



JASON E. MUMPOWER  
*Comptroller*

## **TENNESSEE STATE SCHOOL BOND AUTHORITY**

**MAY 31, 2023**

### **AGENDA**

1. Call meeting to order
2. Approval of minutes from the April 26, 2023, meeting
3. Consideration and approval of the Resolution to Approve the Borrowing of Money by Another Method for Middle Tennessee State University – City of Shelbyville
4. Approval of Projects for:

#### **The Tennessee Board of Regents**

- Middle Tennessee State University – Athletic Video Board Upgrades (462); Cost: \$4,500,000 of which \$3,900,000 will be financed from TSSBA; Term of Financing: 5 years as short-term financing at an assumed tax-exempt rate
5. Acknowledgement of project cancellation submitted by UT as follows:
    - University of Tennessee Health Science Center – GMP Facility Expansion (A96); Cost: \$10,000,000 all of which will be financed from TSSBA; Term of Financing: 20 years as long-term financing at an assumed taxable rate
  6. Adjourn

## **TENNESSEE STATE SCHOOL BOND AUTHORITY**

**April 26, 2023**

The Tennessee State School Bond Authority (“TSSBA”, or the “Authority”) met on Wednesday, April 26, 2023, at 3:38 p.m., in the Volunteer Conference Center, 2<sup>nd</sup> Floor, Cordell Hull Building, Nashville, Tennessee. The Honorable Jason Mumpower, Comptroller of the Treasury, was present and presided over the meeting.

The following members were also present:

The Honorable Tre Hargett, Secretary of State  
Commissioner Jim Bryson, Department of Finance and Administration  
Angela Scott, proxy for Dr. Flora Tydings, Chancellor, Tennessee Board of Regents  
David Miller, proxy for Randy Boyd, President, University of Tennessee

The following members were absent:

The Honorable Bill Lee, Governor  
The Honorable David H. Lillard Jr., State Treasurer

Mr. Mumpower noted the presence of a physical quorum and called the meeting to order. Mr. Mumpower stated that the first item on the agenda was the minutes of the March 27, 2023, meeting of the Authority. Mr. Mumpower asked if there were any questions or discussion regarding the minutes. Hearing none, Mr. Hargett made a motion to approve the minutes, Mr. Bryson seconded the motion, and Mr. Mumpower took the vote.

The minutes were approved unanimously.

Mr. Mumpower stated that the next item on the agenda was a Resolution to Approve the Borrowing of Money by Another Method by the University of Tennessee at Knoxville (“UTK”). Mr. Mumpower recognized Mr. Austin Oakes, Assistant Vice President of the Office of Capital Projects at the University of Tennessee (“UT”), to present the request. Mr. Oakes explained that UT had one request on behalf of UTK for leasing apartment housing in Knoxville from Lakemoor Station LLC. Mr. Oakes explained that this lease would provide 96 one-bedroom units (set up as double occupancy), 108 two-bedroom units, and 36 three-bedroom units for a total of 516 beds of student housing facilities. Mr. Oakes stated that the lease term was for five years beginning August 1, 2023, through July 31, 2028 with an option to extend the lease for three additional years. Mr. Oakes stated that the estimated annual cost was \$6,785,252.

Mr. Bryson made a motion to approve the item and Mr. Hargett seconded the motion. Mr. Bryson mentioned that UT had recently presented information to the State Building Commission on proposed future public-private partnerships (“P3”) to build dormitories on UTK’s campus. Mr. Bryson asked Mr. Oakes to explain how this lease fits into UTK’s master housing plans. Mr. Oakes explained that this lease was a solution that would help meet UTK’s housing needs until P3 housing would be available. Mr. Oakes stated that UTK was actively moving forward with the P3 project, and that the Lakemoor Station beds available now would allow UTK to meet student housing needs while designing, planning, and building the P3 housing project. Mr. Oakes also stated that UTK planned to use Lakemoor Station to house graduate students when the P3 housing became available. Mr. Bryson asked Mr. Oakes if UT anticipated exercising the three-year option to extend the lease. Mr. Oakes stated that the decision had not been made at this point in time, but it was certainly a possibility under consideration. Hearing no further discussion, Mr. Mumpower took the vote.

The motion was approved unanimously.

Mr. Mumpower stated that the next item on the agenda was a Resolution to Approve the Borrowing of Money by Another Method by the University of Memphis (“UoM”). Mr. Mumpower recognized Mr. Raaj Kurapati, Executive Vice President and Chief Operating & Financial Officer at UoM to present the request. Mr. Kurapati stated that UoM was seeking approval to enter into a lease with the City of Memphis for the Leftwich Tennis Center. Mr. Kurapati explained that UoM would prepay rent of \$7,500,000, with a term

of 25 years and an average annual cost of \$300,000 per year. Mr. Kurapati stated that this was a unique partnership with the City of Memphis where UoM would have access to the new \$30 million class A tennis facility for UoM's NCAA tennis programs. Mr. Kurapati stated that the lease would allow UoM access to the tennis courts, locker rooms, and offices for practices and tournaments for both the men's and women's players and staff.

Mr. Mumpower made a motion to approve the request and Mr. Bryson seconded the motion. Mr. Mumpower clarified that the lease was for 25 years, and not for 30 years, as Mr. Kurapati had stated earlier when describing the terms of the lease. Mr. Mumpower asked if there were any questions or discussion related to the request. Hearing no further discussion, Mr. Mumpower took the vote.

The motion was approved unanimously.

Mr. Mumpower stated that concluded the business on the agenda. Mr. Mumpower made a motion to adjourn, Mr. Bryson seconded the motion, and Mr. Mumpower took the vote.

The motion was approved unanimously.

The meeting was adjourned.

Approved on this \_\_\_\_\_ day of \_\_\_\_\_, 2023.

