

**THE INDUSTRIAL DEVELOPMENT BOARD
OF
THE CITY OF BRISTOL TENNESSEE
REGULAR MEETING
AGENDA**

**MONDAY JANUARY 28, 2019 – 12 NOON
MUNICIPAL ANNEX CONFERENCE ROOM**

1. Call to order
2. Roll Call
3. Approval of minutes – November 26, 2018
4. Financial Report
5. Mauldin and Jenkins Audit Presentation – Matt Hill, CPA
6. Small Business Festival 2019 – Start-up Tri Cities
7. Bristol Hospitality, LLC Development Agreement
8. Other business
9. Adjourn

Draft Meeting Minutes

November 26, 2018

**MINTUTES OF THE INDUSTRIAL DEVELOPMENT BOARD
OF THE CITY OF BRISTOL TENNESSEE
NOVEMBER 26, 2018
CITY HALL ANNEX CONFERENCE ROOM
REGULAR MEETING**

Board Members Present:

David Wagner – Chair
Nancy Cook
Dirk Crandell – Vice Chair
Logan McCabe
Jeff Jones
Ex- officio Chad Keen – Council Liaison

Staff:

Tom Anderson – Director
Danielle Kiser – City Attorney
Jon Luttrell – Business Development Specialist
Tara Musick – Finance

Also Present:

Don Hurst – TNECD

Call to order: Chairman David Wagner opened the November 26, 2018 Industrial Development Board Regular Meeting at 12:04 p.m. Roll call was made and Chairman Wagner declared a quorum present. Mr. Crandell arrived after the approval of minutes and acceptance of financial report.

Approval of the minutes of: October 22, 2018 Regular Meeting – Chairman Wagner asked if there were any additions or deletions to the minutes. A motion to approve was made by Mr. Jones and seconded by Mr. McCabe. Motion passed unanimously.

Financial Report: Chairman Wagner asked for the financial report. Tom Anderson advised the Board that the IDB account as of 10/31/2018 had a balance of \$166,469.88. A deposit of \$6,720,377.15 was the Chapter 420 State of Tennessee Reimbursement. Significant disbursements from the account included the Chapter 420 State Reimbursement of \$5,992,198.41 to Pinnacle Partners bank (bond trustee), \$728,178.74 to the City of Bristol and the Royal Building Products ED Grant Funds of \$975,693.10 were sent back to TNECD to hold in anticipation Westlake Chemical (Royal's Parent) will re-apply for the funds in the near future. Additionally, there is a \$100,000 CD with the First Tennessee Bank, which matured on November 15, 2018. A motion to accept the financial report was made by Mr. Jones and seconded by Ms. Cook. Motion passed unanimously.

Mauldin and Jenkins Audit Engagement Letter: Chairman Wagner asked Tom Anderson to review the engagement letter. Mr. Anderson explained this is a statutory annual audit required by the State of TN Comptroller's office. The engagement letter officially confirms an understanding that Mauldin and Jenkins shall provide the IDB an audit of the financial statements for the year ended June 30, 2018 for the cost of no more than \$8770.00. A general discussion as to the terms in the engagement letter presented took place. Mr. Anderson stated he had requested from Mauldin and Jenkins the use of

the IDB's legal name be included into the letter, to refer to board members as "Directors" and have the letter reflect a November date. Ms. Musick stated cost of the audit within the engagement letter is a "not to exceed" agreement and based upon a billable hourly rate. In the event the cost would exceed the stated amount, Mauldin and Jenkins would come back to the Board for approval. Ms. Musick stated an RFP was sent out with Mauldin and Jenkins being the lowest bidder and have been the City's auditors for past 7 years. A motion to approve the engagement letter, with Mr. Anderson's requested changes, with Mauldin and Jenkins as the FY year ending June 30, 2018 auditors was made by Mr. McCabe and seconded by Mr. Jones. The motion passed unanimously.

Certificate of Deposit Proposals: Chairman Wagner stated the \$100,000 CD had matured and an RFP was distributed for interest rate quotes. Mr. Anderson stated there were only 2 responses. Mr. Crandell asked if the term was required to be 12 months and was told it is not required. A motion to rollover the CD into a 9-month term at 2.52% with First Tennessee Bank was made by Mr. Jones and seconded by Ms. Cook. The motion passed unanimously.

October 18, 2018 Hiring Expo Metrics: Jon Luttrell gave a presentation explaining feedback and metrics of the October 18, 2018 event as it relates to past expos.

Other business: The IDB directors stated they approve of an electronic meeting packet being emailed prior to the meeting instead of a delivered paper packet.

Adjournment: There being no further business Chairman Wagner adjourned the meeting at 12:45 p.m.

