyed hereby, and further warrants that Seller has done nothing to encumber said Leased Personal Property.

IN WITNESS WHEREOF, the undersigned company has caused this Bill of Sale to be executed and delivered by its duly authorized officer effective as of \_\_\_\_\_.

**PURCHASER:**

**O’NEAL MANUFACTURING SERVICES, LLC**

**By:** \_\_\_\_\_

**Its:** \_\_\_\_\_

**SELLER:**

**THE INDUSTRIAL DEVELOPMENT BOARD**

**OF THE CITY OF KINGSPORT, TENNESSEE**

**By:** \_\_\_\_\_

**Its:** \_\_\_\_\_

**Schedule One**

**Equipment List**



EXHIBIT D TO LEASE

Cost-Benefit Analysis

<b>Cost Versus Benefit Analysis for Payment In Lieu of Ad Valorem Tax</b>										
This form should be included with every PILOT agreement submitted to the Comptroller's Office at <a href="https://www.comptroller.tn.gov/boards/state-board-of-equalization/sboe-services/property-tax-incentive-programs.html">https://www.comptroller.tn.gov/boards/state-board-of-equalization/sboe-services/property-tax-incentive-programs.html</a>										
<b>Instructions: Complete fields shaded gray. Additional comments and information about costs or benefits associated with the project may be attached.</b>										
Date:			Person Completing the Form:							
			Title:							
Lessor:										
Lessee:										
Describe Abatement Term:										
Lease Term Begin Date:				Lease Term End Date:						
Comments/Description:										
Industry Group (drop down box):										
NAICS Code (drop down box):										
<b>Step 1</b>		x		x	2080	=	\$0	x		
	Number of New Jobs		Average Hourly Wage		Hours		Direct Income		Earnings multiplier*	Total New Direct, Indirect & Induced Income
<b>Step 2</b>		x		=						
	Number of New Jobs		Employment multiplier*		Total Number of New Direct, Indirect & Induced Jobs					
<b>Step 3</b>		x	0.0942	=		x .606* =		x	0.162	
	Direct, Indirect & Induced Income				New <u>Total</u> Annual State Tax		New Annual <u>State Sales</u> Tax			New Annual <u>Local Sales</u> Tax
Total New Direct, Indirect & Induced Jobs:				<b>First Full Year of Service*</b>						
Total Direct, Indirect & Induced Income:				PILOT Payment County:						
Total of New Annual State & Local Sales Tax:				PILOT Payment City:						
				<i>* Please attach essential terms relating to PILOT, including term and method of calculation.</i>						
<b>Estimated Project Cost:</b>				Clawback? Yes or No:						
Personal Property:				<b>Delegation Resolution(s)</b>						
Real Property:				Date of County Resolution:						
Total Project Cost: \$ -				Date of City Resolution:						
*RIMS II employment and income multipliers for the State of Tennessee								Revised 1/29/19 (CERT)		