Respectfully submitted,

Sandra Thompson  
Assistant Secretary

**RESOLUTION TO APPROVE THE  
BORROWING OF MONEY BY ANOTHER METHOD BY  
MIDDLE TENNESSEE STATE UNIVERSITY**

**Recitals**

Whereas, Middle Tennessee State University (“MTSU”) is asking that it be allowed to enter a lease (the “Lease”) for real property between it and the City of Shelbyville, Tennessee; and

Whereas, the real property to be leased (the “Property”) is approximately 16 acres and is located just west of the Shelbyville Municipal Airport and adjacent to Highway 231; and

Whereas, MTSU intends to use the Property to establish a campus for the relocation of its Department of Aerospace professional pilot and maintenance management programs (the “Aerospace Programs”) from their existing locations at the Murfreesboro, Tennessee Municipal Airport (the “Murfreesboro Airport”); and

Whereas, the Murfreesboro Airport does not have enough space available to accommodate growing enrollment in the Aerospace Programs; and

Whereas, the term of the Lease is for forty (40) years from its effective date with a beginning base rent (“Rent”) amount of three hundred thousand dollars and no cents (\$300,000.00) per year in its initial year and with the annual amount of Rent thereafter increasing by one percent (1%) until the Rent amount in the fortieth (40<sup>th</sup>) and final year will be four hundred forty-two thousand two hundred thirty-six dollars and seventy-five cents (\$442,236.75); and

Whereas, the Lease includes a provision that MTSU may purchase a portion of the Property with previously paid Rent to applied as part of the purchase price (the “Purchase Option”); and

Whereas, the intent of the Purchase Option is to allow MTSU to purchase the areas of the property that will contain the majority of improvements (the “Improvements”) made by it, including the main academic facilities; and

Whereas, funding for the Improvements is included in the Fiscal Year 2022/2023 State of Tennessee budget; and

Whereas, the Rent payments will be funded by the MTSU through the Department of Aerospace’s annual budget; and

Whereas, the Lease provides that, if MTSU is not appropriated sufficient funds to pay the Rent, the Lease may be terminated upon written notice by MTSU.

**BE IT RESOLVED BY THE TENNESSEE STATE SCHOOL BOND AUTHORITY:**



1. In accordance with the authority provided by Tennessee Code Annotated Section 49-3-1205(11), the Authority gives its approval for MTSU to enter into the Lease.

BE IF FURTHER RESOLVED that all resolutions or parts of resolutions in conflict are repealed, and the resolution shall be effective as of May 31, 2023.

Adopted by the Authority at its meeting on May 31, 2023.

---

JASON E. MUMPOWER, SECRETARY  
TENNESSEE STATE SCHOOL BOND AUTHORITY



**Campus Planning**  
MTSU Box 44 – Holmes Building  
1672 Greenland Drive  
Murfreesboro, TN 37132  
615-898-2411

Ms. Sandi Thompson  
Director State Government Finance  
Tennessee Comptroller of the Treasury  
Cordell Hull Building  
425 Rep. John Lewis Way N.  
Nashville, TN 37243-3400

Ms. Thompson:

Middle Tennessee State University requests TSSBA approval of a lease between the City of Shelbyville and Middle Tennessee State University. The lease parcel is approximately 16 acres and is located just west of the Shelbyville Municipal Airport and adjacent to Highway 231. MTSU is the lessee in this agreement and will lease approximately 16 acres of land from Shelbyville to locate the MTSU Aerospace Campus project.

The MTSU Aerospace Campus project will develop this land to relocate MTSU Aerospace professional pilot and maintenance management programs from the existing location at the Murfreesboro Municipal Airport. Currently the Murfreesboro Airport doesn't have enough space available to accommodate growing MTSU Aerospace program enrollment.

The proposed lease term is for forty years from the effective date with a base lease amount of \$300,000 per year. MTSU Professional Pilot flight training program revenue is to be used for funding the lease payments. The agreement includes provisions for MTSU to purchase a portion of this property with previously paid rent to applied as part of the purchase price. The intent of this arrangement will allow MTSU to purchase the areas of the property that contain the majority of the improvements including the main academic facilities. The remainder of the property will include flight operations components such as aircraft tie/down apron space and other improvements that will need to be located within the security perimeter of the Shelbyville Airport per FAA regulations. This area to remain within the airport security area can't be purchased by MTSU fee simple and will remain a lease with the Shelbyville Airport. Site masterplanning will be carried out upon SBC approval of the MTSU Aerospace project that will define what areas of the land will need to be located within the security perimeter of the Shelbyville Airport.

The Aerospace Campus Project will be requested for approval with the State Building Commission upon lease approval with the TSSBA and the Executive Subcommittee of the State Building Commission.

The lease agreement was approved by the Shelbyville City Council on April 13, 2023. Please see enclosed proposed lease agreement.

Thank you for your consideration and please don't hesitate to reach out if you have questions or need additional information as part of this request.

Sincerely,

A handwritten signature in black ink, appearing to read "W. Waits".

William Waits, Architect  
Assistant VP for Campus Planning  
Middle Tennessee State University

**LEASE AGREEMENT**

**BY AND BETWEEN**

**City of Shelbyville**

**AND**

**Middle Tennessee State University**

**DATED AS OF \_\_\_\_\_**

## **LEASE AGREEMENT**

**THIS LEASE AGREEMENT** (the “Lease”) is made and entered into as of \_\_\_\_\_ (the “Effective Date”), by and between the City of Shelbyville, a municipality existing under the laws of the State of Tennessee (the “Landlord”), and Middle Tennessee State University, a Tennessee public institution of higher education (the “Tenant” or “MTSU”).