Approved: January 28, 2019

David Wagner, Chairman

Attest:

Rob Nicar, Secretary/Treasurer

Attachments:

1. Agenda
2. October 18, 2018 Hiring Expo presentation

Financial Report

November 2018

December 2018

Industrial Development Board of the City of Bristol, Tennessee

November 30, 2018

Items Affecting Cash

Beginning Balance 11/1/2018 \$ 166,469.88

Deposits

Wire Transfer SEQ-181116013878 621,947.03
CD Maturity Interest 1,418.66

Total Deposits 623,365.69

Disbursements

Check 1241 Premier Printing - Hiring Expo 308.00
Check 1246 AMI Graphics, INC - Hiring Expo 173.00
Check 1247 Donna Carty - Petty Cash Manna Bagel 55.67
Check 1249 American Express - Hiring Expo 816.51
Check 1250 Bristol Broadcasting - Hiring Expo 4,112.00
Check 1251 Eddies's Trophy & Gift Shop - Mike Sparks 54.00
Check 1252 WRZK-FM - Hiring Expo 2,030.00
Check 1253 Sinclair Broadcast Group, INC - Hiring Expo 1,775.00
Check 1254 Sinclair Broadcast Group, INC - Hiring Expo 395.00
Check 1255 Viamedia, INC - Hiring Expo 943.50
Check 1256 Spectrum Reach - Hiring Expo 988.00

Total Disbursements 11,650.68

Ending Balance 11/30/2018 \$ 778,184.89

Industrial Development Board of the City of Bristol, Tennessee
Certificate of Deposit

Certificate of Deposit \$ 100,000.00
9 month CD at 2.25%

Industrial Development Board of the City of Bristol, Tennessee

December 31, 2018

Items Affecting Cash

Beginning Balance 12/1/2018		\$ 778,184.89
Deposits		
Check 231272 City of Bristol, TN Reimbursement for Check 1233		3,930.00
	Total Deposits	<u>3,930.00</u>
Disbursements		
Check 1248 Tennessee Office Supply- Hiring Expo		184.13
Check 1257 Tri-Cities Southwest Virginia - Hiring Expo		3,690.12
Check 1258 Machiavelli's - IDB Meeting		133.00
Check 1259 Kingsport Publishing Corp. - Hiring Expo		1,065.00
Check 1260 Tri-Cities Southwest Virginia - IDB/IDA Meeting		78.60
Wire SEQ. 181211015251 - Pinnacle Partners Tennessee, LLC.		621,947.03
	Total Disbursements	<u>627,097.88</u>
Ending Balance 12/31/2018		<u><u>\$ 155,017.01</u></u>

Industrial Development Board of the City of Bristol, Tennessee
Certificate of Deposit

Certificate of Deposit		<u><u>\$ 100,000.00</u></u>
9 month CD at 2.25%		

Bristol Hospitality, LLC
Draft Development Agreement

**DEVELOPMENT AGREEMENT RELATING TO BORDER REGION RETAIL
DEVELOPMENT DISTRICT**

THIS DEVELOPMENT AGREEMENT RELATING TO BORDER REGION RETAIL DEVELOPMENT DISTRICT (this "Agreement") is made and entered into as of the ____ day of January, 2018, by and among THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF BRISTOL, TENNESSEE, a public nonprofit corporation organized under Tenn. Code Ann. §§ 7-53-101, *et seq.*, (the "IDB"), and BRISTOL HOSPITALITY, LLC a Tennessee limited liability company (the "Developer").

WITNESSETH:

WHEREAS, the Border Region Retail Tourism Development District Act, codified as Tenn. Code Ann. §§ 7-40-101 *et seq.* ("Border Region Act"), was enacted to increase tourism and the competitiveness of the State of Tennessee ("State") with bordering states by empowering local governments to encourage the development of extraordinary retail or tourism facilities, including shopping, recreational and other activities; and

WHEREAS, pursuant to the Border Region Act and at the request of the City of Bristol, Tennessee ("City"), the Commissioner of the Department of Revenue of the State has certified an area within the City as a border region retail tourism development district (the "Border Region District"); and

WHEREAS, after such certification, a portion of the state sales and use tax revenues collected in the Border Region District is being distributed to the City as provided in the Border Region Act (the "Allocated State Tax Revenues"); and

WHEREAS, a retail development known as the Pinnacle, which includes a Bass ProShop store, a CarMax, a Marquee Cinemas, a Belk, and other retail outlets and restaurants (the "Extraordinary Retail Facility") has been developed in the Border Region District as an extraordinary retail or tourism facility within the meaning of the Border Region Act; and

WHEREAS, the Developer has proposed the development of that certain property located within the Border Region District described or shown on Exhibit A attached hereto (the "Project Property") with a hotel to accompany the Extraordinary Retail Facility (the "Project"); and

WHEREAS, pursuant to the Border Region Act, the City is authorized to delegate to the IDB the authority to carry out any project authorized by the Border Region Act and to incur costs for any such project; and

