

RESOLUTION NO. _____

A RESOLUTION APPROVING A LEASE AGREEMENT WITH THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF KINGSPORT FOR 117 WEST SEVIER AVENUE AND AUTHORIZING THE MAYOR TO EXECUTE THE AGREEMENT AND ALL DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THIS RESOLUTION

WHEREAS, pursuant to Resolution No. 2025-184 the city acquired the real property located at 117 West Sevier Street which is the site of the Kingsport Dental Clinic; and

WHEREAS, in order to expand the operations of the clinic additional renovations to the premises are necessary, including but not necessarily limited to suites 1, 2, and 4; and

WHEREAS, the Industrial Development Board of the City of Kingsport (KEDB) at its May 12, 2026 meeting authorized the lease of said space for the purpose of making the necessary improvements for industrial or economic development purposes and which will benefit the public welfare, health and safety of the citizens of Kingsport; and

WHEREAS, in order to further the aims of the clinic and further the objectives thereof it is hereby deemed appropriate and for the benefit of the public to enter into a lease agreement with KEDB, effectively donating the space in order to secure the necessary improvements for a term of two years, with the option to extend the lease term for two additional one year terms.

Now therefore,

BE IT RESOLVED BY THE BOARD OF MAYOR AND ALDERMEN AS FOLLOWS:

SECTION I. That a lease agreement for suites 1, 2, and 4 at 117 West Sevier Avenue with KEDB is approved.

SECTION II. That the Mayor or in his absence, incapacity, or failure to act, the Vice-Mayor, is authorized and directed to execute, in a form approved by the City Attorney and subject to the requirements of Article X, Section 10 of the Charter of the City of Kingsport, a lease agreement with KEDB for suites 1, 2, and 4 within 117 West Sevier Avenue, to deliver the lease agreement and take any and all action as may be required on the part of the city to carry out, give effect to, and consummate the transactions contemplated by the agreement and this resolution, said agreement being as follows:

LEASE

This lease entered into the date of the acknowledgement of CITY by and between the City of Kingsport, a Tennessee municipal corporation, (herein CITY) and the Industrial Development Board of the City of Kingsport, Tennessee, (herein KEDB).

WITNESSETH:

NOW, THEREFORE, in consideration of the premises and mutual covenants of the parties contained herein the parties agree as follows:

SECTION 1. PREMISES. CITY, as a donation to KEDB, does hereby lease to KEDB and KEDB does hereby lease and take from CITY the following property (the "Premises") and all improvements located thereon:

Insert description of property

SECTION 2. LEASE TERM. The term of this Lease shall begin on June 1, 2026, and shall terminate two years thereafter on May 31, 2028, unless sooner terminated by KEDB, if it no longer has a use for the property. This lease may be renewed for two (2) additional one year terms by KEDB upon written notice to the city manager of city.

SECTION 3. RENT. This lease is a donation from CITY to KEDB, so no rent is due CITY. If rent is required by law, it shall be One Dollar (\$1.00) per year.

SECTION 4. TERMINATION FOR CONVENIENCE. This lease may be terminated by either party upon delivery of written notice to be given at least 60 days before the effective date of termination. Such termination shall not be deemed a breach of contract by either party. Upon such termination, neither party shall have any right to any actual, general, special, incidental, consequential, or any other damages whatsoever of any description or amount.

SECTION 5. USE OF PREMISES. KEDB shall use the Premises only for a lawful purpose and for no other purpose or use. KEDB agrees not to use the Premises in any way that may be unlawful, improper, noisy, offensive, or contrary to any applicable statute, regulation, ordinance or bylaw.

SECTION 6. UTILITIES. During the term of this Lease, the KEDB shall be solely responsible for the payment of any and all utilities of the Premises, including, but not limited to, gas, electric, telephone, cable and any service fees required for the installation of these utilities. KEDB shall also be solely responsible for the payment of any and all water bills, sewer bills and garbage collection costs concerning the Premises.