### **WITNESSETH:**

**WHEREAS**, Landlord is the owner of approximately sixteen (16) acres of undeveloped land (the “Parcel”) located in Bedford County, Tennessee; and

**WHEREAS**, Tenant desires to enter into a ground lease of the Parcel for uses related to MTSU’s aerospace education program, as depicted in the attached diagram on Exhibit A; and

**WHEREAS**, Tenant intends to ultimately utilize a portion of this Parcel for aeronautical use, and a portion for non-aeronautical use, and once the portions are so identified, the parties will amend this Lease to divide the parcel as appropriate for the aeronautical use; and

**WHEREAS**, Tenant may construct facilities and make all necessary site and infrastructure improvements as defined in this Lease, in accordance with the requirements therein, and operate such improvements at its sole cost and expense; and

**WHEREAS**, it is the intent of Landlord to grant, demise and let unto Tenant, and Tenant intends to lease, accept and rent from Landlord, the above referenced Parcel; and

**NOW, THEREFORE**, for and in consideration of the use and occupancy of the Parcel, benefits, covenants and agreements contained herein, and in consideration of the rents to be paid to Landlord, Landlord does hereby lease the Parcel to Tenant on the following terms and conditions:

### **ARTICLE 1** **DEFINITIONS**

For purposes of this Lease, the following terms are defined as follows, unless the context clearly indicates otherwise:

1. “Airport” shall mean the Shelbyville Municipal Airport in Bedford County, Tennessee.
2. “Additional Permanent Improvements” shall mean any and all improvements that are installed after the first forty-eight (48) months of the Initial Term that a) are permanently affixed to the Parcel, b) involve an expenditure of Ten Thousand Dollars (\$10,000.00) or more, and c) have a useful life expectancy of more than twelve (12) months.
3. “Applicable Laws” shall mean all present and future generally applicable ordinances, statutes, orders, directives, rules, codes, regulations and decrees of federal, state and municipal authorities and agencies and their respective agencies, departments, authorities and commissions.

4. "Business Day" shall mean each day other than a Saturday, a Sunday, a legal holiday on which commercial banks in the State of Tennessee are authorized to close under Applicable Laws, or any Middle Tennessee State University school-wide closure.
5. "Lease Year" shall mean the 12-month period beginning on the Effective Date of this Lease and each annual anniversary thereof.
6. "Parcel" shall have the meanings set forth in the first recital paragraph hereof and shall include all unimproved and improved property, now existing or as may be constructed during the Term of this Lease, on, in or under the leasehold area as depicted on Exhibit A, attached hereto. It is contemplated by the parties that after the completion of the design for the Project (defined below), Tenant will use a certain portion of the Parcel for aeronautical purposes, at which time the parties will enter into an amendment to this Lease to remove the aeronautical use portion of the Parcel from this lease. The removed portion will be leased to Tenant from Landlord at the existing standard aeronautical lease rate pursuant to a new lease agreement or incorporation by an amendment into an existing lease agreement.
7. "Person" shall mean a natural person, corporation, partnership, trust, joint venture, association, limited liability company or other entity.
8. "Project" shall mean the initial capital improvements completed on the Parcel by Tenant within the first forty-eight (48) months of the Initial Term.
9. "Project Cost" shall mean the actual cost of the Project or Additional Permanent Improvements, as applicable, to include architectural and engineering fees, construction management, the cost to obtain the applicable permits, construction costs, and the purchase and installation of improvements.
10. "Residual Value Amount" shall mean the Project Cost less the depreciation on the Project or any Additional Permanent Improvement. For purposes of this definition, depreciation shall be calculated by a monthly straight-line depreciation of the Project Cost over the anticipated useful life of the Project or Additional Permanent Improvements, as applicable, which for purposes of this Lease shall be forty (40) years.

## **ARTICLE 2**

### **TERM**

- A. Subject to the earlier termination of this Lease as permitted by the terms hereof, the term of this lease (the "Term") shall commence on the Effective Date of this Lease and shall end at twelve o'clock midnight, Shelbyville, Tennessee time, on the date which is forty (40) Lease Years from the Effective Date.
- B. Notwithstanding the Term set forth herein, at any time after the Effective Date of the Lease and prior to the termination date, Tenant has the right to purchase the non-aeronautical portion of the Parcel from Landlord upon at least ninety (90) days prior written notice to Landlord ("Purchase Option A"). The parties agree that the boundaries of Purchase Option A at the time of execution of this Lease are undefined, and that the parties will work in good faith to effectuate the intent of this provision, which is to provide Tenant the right to purchase the portion of the Parcel that will not be considered aeronautical land. The purchase price for Purchase Option A will be equal to the amount Landlord paid to purchase the Parcel, on a per square foot basis, less any rental payments on the Parcel made by Tenant up to the date of sale of Purchase Option A from Landlord to Tenant. The purchase and sale of Purchase Option A will be conducted in accordance with Applicable Law, and subject to separate due diligence by Tenant



and negotiation and execution of appropriate purchase and sale documentation, including a deed of sale.

### **ARTICLE 3**

#### **RENT**

Rent shall commence on the "Rent Commencement Date" which shall be the Effective Date of this Lease. On the Rent Commencement Date Tenant shall pay the annual "Base Rent" or "Rent" on a per square foot basis for land included within the Parcel, however that might be increased or decreased during the Term, and annually thereafter, as set forth in Exhibit B, subject to the provisions of this Lease. Upon removal of a portion of the Parcel as contemplated in Article 1, Paragraph 6 above, the Rent due under this Article shall automatically be adjusted on a per square foot basis to account for the reduced square footage of the Parcel.

Time is of the essence in the performance of all of Tenant's and Landlord's obligations hereunder. If any Rent or other amounts owed by Tenant to Landlord hereunder are not paid within sixty (60) days following the due date, Landlord may, in its sole discretion, impose on Tenant a late fee in an amount not to exceed the statutory maximum under the Tennessee Prompt Pay Act, Tenn. Code Ann. § 12-4-701 et seq.