WHEREAS, by resolution of the City Council of the City, the City has made such a delegation to the IDB with respect to the Project [Resolution No. 13-10 was specific to the Pinnacle Development Agreement, so each project would need a separate delegation];

WHEREAS, pursuant to such delegation, the City has agreed to pay to the IDB a portion of the Allocated State Tax Revenues described herein that may be allocated to the City pursuant to the Border Region Act; and

WHEREAS, the IDB has agreed that those certain Allocated State Tax Revenues described herein will be paid to the Developer to reimburse a portion of the costs of the development of the Project as provided herein; and

WHEREAS, pursuant to the Border Region Act, the City and the IDB are authorized to provide such incentives or financial support in the Border Region District as they deem appropriate in support of an economic development project, within the meaning of the Border Region Act; and

WHEREAS, for the purpose of establishing the rights and obligations of the parties with respect to the matters described above and related matters, the parties have entered into this Agreement.

NOW, THEREFORE, in consideration of the terms, conditions and mutual agreements by and between the parties, as hereafter set forth in detail, the parties do hereby mutually agree as follows:

**Article I.
REPRESENTATIONS AND WARRANTIES**

Section 1.01 Representations and Warranties of Developer. The Developer represents and warrants for the benefit of the IDB and the City as follows:

(a) Organization. The Developer is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Tennessee, is in compliance with the laws of the State of Tennessee, and has the power and authority to own its properties and assets and to carry on its business in the State of Tennessee as now being conducted and as hereby contemplated.

(b) Authority. The Developer has the power and authority to enter into this Agreement and has taken all action necessary to cause this Agreement to be executed and delivered, and this Agreement has been duly and validly executed and delivered by the Developer.

(c) Binding Obligations. This Agreement is a legal, valid and binding obligation of the Developer enforceable against the Developer in accordance with its terms, subject to applicable insolvency laws and equitable principles.

(d) No Litigation. No litigation at law or in equity or proceeding before any governmental agency involving the Developer is pending or, to the knowledge of the Developer, threatened, in which any liability of the Developer is not adequately covered by insurance or in which any judgment or order would have a material adverse effect upon the business or assets of the Developer or the performance of its obligations hereunder.

(e) No Default. The Developer is not in default under or in violation of, and the execution, delivery and compliance by the Developer with the terms and conditions of this Agreement will not conflict with or constitute or result in a default under or violation of (i) any material agreement or other instrument to which the Developer is a party or by which it is bound, or (ii) any constitutional or statutory provisions or order, rule, regulation, decree or ordinance of any court, government or governmental authority having jurisdiction over the Developer or its property, and no event has occurred and is continuing which with the lapse of time or the giving of notice, or both, would constitute or result in such a default or violation.

(f) Relationship to Border Region District. The construction and development of the Extraordinary Retail Facility and the development of the area surrounding the Extraordinary Retail Facility was an essential factor in the Developer undertaking the Project, and the economic activity generated by the Extraordinary Retail Facility will contribute materially to the economic success of the Project, and the Project will provide ancillary retail support to the Extraordinary Retail Facility.

Section 1.02 Representation and Warranties of IDB. The IDB represents and warrants for the benefit of the Developer as follows:

- (a) Organization. The IDB is a public non-profit corporation duly organized, validly existing and in good standing under the laws of the State of Tennessee, is in compliance with the laws of the State of Tennessee, and has the power and authority to own its properties and assets and to carry on its business in the State of Tennessee as now being conducted and as hereby contemplated.
- (b) Authority. The IDB has the power and authority to enter into this Agreement and has taken all action necessary to cause this Agreement to be executed and delivered, and this Agreement has been duly and validly executed and delivered by the IDB.
- (c) Binding Obligations. This Agreement is a legal, valid and binding obligation of the IDB enforceable against the IDB in accordance with its terms, subject to applicable insolvency laws and equitable principles; provided, however, that this subsection shall not be construed as a representation or warranty that the Commissioner of Revenue of the State of Tennessee (the "Commissioner") will accept, confirm or approve any cost certification made by the City and/or the IDB to the Commissioner under the Border Region Act.
- (d) No Litigation. No litigation at law or in equity or proceeding before any governmental agency involving the IDB is pending or, to the knowledge of the IDB, threatened, in which any liability of the IDB is not adequately covered by insurance or in which any judgment or order would have a material adverse effect upon the business or assets of the IDB or the performance of its obligations hereunder.
- (e) No Default. The IDB is not in default under or in violation of, and the execution, delivery and compliance by the IDB with the terms and conditions of this Agreement will not conflict with or constitute or result in a default under or violation of, (i) any material agreement or other instrument to which the IDB is a party or by which it is bound, or (ii) any constitutional or statutory provisions or order, rule, regulation, decree or ordinance of any court, government or governmental authority having jurisdiction over the IDB or its property, and no event has occurred and is continuing which with the lapse of time or the giving of notice, or both, would constitute or result in such a default or violation.