SECTION 7. CLEAN AND SANITARY CONDITION. During the term of the Lease, KEDB shall keep and maintain the Premises and the surrounding area in a clean and sanitary condition at all times, free of all garbage and debris. All garbage and similar debris shall be deposited by KEDB in facilities specifically for garbage collection. KEDB shall further comply with all local ordinances and regulations imposed by CITY relating to maintaining the Premises in a clean and sanitary condition and collection of garbage and similar debris.

SECTION 8. MAINTENANCE. It shall be KEDB'S sole responsibility to keep and maintain the entire Premises, and every part thereof, in good condition and repair at all times during the term of the Lease. KEDB shall maintain the Premises in compliance with the laws of the state of Tennessee and in accordance with all directions, rules and regulations of the health officer, fire marshal, building inspector, or other proper officials of the governmental agencies having jurisdiction. KEDB shall comply with all requirements of law, ordinance and otherwise, affecting the Premises. KEDB shall, upon the expiration or termination of this Lease, surrender the Premises in good condition, broom clean, reasonable wear and tear excepted.

SECTION 9. COMPLIANCE WITH APPLICABLE LAWS. Throughout the term of this Lease, KEDB shall comply with all present and future laws, statutes, codes, ordinances, rules and regulations of the federal government, state of Tennessee, or City of Kingsport, restrictive covenants and all orders, decrees and like actions of any court of competent jurisdiction which may be applicable to the Premises.

SECTION 10. ALTERATIONS. KEDB shall have the right, at its sole expense, from time to time, to make such alterations and changes to the Premises as KEDB shall deem expedient or necessary for its purposes. KEDB agrees to pay promptly when due the entire cost of any work done by it upon the Premises so that the Premises at all times shall be free of liens for labor and materials. KEDB further agrees that in doing such work that it shall employ materials of good quality and comply with all governmental requirements, and perform such work in a good and workmanlike manner. KEDB agrees that it shall procure all necessary permits for making any repairs, alterations, or other improvements for installations, when applicable.

SECTION 11. TAXES. KEDB, in addition to the rent provided herein, shall pay any and all real estate taxes, assessments, and other governmental levies and charges, general and special, ordinary or extraordinary, unforeseen or foreseen, of any kind which are assessed against or imposed in respect of the Premises.

SECTION 12. CONDITION OF PREMISES. KEDB has examined the Premises and accepts the same in its present state and condition without any representations or warranties, express or implied, in fact or in law, by CITY as to the nature, condition or usability thereof, or as to the use or uses to which the Premises may be put.

SECTION 13. FIRE, CASUALTY, EMINENT DOMAIN. Should a substantial portion of the Premises, be substantially damaged by fire or other casualty, or be taken by eminent domain, CITY may elect to terminate this Lease. When such fire, casualty or taking renders the Premises substantially unsuitable for its intended use, a proportionate abatement of rent shall be made, and KEDB may elect to terminate this Lease if: (a) CITY fails to give written notice within 30 days after said fire, casualty or taking of its intention to restore the Premises; or (b) CITY fails to restore the Premises to a condition substantially suitable for its intended use within 90 days after said fire,

casualty or taking. Notwithstanding the foregoing, in the event of damage by fire or other casualty resulting from the carelessness, negligence, or intentional or other of improper conduct of KEDB, its agents, employees, contractors or others acting on its behalf, KEDB shall have the full liability and responsibility for repairing and/or rebuilding from such casualty loss and for other damages and losses caused thereby. CITY reserves all rights for damages or injury to the Premises for any taking by eminent domain, except for damage to KEDB's property or equipment.

SECTION 14. FIRE INSURANCE. KEDB shall not permit any use of the Premises which shall adversely affect or make voidable any insurance on the property of which the Premises are a part, or on the contents of said property, or which shall be contrary to any law, regulation or recommendation made by the state fire prevention agency, local fire department, CITY's insurer or any similar entity.

SECTION 15. ASSIGNMENT OR SUBLEASE. KEDB may assign this Lease, or sublet the Premises, in whole or in part, with the prior written consent of CITY.

SECTION 16. CITY ACCESS. CITY, its agents and designates, may examine and inspect the Premises at reasonable times.