### **ARTICLE 4**

#### **TENANT IMPROVEMENTS**

- A. Tenant shall have the right to install or erect improvements on the Parcel, provided however, that construction of all such improvements, including the Project, shall commence only after plans and specifications have been submitted to and approved in writing by the Landlord, which approval shall not be unreasonably withheld, delayed or conditioned. All improvements made by Tenant to the Parcel shall be of good quality and workmanship. All charges, including installation cost, meter deposits and all service charges for water, electricity, and other utility services to and within the Parcel shall be paid by Tenant. All improvements and equipment constructed or installed by Tenant, its agents, or contractors, including the plans and specifications, shall conform to all Applicable Laws.
- B. Landlord's approval of any plans or specifications submitted by Tenant shall refer only to the conformity of such plans and specifications to existing improvements at the Airport and Landlord requirements. Such plans and specifications are not approved for architectural or engineering design or compliance with Applicable Laws, and the Landlord, by approving such plans and specifications, assumes no liability or responsibility for any defect in any structure or improvement constructed according to such plans and specifications.
- C. Copies of the architectural drawings, as-builts, or other final documents for all improvements or subsequent changes therein or alterations thereof to the Parcel shall be submitted to the Landlord within ninety (90) days following completion of the Project, in such form as requested by Landlord. Upon completion of the Project or any Additional Permanent Improvements, Tenant shall provide Landlord with a true and correct statement of the Project Costs.
- D. All improvements made to the Parcel and additions and alterations thereto by Tenant shall be and remain the property of Tenant until the termination of this Agreement (whether by expiration of the term, default,

termination, forfeiture, or otherwise), whichever first occurs; at which time the said improvements shall become the property of Landlord and Landlord shall pay any Residual Value Amount, provided, however, that any temporary structures, trade fixtures, signs and other personal property of Tenant or any subtenant not permanently affixed to the Parcel shall remain the property of Tenant or its subtenant and shall so remain unless Tenant shall fail within ten (10) days following the termination of this Agreement to remove its temporary structures, trade fixtures, signs and other personal property not permanently affixed to the Parcel, in which event, at the option of Landlord, title to the same shall vest in Landlord, at no cost to Landlord, or Landlord may elect to exercise its rights as set forth in this Agreement. Notwithstanding the foregoing, improvements installed on the Purchase Option A portion of the Parcel remain the property of Tenant should Tenant exercise its purchase option.

- E. Tenant shall not remove or demolish, in whole or in part, the Project or Additional Permanent Improvements upon the Parcel without the prior written consent of the Landlord, which may be conditioned upon the obligation of Tenant to replace the same by an improvement specified in such consent, and which shall not be unreasonably withheld. Upon Landlord consent to remove or demolish, if granted, the Residual Value Amount shall be adjusted accordingly.
- F. In the event that the Landlord is required to pay the Residual Value Amount under any provision of this Lease, the Landlord shall pay the Residual Value Amount in annual payments amortized over a term equivalent to the remaining lease term existing at the time that the event giving rise to City's obligation to pay the Residual Value Amount occurred.
- G. Tenant shall be responsible for making repairs at its sole cost and expense for any damage resulting from the removal by Tenant of its furniture, trade fixtures, or other personal property.

## **ARTICLE 5**

### **SURVEY**

Upon Tenant's completion of the Project, Tenant, at Tenant's sole cost and expense, shall cause an as-built survey (the "As-Built Survey") to be prepared by a licensed surveyor, satisfactory to both parties, reflecting an accurate metes and bounds description of the Parcel, setting forth the acreage and square footage of the Parcel, the location and square footage of the Project constructed on the Parcel, and the demarcation between aeronautical and non-aeronautical portions.

## **ARTICLE 6**

### **USE OF PARCEL**

- A. Landlord makes no representations or warranties, either express or implied, as to the condition of the Parcel or the suitability of the Parcel for the use intended by Tenant. Tenant takes the Parcel in an "as is" condition and accepts its suitability and sufficiency for Tenant's intended use. Subject to the terms and conditions contained herein, Tenant shall have the right use the Parcel for any use permitted under applicable law, including but not limited to, the use and development of the Parcel for aeronautical or non-aeronautical use, subject to the airport layout plan (the "Permitted Use").



- B. Should Landlord, or any successor entity, prevent Tenant from using the Parcel for its Permitted Use, Tenant's obligation to pay rent shall be suspended for the period of time that it is prevented from using the Parcel. Should the period during which Tenant is prevented from using the parcel extend for longer than ninety (90) days, then Tenant may elect, in its sole discretion, to terminate this Lease by providing Landlord with at least thirty (30) days prior notice of its intent to terminate. Upon the date of termination, Tenant shall have no further obligations under this Lease. Landlord shall pay any Residual Value Amount, if applicable, to Tenant.

## **ARTICLE 7**

### **ACCESS**

Subject to all Applicable Laws, Tenant, and Tenant's officers, employees, agents, servants, customers, vendors, suppliers, patrons and invitees shall have access to the Parcel twenty-four (24) hours per day, seven (7) days a week. Landlord acknowledges that Tenant's use of the Parcel is dependent upon Tenant's right to utilize Airport property, and Landlord agrees to provide Tenant the non-exclusive right to use all existing and hereafter created means of access to the Airport through, across, over and by the unimpeded use of all presently existing or hereafter relocated or installed taxiways, runways, roads, bridges, overpasses, causeways and highways providing access within, to and from the Airport. The right of ingress and egress shall be used jointly with other subtenants and tenants of the Airport.