Article II.

UNDERTAKING OF DEVELOPMENT AND FINANCIAL ASSISTANCE

Section 2.01 Undertaking of Development. The Developer will cause the Project to be constructed and developed on the Project Property as a hotel in substantially the manner shown on the site plan attached as Exhibit B hereto. The Developer agrees that the Project, upon completion, will contain not less than 40,000 square feet, a minimum of seventy-five (75) guest rooms and that the hotel shall be and remain be an internationally recognized brand, or such brand as is approved by the IDB. The Developer will cause the completion of the Project and the opening of the hotel to occur not later than twenty-four (24) months following the date of this Agreement.

Section 2.02 Reimbursement of Project Costs. Solely from the Allocated State Tax Revenues allocated to the IDB that are derived from sales occurring on the Project Property (the "Project Sales Tax Revenues"), the IDB will reimburse the Developer for costs, as such term is defined by the Border Region Act, incurred by the Developer in connection with the development of the Project in an amount not exceeding, in the aggregate, the cost of the Project. For purposes of clarity, the Project Sales Tax Revenues shall be determined by the City on behalf of the IDB by determining the Allocated State Tax Revenues

derived from businesses located on the Project Property for each Fiscal Year (as defined below), and multiplying such amount by ninety percent (90%). Because the Project Property did not generate sales tax revenue in the base tax year, no base tax revenues, as such term is defined in the Border Region Act, will be deducted from the Allocated State Tax Revenues in determining the Project Sales Tax Revenues. Notwithstanding the foregoing, if in any Fiscal Year, the Allocated State Tax Revenues allocated to the IDB that are derived from sales occurring on the Non-Incentive Parcels are less than the Base Taxes (due to business closures or other unexpected reasons), the Developer acknowledges that the City and the IDB may not have sufficient unencumbered Allocated State Tax Revenues derived from such Fiscal Year to pay the Annual Incentive to the Developer. In any Fiscal Year in which the Allocated State Tax Revenues allocated to the IDB that are derived from sales occurring on the Non-Incentive Parcels are less than the Base Taxes, the amount paid to the Developer and other recipients of similar annual incentives (other than the Pinnacle Incentive) shall be reduced proportionately based upon the respective Allocated State Tax Revenues received from the respective parcels as to which the incentives relate. Furthermore, in any Fiscal Year in which the Allocated State Tax Revenues allocated to the IDB that are derived from sales occurring on the parcels associated with the Pinnacle Incentive are less than the portion of the Base Taxes that the City and IDB agreed to deduct (to the extent available) from the Pinnacle Incentive, the amount paid to the Developer and other recipients of similar annual incentives shall be reduced proportionately based upon the respective Allocated State Tax Revenues received from the respective parcels as to which the incentives relate. As used herein, the terms below shall be defined as follows:

- (a) "Base Taxes" shall have the meaning set forth in the Border Region Act and, for purposes of the Bristol Border Region District, is equal to \$455,255.05.
- (b) "Fiscal Year" shall mean July 1 through June 30.
- (c) "Non-Incentive Parcels" shall mean parcels within the Border Region District with respect to which the City and IDB have not agreed to pay annual incentives from Allocated State Tax Revenues.
- (d) "Pinnacle Incentive" shall mean the incentive that the City and IDB previously agreed to pay to the developers of the Extraordinary Retail Facility.

Section 2.03 The Project Sales Tax Revenues shall be paid to the Developer within thirty (30) days after the City receives its annual allocation of Allocated State Tax Revenues from the State of Tennessee under the Border Region Act, and such Project Sales Tax Revenues shall be paid on such date for twenty (20) consecutive years commencing upon the conclusion of the first fiscal year of the State (the "Fiscal Year") in which at least one (1) state sales tax generating business operated on the Project Property. Upon completion of the Project, the Developer shall certify the cost of developing the Project to the IDB and the City in such form as the IDB may reasonably request.

Section 2.04 Lender Estoppels. At the request of the Developer, the IDB shall agree to sign (and the IDB shall request the City to sign) such consents, estoppel agreements and other certificates as may be reasonably requested by any lender to the Developer relating to a loan to finance or refinance the cost of the Project so as to provide assurances to such lender that the payments to be made to the Developer under this Agreement have been properly assigned to such lender.

Section 2.05 Reporting Requirements. The IDB will submit or cause the City to submit the annual reports and certifications required by the Border Region Act in order to receive annual

disbursements of Allocated State Tax Revenues pursuant to the Border Region Act. At the request of the IDB, the Developer will cooperate fully with the City and the IDB in connection with the submission of the reports and certifications described in this Section. In connection with such submissions, the Developer will provide the City and the IDB with an annual list of all eligible costs and supporting documentation relating thereto.