SECTION 17. LIABILITY. KEDB shall, and does hereby, assume all risk of loss or injury to the property or person of all persons at any time coming upon the Premises during the term of this Lease. KEDB shall be solely responsible, as between CITY and KEDB, for deaths or personal injuries to all persons and damage to any property, including damage by fire or other casualty, occurring in or on the Premises and arising out of the use, control, condition or occupancy of the Premises by KEDB, except for death, personal injuries or property damage directly resulting from the sole negligence of CITY. To the extent permitted by Tennessee law KEDB agrees to indemnify and hold harmless CITY from any and all liability, including but not limited to costs, expenses, damages, causes of action, claims, judgments and attorney's fees caused by or in any way arising out of any of the aforesaid matters.

SECTION 18. INSURANCE. KEDB shall, during the entire term of this Lease, keep in full force and effect at its own expense the following insurance:

(a) Comprehensive General Liability Coverage. At all times during the Term of this Lease, KEDB shall maintain in full force and effect policies of contractual and comprehensive general liability insurance, including public liability and broad form property damage, for not less than \$1,000,000 for each occurrence involving bodily injury (including death), and \$500,000 for each occurrence involving damage to property. Such policy or policies shall name CITY as an additional insured thereunder. All of such insurance shall insure the performance by KEDB of its indemnity agreement as to liability for injury to or death of persons and injury or damage to property. All of such insurance shall be primary and noncontributing with any insurance which may be carried by CITY and shall contain a provision that KEDB, named or not named as an insured, shall nevertheless be entitled to recover under said policy for any loss, injury or damage to CITY, its agents and employees or the property of such persons, by reason of the negligence of KEDB. Such policy shall expressly provide that such policy shall not be canceled or altered without thirty (30) days prior written notice to CITY. CITY shall be named as an additional insured on all such policies.

(b) Fire and Casualty Insurance. At all times during the term of this Lease, KEDB shall maintain, at its cost and expense, broad form all-risk casualty insurance (with appropriate endorsements for risks or perils ordinarily included in a Lessee's policy) insuring the improvements on the Premises. CITY shall be named as an additional insured in all such policies. The policies shall permit the insurance proceeds collected upon all such policies of insurance to be used to restore the improvements on the Premises so damaged or destroyed. KEDB further agrees that each such policy of insurance, and all other policies of insurance on the Premises, including, without in any way limiting the generality of the foregoing, workmen's compensation, general liability and business interruption insurance which shall be obtained by KEDB, whether required by the provisions of this Lease or not, shall be made expressly subject to the provisions of this Section 18, and shall provide (to the extent such a waiver can be obtained) that KEDB's insurers thereunder waive any right of subrogation against CITY. All such policies shall provide that the same may not be canceled or altered without thirty (30) days prior written notice to the CITY. The said "full insurable value" shall be determined at the time the fire and extended coverage insurance is initially taken out.

(c) Certificates of Insurance. As of the commencement of this Lease KEDB shall provide CITY with a certificate of insurance for each policy required under this Lease showing that the coverage required hereunder are in force with premiums paid and that such policies are non-cancellable and may not be materially modified except upon thirty (30) days prior notice to CITY (or, if such thirty (30) day period of notice is not obtainable on a commercially reasonable basis, upon such notice as is commercially reasonable).

(d) All insurance provided for in this Section 18, and all renewals thereof, shall be issued by responsible insurance companies authorized to do business in the State of Tennessee. If any insurer

which has issued a policy of insurance required pursuant to this Lease becomes insolvent or the subject of any bankruptcy, receivership or similar proceeding, KEDB shall, in each instance, obtain a like policy issued by another insurer, which insurer and policy meet the requirements of this Lease.

(e) KEDB's Release. KEDB hereby releases CITY from any and all liability and responsibility to anyone claiming any loss or damage to property arising from a risk insured against under the insurance required to be carried by KEDB. To the extent obtainable, KEDB's insurance policies shall include appropriate clauses waiving all rights of subrogation against CITY to KEDB, with respect to losses payable under such policies.