## **ARTICLE 8**

### **REPAIRS AND MAINTENANCE**

- A. During the Term, Tenant, at Tenant's sole cost and expense, shall be responsible for all repairs and maintenance of the Parcel and shall keep and maintain all of the Parcel, including buildings, roadways, driveways, automobile parking areas, sidewalks, fencing, gates, lighting, under-ground detention/retention ponds, drainage and utility facilities and all other improvements located on, in or under the Parcel, in a state of good condition and repair in accordance with the reasonable requirements of Landlord and all Applicable Laws, and shall make all necessary repairs, replacements and renewals, whether structural or nonstructural, foreseen or unforeseen and ordinary or extraordinary, in order to maintain such state of condition and repair; it being the intention of the parties that Landlord shall have no liability for any of the foregoing.
- B. Tenant shall be responsible for keeping the Parcel in a good, clean, safe and sanitary condition, reasonable wear and tear excepted. This shall include the provision of janitorial services, supplies, and trash removal.
- C. Except in an emergency, the Landlord will not permit or cause any blockage into or out of the Parcel, nor will Landlord permit any blockage of any taxiways, runways, roads, bridges, overpasses, causeways and highways providing access within, to and from the Airport.



**ARTICLE 9**  
**COMPLIANCE WITH LAWS**

In the use and occupancy of the Parcel during the Term, Tenant, its officers, agents, servants, employees, contractors, licensees, invitees, and any other person whom Tenant controls or has the right to control shall comply with all Applicable Laws that are applicable to Tenant's use and occupancy of the Parcel and Landlord, its officers, agents, servants, employees, contractors, licensees, invitees, and any other person whom Landlord controls or has the right to control, shall comply with all Applicable Laws that are applicable to Landlord's ownership of the Parcel.

**ARTICLE 10**  
**ENVIRONMENTAL COMPLIANCE**

A. As used herein:

- (1) "Hazardous Wastes" means all waste materials subject to regulation under the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (including the Superfund Amendments and Reauthorization Act of 1986), 42 U.S.C. §§ 9601, *et seq.*; the Resource Conservation and Recovery Act of 1976, 42 U.S.C. §§ 6901, *et seq.*; the Toxic Substances Control Act, 15 U.S.C. §§ 2601, *et seq.*; the Federal Water Pollution Control Act, 33 U.S.C. §§ 1251, *et seq.*; the Safe Drinking Water Act, 42 U.S.C. §§ 300f, *et seq.*; the Hazardous Materials Transportation Act, 49 U.S.C. §§ 5101, *et seq.*; the Clean Air Act, 42 U.S.C. §§ 7401, *et seq.*; the Clean Water Act, 33 U.S.C. §§ 1251, *et seq.*; the Tennessee Hazardous Waste Management Act, Tennessee Code Annotated §§ 68-212-101, *et seq.*, the Tennessee Hazardous Waste Management Act of 1983, Tennessee Code Annotated §§ 68-212-201, *et seq.*; and the Tennessee Petroleum Underground Storage Tank Act, Tennessee Code Annotated §§ 68-215-101, *et seq.*, all as amended, and any other materials, wastes, pollutants, oils or governmentally regulated substances or contaminants defined or designated as hazardous, radioactive, dangerous or any other similar term in or under any of the Environmental Laws.
- (2) "Toxic Substances" means and includes any materials that have been shown to have significant adverse effects on human health or which are subject to regulation under the Toxic Substances Control Act, 15 U.S.C. §§ 2601, *et seq.*, as amended, or any other Applicable Laws now in force or hereafter enacted relating to toxic substances. "Toxic Substances" includes asbestos, polychlorinated biphenyls (PCBs), petroleum products, lead-based paints, flammable explosives, radioactive materials and any other pollutants and any hazardous, toxic or dangerous waste, substance, material or pollutant defined as such in (or for purposes of) the Environmental Laws or listed as such by the United States Environmental Protection Agency.
- (3) "Hazardous Materials" means Hazardous Wastes and Toxic Substances, collectively.
- (4) "Environmental Laws" means and includes all current and future laws relating to Hazardous Materials together with all other Applicable Laws, and any judicial or administrative interpretations thereof, relating to health, safety or environmental matters.

- B. Tenant (including its agents, contractors, employees, and any other entities for which Tenant is responsible), in its use of the Parcel shall comply with all federal, state, and local statutes, ordinances, regulations, rules, policies, codes, or guidelines now or hereafter in effect, as they may be amended from time to time, that govern Hazardous Materials (as defined above) or relate to the protection of human health, safety, or the environment and represents and agrees that:
- (1) It shall not give authorization or consent for any activity at or near the Parcel which could involve or lead to the use, manufacture, storage or disposal of any Hazardous Materials, except for the types, and in the amounts, used in the ordinary course of the business of Tenant within the Parcel;
  - (2) It shall keep the Parcel free and clear of any liens imposed pursuant to any applicable Environmental Laws as a result of Tenant's use of the Parcel;
  - (3) All licenses, permits and other governmental or regulatory actions necessary for operations that Tenant conducts at the Parcel to comply with Environmental Laws shall be obtained and maintained and Tenant shall ensure compliance therewith;
  - (4) It shall promptly notify Landlord in the event of the discovery of any Hazardous Materials on the Parcel not permitted hereunder or any violation of any of the Environmental Laws; and
  - (5) Subject to the terms of this Article, it will promptly forward to Landlord copies of all orders, notices, permits, applications or other communications and reports (individually, an "Order") that Tenant receives and that relate to any violation of Environmental Laws applicable to the Parcel or any discharge, spillage, use or discovery of any Hazardous Materials or any other matter relating to the Environmental Laws as it may affect the Parcel, and shall promptly comply with each such Order and remediate such violation. In the event that an Order is subject to an attorney/client or attorney work product privilege, Tenant shall not be required to provide such Order to Landlord; provided, however, that Tenant shall promptly provide the notice required under this Lease regardless of the source of such information, including an Order subject to an attorney/client or attorney work product privilege. Upon the receipt of any such notice or Order, Landlord and any environmental consultant or other Person designated by Landlord, at Landlord's sole cost, shall have the right, but not the obligation, to enter upon the Parcel at reasonable times to assess the environmental condition of the Parcel and its use, including conducting an environmental assessment or audit (the scope of which shall be determined in the sole and absolute discretion of the party conducting the assessment) and taking samples of soil, groundwater or other water, air or building materials; provided, however, that, (i) except in the event of an emergency, any such entry by Landlord or any environmental consultant or other Person designated by Landlord shall occur between the hours of 8:00 a.m. and 5:00 p.m. after not less than 48 hours prior notice to Tenant, and (ii) Landlord shall repair and restore any damage to the Parcel resulting from such entry upon the Parcel by Landlord or any environmental consultant or other Person designated by Landlord. Tenant shall reasonably cooperate with and provide access to Landlord and any environmental consultant or other Person designated by Landlord.
- C. In making the representations and agreements set forth in this Lease, Tenant does not undertake any obligation to remediate, or take any other action with respect to, or incur any liability for the cost of remediating or taking other action with respect to, any environmental condition affecting the Parcel that (i)