Section 2.06 Compliance with Other Legal Requirements. The Developer acknowledges and agrees that this Agreement does not and shall not be construed to indicate or imply that the IDB, acting as a regulatory or permitting authority or as an instrumentality of the City, has granted or is obligated to grant or has the authority to grant any approval or permit required by law for the development of the Project. The Developer agrees to obtain and comply with all permits, licenses and governmental approvals required for the development of the Project and, upon completion of the Project, to maintain the Project in compliance with all legal requirements applicable thereto. The Developer furthermore agrees, during the term of this Agreement, to pay all taxes levied against the Project Property on or before the date that such taxes would be delinquent.

Article III. EVENTS OF DEFAULT AND REMEDIES

Section 3.01 Event of Default. The occurrence and continuance of any of the following events shall constitute an "Event of Default":

- (a) failure of the Developer to perform any of its obligations under this Agreement after written notice is given to the Developer of such failure and the Developer has not cured such failure within sixty (60) days of such notice; or
- (b) any material representation, warranty, certification or other statement made or deemed made by Developer in this Agreement or in any statement or certificate at any time given by Developer in writing pursuant hereto or thereto or in connection herewith or therewith shall be false in any material respect as of the date made; or
- (c) a court of competent jurisdiction shall enter a decree or order for relief in respect of Developer in an involuntary case under any applicable bankruptcy, insolvency or similar law now or hereafter in effect, which decree or order is not stayed, or any other similar relief shall be granted under any applicable federal or state law; or (ii) an involuntary case shall be commenced against Developer under any applicable bankruptcy, insolvency or similar law now or hereafter in effect; or a decree or order of a court having jurisdiction in the premises for the appointment of a receiver, liquidator, sequestrator, trustee, custodian or other officer having similar powers over Developer, as the case may be, or over all or a substantial part of its property, shall have been entered; or there shall have occurred the involuntary appointment of an interim receiver, trustee or other custodian of Developer for all or a substantial part of its property; or a warrant of attachment, execution or similar process shall have been issued against any substantial part of the property of Developer, and any such event described in this clause (ii) shall continue for sixty (60) days without having been dismissed, bonded or discharged; or
- (d) Developer shall have an order for relief entered with respect to it or shall commence a voluntary case under any applicable bankruptcy, insolvency or similar law now or hereafter in effect, or shall consent to the entry of an order for relief in an involuntary case or to the conversion of an involuntary case to a voluntary case under any such law, or shall consent to the appointment of or taking possession by a receiver, trustee or other custodian for all or a substantial part of its property;

or Developer shall make any assignment for the benefit of creditors, or Developer shall be unable, or shall fail generally, or shall admit in writing its inability, to pay its debts as such debts become due; or Developer shall adopt any resolution or otherwise authorize any action to approve any of the actions referred to herein or in Section 3.01(c).

Section 3.02 IDB Remedies. If a Developer Event of Default occurs hereunder, the IDB may terminate this Agreement upon written notice to the Developer at which time all of the rights and privileges of the Developer hereunder shall cease and be of no further force or effect.

Section 3.03 Waiver. No failure by the IDB to exercise any right, remedy, or option under this Agreement or any present or future supplement hereto, or delay by the IDB in exercising the same, will operate as a waiver thereof. No waiver by the IDB will be effective unless it is in writing, and then only to the extent specifically stated. No waiver by the IDB on any occasion shall affect or diminish the IDB's rights thereafter to require strict performance by the Developer of any provision of this Agreement. The IDB's rights under this Agreement will be cumulative and not exclusive of any other right or remedy which the IDB may have.