(f) Use of Proceeds. Any Casualty Insurance Proceeds paid under any insurance policy of the character described in Section 18(b) shall be used to pay for the cost to restore the Improvements so damaged or destroyed.

(g) Blanket Insurance. Nothing in this Section 18 shall prevent KEDB from taking out insurance of the kind and in the amounts provided for under Sections 18(a) and 18(b) under a blanket insurance policy or policies which can cover other improvements on the Premises.

SECTION 19. DEFAULT. In the event that (a) any assignment for the benefit of creditors, trust mortgage, receivership or other insolvency proceeding shall be made or instituted with respect to KEDB or KEDB's property or (b) KEDB shall default in the observance or performance of any of KEDB's covenants, agreements or obligations hereunder and such default shall not be corrected within 10 days after written notice thereof, then CITY shall have the right thereafter, while such default continues and without demand or further notice, to re-enter and take possession of the Premises, to declare the term of this Lease ended, and/or to remove KEDB's effects, without being guilty of trespass or conversion, and without prejudice to any remedies which might be otherwise used for arrears of rent or other default or breach of the Lease. In addition to the foregoing, if after default, an attorney (including any attorney of the Office of the City Attorney of CITY) is employed or directed to enforce the obligations evidenced by this Lease or to assist either CITY in connection with its exercise of any right, power, privilege, or remedy referred to herein, the parties hereby agree that the KEDB shall pay promptly all costs incurred by CITY with respect to collection or enforcement including reasonable attorney's fees and court costs.

SECTION 20. WASTE OR NUISANCE. KEDB shall not commit or suffer to be committed any waste upon the Premises, and KEDB shall not use or permit the use of any medium that might constitute a nuisance.

SECTION 21. OCCUPANCY. If KEDB continues to occupy, control or encumber all or any part of the Premises after the termination of this Lease without the written permission of CITY, KEDB shall be liable to CITY for any and all loss, damages or expenses incurred by CITY, and all terms of this Lease shall continue to apply.

SECTION 22. FIRE PREVENTION. KEDB agrees to use reasonable precaution against fire, to provide and maintain approved, labeled fire extinguishers, emergency lighting equipment and exit signs, and to complete any other modifications within the Premises as required or recommended by the Insurance Services Office (or successor organization), OSHA, the local fire department, insurer of CITY or any similar entity.

SECTION 23. RESPONSIBILITY. CITY shall not be liable to KEDB or anyone for, nor shall KEDB's obligations under this Lease be reduced because of, loss or damage caused in any way by the use, leakage, seepage, flooding or escape of water or sewage in any form or from any source, by the interruption or cessation of any service rendered customarily to the Premises or building or agreed to by the terms of this Lease, by any accident, the making of repairs, alterations or improvements, labor difficulties, weather conditions, mechanical breakdowns, trouble or scarcity in obtaining fuel, electricity, service or supplies from the sources from which they are usually obtained, by any change in any utility or service provider, or by any cause beyond immediate control of CITY.

SECTION 24. SURRENDER. On or before the termination of this Lease, KEDB shall peacefully and quietly surrender the Premises to CITY, including fixtures. Movable trade furniture, trade fixtures, and equipment shall remain the property of KEDB, or sublease, and may be removed at any time during the Lease Term or upon termination of this Lease. Removal of such items shall be accomplished within a reasonable amount of time upon termination of this Lease. KEDB shall deliver to CITY actual and exclusive possession of the Premises and all keys and locks thereto. KEDB shall deliver the Premises fully sanitized from any chemicals or other contaminants, broom clean, and in at least the same condition as it was at the commencement of the Lease, or as it was modified during said term, reasonable wear and tear only excepted, and KEDB shall be deemed to be encumbering the Premises until it delivers the Premises to CITY in the condition required under this Lease. In no case shall the Premises be deemed surrendered to CITY until the termination date provided herein or such other date as may be specified in a written agreement between the parties, notwithstanding the delivery of any keys to CITY.

SECTION 25. NOTICE BY KEDB. KEDB shall give immediate notice to CITY in case of fire or accidents in the Premises or in the building of which the Premises are a part or of defects therein or in any fixtures or equipment.