has resulted from the migration of Hazardous Materials to the Parcel from off-site sources or adjacent Parcel and is not attributable to the activities of Tenant or any of its officers, contractors, subcontractors, invitees, agents, representatives or employees or any of their respective officers, contractors, subcontractors, invitees, agents, representatives or employees, or (ii) is not attributable to the activities of Tenant or any of its officers, contractors, subcontractors, invitees, agents, representatives or employees or any of their respective officers, contractors, subcontractors, invitees, agents, representatives or employees; provided, however, that Landlord and Tenant do not intend this Article to limit Landlord's right to seek contribution or cost-sharing under any applicable Environmental Laws for costs that it may incur in connection with inspections, investigations, studies, design, construction, remediation or operations or maintenance of remedial activities at, on or near the Parcel from parties responsible for any contamination occurring at, on or near the Parcel. The foregoing express right of Landlord to seek contribution or cost-sharing shall in no way increase and alter Tenant's liability as set forth elsewhere in this Lease.

- D. If Tenant shall fail to comply with any of the requirements of the Environmental Laws, Landlord may, in addition to the other remedies for Tenant's default set forth herein, at Landlord's election but without the obligation to do so, (i) give such notices, (ii) cause such work to be performed on the Parcel, and (iii) take any and all other actions as Landlord shall deem necessary or advisable in order to abate, remove or remediate any Hazardous Materials or otherwise cure Tenant's noncompliance, with the costs thereof to be reimbursed to Landlord within sixty (60) days of demand, in an amount not to exceed the statutory maximum under the Tennessee Prompt Pay Act, Tenn. Code Ann. § 12-4-701 et seq.,

## **ARTICLE 11**

### **LIENS AND TAXES**

- A. Tenant shall not do or suffer anything to be done by which the Parcel, or any part thereof, may be encumbered by a lien of any kind, and any claim against Tenant is governed by the Tennessee Claims Commission. Landlord shall have the right at all times to post and keep posted on the Parcel any notices permitted or required by law, or which Landlord shall deem proper, for the protection of Landlord, the Parcel and any other party having an interest therein from mechanic's or materialmen's liens.
- B. Tenant shall pay all lawfully imposed taxes in accordance with Tennessee law.

## **ARTICLE 12**

### **UTILITIES**

This Agreement is conditioned on adequate utility service being available to Tenant for Tenant's use and accessible at or immediately adjacent to the Parcel, and should such service not be available within a reasonable period of time from the Effective Date, as determined by Tenant, Tenant shall have the right to terminate this Lease upon thirty (30) days' notice. Upon such termination, Landlord shall reimburse Tenant for any rent already paid for periods of time beyond the termination date set forth in the notice.

Once utility service is available at or immediately adjacent to the Parcel, Tenant shall install additional meters for any or all the utilities provided to it. Tenant shall bear the full cost of any meter installations

and tap fees that Tenant may require to connect to the available utilities. Tenant shall submit detailed plans of any intended installations to Landlord. All such installations shall have the prior written approval of the Landlord before being undertaken, which approval shall not be unreasonably withheld, conditioned, or delayed. Tenant shall, at its sole cost and expense, pay for all utility services required for the Permitted Use during the Term, including gas, electricity, water, sewer, heat/air, internet, cable/TV services, and telephone, and all charges associated with any of the foregoing.

### **ARTICLE 13**

#### **LIABILITY**

Tenant will be responsible for any and all damages, injury, and claims which may result from Tenant's use, occupancy or condition of the Parcel to the extent that such liability is imposed by Tenn. Code Ann. § 9-8-101 et seq. Landlord will be responsible for any and all damages, injury, and claims which may result from Landlord's ownership of the Parcel to the extent that such liability is imposed by applicable law. Each party shall be responsible for its own negligence and shall be liable for actual damages only.

### **ARTICLE 14**

#### **INSURANCE**

- A. The State's self-insurance program insures all liability created under Title 9, Chapter 8 of the Tennessee Code Annotated, for all State departments, agencies and institutions, including State institutions of higher education, and any entity deemed by the General Assembly to be a State agency for the purpose of participating in the State's self-insurance program. The State of Tennessee self-insures its exposures in general liability, automobile liability, professional malpractice, and workers' compensation. The limits of liability for general liability, professional malpractice, and automobile liability are \$300,000 per person and \$1 million per occurrence. The limits of liability under workers' compensation are those set forth in T.C.A. §50-6-101 et seq. Copies of the statutes that authorize actions against the State of Tennessee, establish the State's limit of liability, and authorize self-insurance through the Risk Management Fund, are set forth in T.C.A § 9-8-101 et seq.
- B. MTSU shall purchase Aviation Liability and Commercial General Liability Insurance with a limit of not less than \$3,000,000 per each occurrence. Such insurance shall include coverage for liability arising from premises, operations, independent contractors, products-completed operations, personal injury and advertising injury, liability assumed under an insured contract, and if applicable, mobile equipment coverage. If such aviation liability and commercial general liability insurance does not contain the standard ISO separation of insureds provision (also known as a severability of interests clause), or a substantially similar clause, they shall be endorsed to provide cross liability coverage.