Article IV. MISCELLANEOUS

Section 4.01 IDB Liability. No Personal Liability; No City Liability. THE LIABILITY OF THE IDB FOR ANY CLAIM BY DEVELOPER IS EXPRESSLY LIMITED TO THE IDB'S INTEREST IN ANY ALLOCATED STATE TAX REVENUES PAYABLE TO THE IDB FROM THE BORDER REGION DISTRICT AND PLEDGED UNDER THIS AGREEMENT AND, OTHERWISE, THE IDB SHALL NOT HAVE ANY PECUNIARY LIABILITY UNDER THIS AGREEMENT FOR ANY ACT OR OMISSION OF THE IDB. NO OTHER PROPERTY OR ASSETS OF THE IDB SHALL BE SUBJECT TO LEVY, EXECUTION OR OTHER PROCEDURES FOR THE SATISFACTION OF REMEDIES OF THE DEVELOPER HEREUNDER OR RELATING HERETO. UNDER NO CIRCUMSTANCES SHALL THE IDB BE LIABLE FOR ANY SPECIAL OR CONSEQUENTIAL DAMAGES, ALL OF WHICH ARE HEREBY WAIVED BY THE DEVELOPER. NO RECOURSE SHALL BE HAD FOR ANY CLAIM BASED UPON ANY OBLIGATION, COVENANT OR AGREEMENT IN THIS AGREEMENT OR ANY TRANSACTION OR MATTER RELATING HERETO AGAINST ANY PAST, PRESENT OR FUTURE DIRECTOR, OFFICER, EMPLOYEE, COUNSEL OR AGENT OF THE IDB, WHETHER DIRECTLY OR INDIRECTLY, AND ALL SUCH LIABILITY OF ANY SUCH INDIVIDUAL AS SUCH IS EXPRESSLY WAIVED AND RELEASED AS A CONDITION OF AND IN CONSIDERATION FOR THE IDB ENTERING INTO THIS AGREEMENT. NOTWITHSTANDING THE FOREGOING, THE PARTIES AGREE THAT THE DEVELOPER MAY ENFORCE THE TERMS OF THIS AGREEMENT THROUGH A CLAIM FOR SPECIFIC PERFORMANCE. THE DEVELOPER ACKNOWLEDGES THAT THE CITY IS A SEPARATE ENTITY FROM THE IDB, AND IN NO EVENT SHALL THE CITY BE RESPONSIBLE FOR THE PERFORMANCE OF ANY OBLIGATIONS OF THE IDB HEREUNDER OR LIABLE FOR ANY CLAIMS AGAINST THE IDB HEREUNDER.

Section 4.02 Indemnity. The Developers shall indemnify the IDB and its successors and assigns, and every director, officer, employee, counsel and agent of the IDB (individually, an "Indemnitee") with respect to, and hold each Indemnitee harmless from and against, any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, claims, costs, expenses and disbursements of any kind or nature whatsoever (including, without limitation, the fees and disbursements of counsel for any Indemnitee in connection with any investigative, administrative or judicial proceeding, whether or not such Indemnitee shall be designated a party thereto) which may be imposed on, incurred by, or asserted against such Indemnitee, in any way relating to or arising out of this Agreement (other than as a result of a breach

hereof by the IDB), or the development of the Project or the submission of any certificate or report to the State by the IDB or the City in reliance on information provided by the Developer ("Indemnification Liabilities"). The Developer shall reimburse each Indemnitee on demand from time to time for all Indemnification Liabilities incurred by such Indemnitee. Each Indemnitee will promptly notify the Developer of the commencement of any proceeding involving it in respect of which indemnification may be sought pursuant to this Section. The obligations of the Developers under this Section 4.02 shall survive the termination of this Agreement.

Section 4.03 Assignment. The Developer may not assign or transfer this Agreement, or any interest of the Developer hereunder, without the prior written consent of IDB. Any such assignment shall not relieve the Developer of its liability for the performance of its duties and obligations hereunder unless IDB consents to such release. The Developer shall be permitted to assign and grant a security interest in its right to receive payments under this Agreement as security for a loan to finance or refinance the cost of the Project.

Section 4.04 Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon the parties hereto and the permitted successors and assigns of the parties.

Section 4.05 Notices. Any notice, request, demand, tender or other communication under this Agreement shall be in writing, and shall be deemed to have been duly given at the time and on the date when personally delivered, or upon the Business Day (as defined below) following delivery to a nationally recognized commercial courier for next day delivery, to the address for each party set forth below, or upon the third (3rd) Business Day after being deposited in the United States Mail, Certified Mail, Return Receipt Requested, with all postage prepaid, to the address for each party set forth below.

If to the Developer to:

Bristol Hospitality, LLC
2523 Shady Meadow Lane
Knoxville, TN 37932

If to the IDB:

The Industrial Development Board of the City Bristol, Tennessee
801 Anderson Street
Bristol, TN 37620
Attention: Chairman

Rejection or other refusal to accept or inability to deliver because of changed address of which no notice was given shall be deemed to be receipt of such communication. By giving prior notice to all other parties, any party may designate a different address for receiving notices.

Section 4.06 Applicable Law. This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Tennessee. Venue for any action arising out of this Agreement shall be exclusively in Sullivan County, Tennessee.

Section 4.07 Entire Agreement. This Agreement supersedes all prior discussions and agreements between the IDB and the Developer with respect all matters contained herein. This Agreement

contains the sole and entire understanding between the IDB and the Developer with respect to the transactions contemplated by this Agreement.

Section 4.08 Amendment. This Agreement shall not be modified or amended in any respect except by written agreement executed by or on behalf of the parties to this Agreement in the same manner as this Agreement is executed.

Section 4.09 Severability. If any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 4.10 Captions. All captions, headings and section and paragraph numbers and letters and other reference numbers or letters are solely for the purpose of facilitating reference to this Agreement and shall not supplement, limit or otherwise vary in any respect the text of this Agreement. All references to particular sections, paragraphs or subparagraphs by number refer to the particular section, paragraph or subparagraph so numbered in this Agreement unless reference to another document or instrument is specifically made.