SECTION 26. SUCCESSORS. All rights and liabilities herein given to, or imposed upon, the respective parties hereto shall extend to and bind the several respective heirs, executors, administrators, successors, and assigns of the said parties, except that CITY shall only be liable for obligations occurring while the owner of the Premises.

SECTION 27. GENERAL. The following shall apply to this Lease:

- (a) The invalidity or unenforceability of any clause or provision of this Lease shall not affect or render invalid or unenforceable any other clause or provision hereof;
- (b) Any action or proceeding arising out of the subject matter of this Lease shall be brought by KEDB within one year after the cause of action has occurred and only in a state court in Kingsport, Tennessee;
- (c) This Lease is made and delivered in the state of Tennessee, and shall be interpreted, construed, and enforced in accordance with the laws thereof and all legal proceedings relating to the subject matter of this Lease shall be maintained in the state courts for Kingsport, Sullivan County, Tennessee, and the parties agree that jurisdiction and venue for any such legal proceeding shall lie exclusively with such courts;
- (d) This Lease is the result of negotiations between parties of equal bargaining strength, and when executed by both parties shall constitute the entire agreement between the parties, superseding all prior oral and written agreements, representations, statements and negotiations relating in any way to the subject matter herein. This Lease may not be extended or amended except by written agreement signed by both parties, or as otherwise provided herein, and no other subsequent oral or written representation shall have any effect hereon;
- (e) Notwithstanding any other statements herein, CITY makes no warranty, express or implied, concerning the suitability of the Premises for KEDB's intended use;
- (f) Neither the submission of this Lease or any amendment hereof shall constitute a reservation of or option for the Premises, or an offer to lease, it being expressly understood and agreed that neither this Lease nor any amendment shall bind either party in any manner whatsoever unless and until it has been executed by both parties;
- (g) The headings and captioned in this Lease are for convenience only and shall not be considered part of the terms hereof; and
- (h) KEDB shall conform to all rules and regulations now or hereafter made by CITY for parking, for the care, use or alteration of the building, its facilities and approaches, and for the administration of this Lease, and shall not permit any employee or visitor to violate this or any other covenant or obligation of KEDB; and
- (k) CITY and KEDB hereby waive any and all rights to a jury trial in any proceeding in any way arising out of the subject matter of this Lease.

SECTION 28. WAIVERS, ETC. No consent or waiver, express or implied, by CITY to or of any breach of any covenant, condition or duty of KEDB shall be construed as a consent or waiver to or of any other breach of the same or any other covenant, condition or duty. If KEDB is several persons, corporations, or other legal entities, or a partnership, or some combination thereof, KEDB's obligations are joint and several. Unless repugnant to the context, "CITY" and "KEDB" mean the person or persons, natural or corporate, named above as CITY and as KEDB respectively, and their respective heirs, executors, administrators, successors and assigns.

SECTION 29. TIME. Time is of the essence in this Lease.

SECTION 30. SURVIVAL OF TERMS. Wherever in this Lease either KEDB or CITY shall have agreed or promised to perform certain acts or otherwise where the context of this Lease would require such performance to occur after the termination or expiration of the Lease, then those agreements and covenants shall survive the termination or expiration of the Lease and continue to bind KEDB and CITY.

[Acknowledgements Excluded for Inclusion in Resolution]

SECTION III. That the mayor is further authorized to make such changes approved by the mayor and the city attorney to the agreement set out herein and the execution thereof by the mayor and the city attorney is conclusive evidence of the approval of such changes

SECTION IV. That the board finds that the actions authorized by this resolution are for a public purpose and will promote the health, comfort and prosperity of the citizens of the city.

SECTION V. That this resolution shall take effect from and after its adoption, the public welfare requiring it.

ADOPTED this the 19th day of May, 2026.

PAUL W. MONTGOMERY, MAYOR

ATTEST:

ANGELA MARSHALL, DEPUTY CITY RECORDER

APPROVED AS TO FORM:

RODNEY B. ROWLETT, III, CITY ATTORNEY