### **ARTICLE 15**

#### **DAMAGE AND DESTRUCTION**

In the event of total or partial damage or destruction by fire, explosion, tornado or other casualty of the Project or Additional Permanent Improvements, or any portion thereof, which renders the Parcel unusable for the Permitted Use, in Tenant's sole discretion, Tenant shall have the option to terminate the Lease by giving written notice to Landlord within thirty (30) days after such destruction or damage, upon which termination Landlord will



pay Tenant the applicable Residual Value Amount, reduced as appropriate to reflect the damage to the Project or Additional Permanent Improvements.

## **ARTICLE 16**

### **CONDEMNATION**

In the event of any condemnation proceeding in which all or any part of the Parcel is taken, all compensation from such proceeding shall be paid to Landlord, except that Tenant may pursue a claim against the condemnor for the value of the improvements on the Parcel that are owned by Tenant, and Tenant's leasehold interest. In the event of a partial taking that leaves Tenant with a sufficient remaining portion such that Tenant can utilize the Parcel for the Permitted Use, Landlord shall reduce the Rent payable by Tenant on a pro rata basis for the portions of the Parcel taken. If, however, the Parcel is rendered unusable for the Permitted Use, in Tenant's reasonable discretion, Tenant may terminate this Lease by giving Landlord a written notice of termination, and after payment of the Residual Value Amount by Landlord to Tenant, if applicable, this Lease shall terminate at the time specified in the notice (which shall not be less than thirty (30) days after the date of such notice).

## **ARTICLE 17**

### **ASSIGNMENT AND SUBLETTING**

Tenant shall not assign or transfer any portion of the interest under the Lease without the prior written approval of the Landlord which shall not be unreasonably withheld, except Tenant may assign this Lease, in whole or in part, or sublease the Parcel or any portion thereto, without Landlord's consent, to the State of Tennessee or another agency of the State of Tennessee; provided, that (i) Tenant gives Landlord written notice of such assignment or sublease not later than thirty (30) days prior to the effective date of such assignment, sublease or transfer, (ii) the use of the Parcel will not violate this Lease (a "Permitted Assignment"). Upon completion of a Permitted Assignment, Tenant shall be released from all liabilities and obligations under this Lease arising or accruing after the effective date of such Permitted Assignment. Notwithstanding the foregoing, Tenant's use of vendors or other contracted service providers shall not be considered an assignment or transfer of interest under this Lease.

## **ARTICLE 18**

### **DEFAULT AND REMEDIES**

#### **18.1 Event of Default.**

Any of the following occurrences or acts shall constitute an event of default (an "Event of Default") under this Lease:

- A. By Tenant: (i) Tenant fails to pay when due Rent or any other amount to be paid under this Lease by Tenant, and the failure continues for thirty (30) days after written notice from Landlord; or (ii) Tenant materially fails to perform or observe any other covenant or condition to be performed or complied with by Tenant under this Lease, and the failure continues for sixty (60) days after written notice by Landlord to Tenant, or, (iii) if the default complained of is of such a nature that it cannot reasonably be completely cured or remedied within such 60-day period, Tenant fails to commence to cure the default during the sixty (60) day period, or does not thereafter diligently prosecute such remedy or cure to completion.
- B. By Landlord: (i) Landlord fails to perform or observe any covenant or condition to be performed or complied with by Landlord under this Lease, and the failure continues for thirty (30) days after written

notice by Tenant to Landlord, or (ii) if the default complained of is of such a nature that it cannot reasonably be completely cured or remedied within such thirty (30) day period, Landlord fails to commence to cure the default during the thirty (30) day period, or does not thereafter diligently prosecute such remedy or cure to completion.

#### 18.2 Right to Cure Defaults.

The parties have the following respective right to cure defaults:

- A. If Tenant shall fail to make any payment of applicable taxes, assessments or other charges, or perform any other act required to be made or performed under this Lease, and the applicable grace period for cure by Tenant shall have expired, Landlord, without waiving or releasing any obligation or default, may (but shall be under no obligation to) upon notice to Tenant, make the payment or perform the act for the account and at the expense of Tenant. All sums so paid by Landlord, together with interest thereon, shall constitute additional rent and shall be paid by Tenant to Landlord on demand.
- B. If Landlord shall fail to make any payment or perform any other act required to be made or performed under this Lease, and the applicable grace period for cure by Landlord shall have expired, Tenant, without waiving or releasing any obligation or default, may (but shall be under no obligation to) upon notice to Landlord, make the payment or perform the act for the account and at the expense of Landlord. All sums so paid by Tenant, together with interest thereon, shall be paid by Landlord to Tenant on demand or Tenant, at its option, may deduct from the payment of any Rent any such sums paid by Tenant.

#### 18.3 Upon Default.

- A. Upon the occurrence of an Event of Default, the non-defaulting party shall be entitled to all rights and remedies available at law or in equity and shall be entitled to recover and collect from the defaulting party all damages that may be available under the laws of the State of Tennessee. Termination of the Lease by either party pursuant to an Event of Default shall result in the payment by Landlord to Tenant the applicable Residual Value Amount. Termination of the Lease shall be effective no less than sixty (60) days from delivery of such notice to terminate. After payment of the Residual Value Amount, if applicable, this Lease shall expire and terminate on the date set forth in such notice as fully and completely and with the same effect as if such date were the date herein fixed for the expiration of the Term, and all rights of both parties hereunder shall expire and terminate.
- B. Following a default by Tenant under the Lease, Landlord shall exercise commercially reasonable, good faith efforts to mitigate its damages as required by applicable Tennessee law.