Section 4.11 Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed an original, and all such counterparts together shall constitute one and the same Agreement.

Section 4.12 Expenses. Each party shall promptly pay all of their own costs and expenses incurred in connection with the performance of their obligations under of this Agreement.

Section 4.13 Term. Unless terminated earlier as provided herein, this Agreement shall be effective as of the date hereof and shall remain in effect until the parties have performed all of their obligations hereunder or until terminated upon default or by mutual agreement of the parties and the City or their successors and assigns.

Section 4.14 No Government Limitation. This Agreement shall not be construed to bind any other agency or instrumentality of federal, state or local government in the enforcement of any regulation, code or law under its jurisdiction.

Section 4.15 Time of the Essence. Time shall be of the essence in the performance of the terms and conditions of this Agreement.

Section 4.16 Business Days. For purposes of this Agreement, "Business Day" means any day other than a Saturday, Sunday or other day on which commercial banks are authorized to close under the laws of, or are in fact closed in, the State of Tennessee. If any date on which performance or notice is due under this Agreement is not a Business Day, performance or notice shall not be due until the next Business Day.

Section 4.17 Approvals by IDB. Any approval by the IDB required hereunder may be granted by a duly authorized representative of the IDB and not the board of directors of the IDB, unless specifically provided otherwise herein.

[Signature pages to follow]

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

THE INDUSTRIAL DEVELOPMENT BOARD OF
THE CITY OF BRISTOL, TENNESSEE

By: _____
Chairman

BRISTOL HOSPITALITY, LLC

By: _____
Title: _____

Exhibit A

The project will be located on the following described property, located in the 5th Civil District of Sullivan County, State of Tennessee, in the City of Bristol:

BEGINNING at a highway monument, on the northerly margin of U.S. Highway 11W South (State Route #1/West State Street Right of Way), corner to TMBC, LLC (DB 3112, P. 2076); thence with the line of TMBC, LLC, North 30 degrees 51 minutes 05 seconds West 5.22 feet to a ½ inch iron rod found; thence with the line of TMBC, LLC, North 30 degrees 51 minutes 05 seconds West 187.71 feet to a ½ inch iron rod found; thence North 63 degrees 24 minutes 00 seconds East 145.75 feet to a new iron pin; thence North 63 degrees 24 minutes 00 seconds East 473.31 feet to a ½ inch iron rod found, corner to Grand Guitar TN, LLC (DB 3122, P. 238); thence with the line of Grand Guitar TN, LLC, South 29 degrees 19 minutes 58 seconds East 145.13 feet to a highway monument; thence continuing with the line of Grand Guitar TN, LLC, South 29 degrees 19 minutes 58 seconds East 20.57 feet to a highway monument disturbed; thence with a curve to the left, a radius of 1990.08 feet, chord bearing South 62 degrees 49 minutes 14 seconds West, a chord length of 290.42 feet to a new iron pin; thence South 59 degrees 09 minutes 00 seconds West 323.14 feet to a highway monument, being the point of BEGINNING, and being 2.44 acres, more or less, according to survey of Steven G. Cross, TLR#1429, dated May 15, 2017, to which reference is here made.

Being the same property conveyed to Bristol Hospitality, LLC by deed dated June 20, 2018, of record in Book 3294, page 2059 in the register's office for Sullivan County, Tennessee.

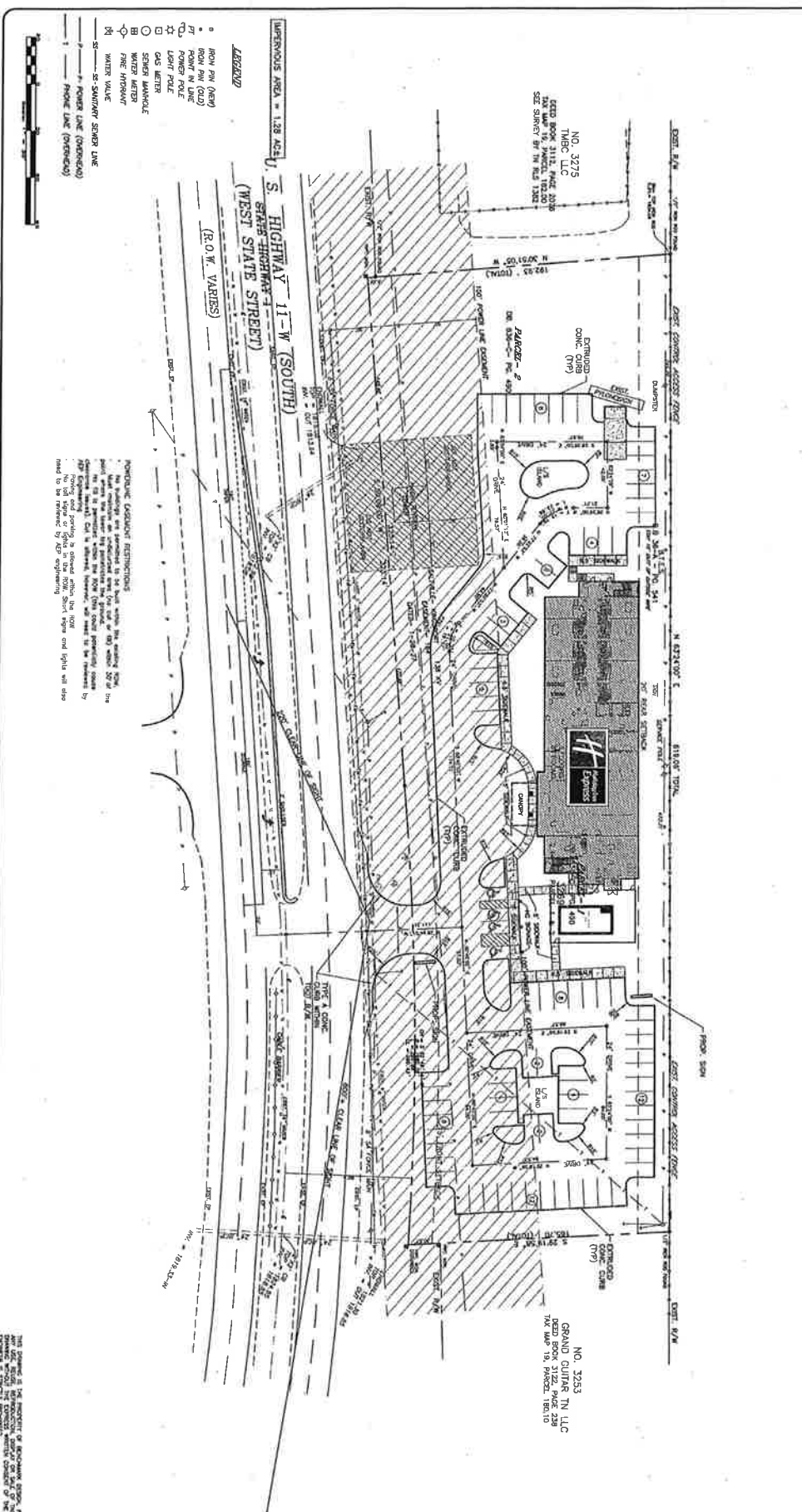
Exhibit B

[Site Plan]



INTERSTATE 81

(R.O.W. VARIES)



NO. 3263
 GRAND OUIR TN LLC
 DEED BOOK 3122, PAGE 239
 THE DATE IS 10/20/2011 10:11:11

- LEGEND**
- ROOM AIR (RAD)
 - ROOM AIR (CAD)
 - POWER IN LINE
 - LIGHT POLE
 - SPREADER
 - WATER METER
 - FIRE HYDRANT
 - WATER VALVE
 - ST. SANDWY SOWER LINE
 - POWER LINE (CONCRETE)
 - POWER LINE (CONCRETE)

PORTABLE TOILET RESTRICTIONS

1. All portable toilets shall be located within the existing site limits and shall not be located within the existing site limits.

2. All portable toilets shall be located within the existing site limits and shall not be located within the existing site limits.

3. All portable toilets shall be located within the existing site limits and shall not be located within the existing site limits.

4. All portable toilets shall be located within the existing site limits and shall not be located within the existing site limits.

5. All portable toilets shall be located within the existing site limits and shall not be located within the existing site limits.

6. All portable toilets shall be located within the existing site limits and shall not be located within the existing site limits.

7. All portable toilets shall be located within the existing site limits and shall not be located within the existing site limits.

8. All portable toilets shall be located within the existing site limits and shall not be located within the existing site limits.

9. All portable toilets shall be located within the existing site limits and shall not be located within the existing site limits.

10. All portable toilets shall be located within the existing site limits and shall not be located within the existing site limits.

THE CONTRACTOR IS TO BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS FROM THE LOCAL GOVERNMENT AND TO OBTAIN ALL NECESSARY PERMITS FROM THE LOCAL GOVERNMENT.

NO.	DATE	DESCRIPTION	BY

C2
 of



DEVELOPMENT PLANS FOR
DIAMOND JUBILEE INVESTMENTS
 Bristol, Tennessee

SITE LAYOUT

Benchmark Design, Inc.
 ENGINEERING & SURVEYING

3541 W. Market Street
 Johnson City, Tennessee 37604
 Phone: 423-722-1100
 Fax: 423-722-1107