### **ARTICLE 19**

#### **HOLDING OVER AND SURRENDER OF LEASED PARCEL**

- A. If Tenant continues to hold and occupy the Parcel after the expiration of the Term, this Lease shall be automatically extended on a month to month basis, subject to termination by either party upon at least one (1) month's notice, and otherwise on the terms and conditions herein specified, so far as applicable.
- B. At the expiration or earlier termination of the Term, Tenant shall surrender the Parcel to Landlord in substantially the same condition, order and repair as at the Effective Date, except for the approved Project



and Additional Permanent Improvements, if any, ordinary wear and tear, obsolescence and deterioration occurring on account of normal use and aging.

**ARTICLE 20**  
**QUIET ENJOYMENT**

Landlord warrants to Tenant that Landlord has full power to enter into this Lease, and that Tenant shall have and enjoy full, quiet and peaceful possession of the Parcel during the Term, subject to the provisions of this Lease.

**ARTICLE 21**  
**NOTICES**

All notices, approvals, consents, requests, demands and other communications required or permitted by this Lease (individually, a "Notice") must be in writing to be effective and personally delivered or sent by certified United States Mail, postage prepaid, or by a recognized delivery service that provides registered and verifiable shipment or air bill tracking and delivery record, with costs prepaid, to the addresses set forth below:

**If to Tenant:**

Middle Tennessee State University  
1301 E. Main Street  
Murfreesboro, TN 37132  
Attention: Alan R. Thomas, Vice President, Business & Finance

With a copy to:

Middle Tennessee State University  
1301 E. Main Street  
Murfreesboro, TN 37132  
Attention: Greg Van Patten, Dean, College of Basic and Applied Sciences

**If to Landlord:**

Shelbyville Municipal Airport  
2828 Highway 231, North.  
Shelbyville, Tennessee 37160  
Attn: Paul Perry, Director

With a copy to:

Shelbyville City Recorder  
Shelbyville City Hall  
P.O. Box 185  
Shelbyville, TN 37162

The person and place to which a Notice is to be sent may be changed by a party hereto upon written notice to the other. A Notice shall be deemed received and effective on the date that is three days after the date on which the Notice is deposited in the United States Mail if sent by certified mail, or, if personally delivered, on the date such personal delivery is made. If a Notice is sent by a recognized delivery service, then the Notice shall be deemed received by the addressee on the date on which the signature receipt is recorded by such recognized delivery service.

## **ARTICLE 22**

### **WAIVER OF COVENANTS, ETC.**

No waiver of any condition or covenant of this Lease shall be deemed to imply or constitute a further waiver of the same or any other like condition or covenant, and nothing herein contained shall be construed to be a waiver on the part of a party of any right or remedy in law or otherwise, and all of a party's remedies herein provided for shall be deemed to be cumulative.

## **ARTICLE 23**

### **ESTOPPEL CERTIFICATES**

At any time and from time to time, either party, on or before the date specified in a request therefor made by the other party, which date shall not be earlier than thirty (30) days from the making of such request, shall execute, acknowledge and deliver to the other a certificate stating (i) whether this Lease is in full force and effect; (ii) whether this Lease has been amended in any way and, if so, including any such amendments; (iii) whether, to the knowledge of such party, there are any existing Events of Default hereunder and specifying the nature thereof; (iv) the then-current Base Rent and the date to which Base Rent has been paid; and (v) such other facts with respect to this Lease or the Parcel as Landlord or Tenant may reasonably request. Each certificate delivered pursuant to this Article may be relied on by any prospective purchaser, mortgagee or transferee of the Parcel or of Landlord's or Tenant's interest hereunder.

## **ARTICLE 24**

### **MISCELLANEOUS PROVISIONS**

The headings used in this Lease are inserted for convenience and are not to be considered in the construction of the provisions of this Lease. The word "Landlord" means only the owner of the Parcel from time to time, and, in the event of any transfer of the Parcel by the owner thereof, the transferring owner of the Parcel shall be released from all covenants, agreements and conditions as the Landlord hereunder and without further agreement between the parties, and the transferee owner of the Parcel shall be deemed to have assumed all covenants, agreements and conditions of Landlord hereunder. Such transferee owner of the Parcel shall be subject to Tenant's rights of use and possession under this Lease, so long as no Event of Default has occurred and is continuing hereunder. All exhibits referred to are attached and made a part of this Lease. Bracketed provisions in the forms of instruments included in exhibits hereto shall be conformed and/or completed as appropriate for the execution versions thereof. This Lease and the exhibits constitute the entire agreement of the parties with respect to the Parcel and all prior understandings and agreements relating to the subject matter hereof are hereby superseded. This Lease and all the terms and conditions hereof shall be binding on and inure to the benefit of Tenant and its successors and assigns. This Lease may not be amended or modified except by agreement in writing signed by both parties. The meanings of defined terms are equally applicable to the singular and plural forms of the defined terms, and personal pronouns



may be read as masculine, feminine and neuter. References to statutes, regulations or ordinances are to be construed as including all provisions consolidating, amending or replacing the referenced statute, regulation or ordinance, and references to agreements and other contracts shall be deemed to include all subsequent amendments to or changes in such agreements or instruments entered into in accordance with their respective terms. Use of the term “include” or “including” means to include or including without limitation. Time is of the essence to this Lease and the obligations and requirements set forth herein. In the event any clause, term or condition of this Lease shall be declared null and void, this Lease shall remain in full force and effect as to all other terms, conditions and provisions.

**ARTICLE 25**  
**GOVERNING LAW**

This Lease shall be governed, construed, and enforced in accordance with the laws of the State of Tennessee.

**ARTICLE 26**  
**RELATIONSHIP OF PARTIES**

This Lease vests an estate to Tenant for the Term of this Agreement. Nothing herein contained shall cause the parties to be deemed or considered as partners or joint venturers in the operation of Tenant’s business or otherwise, nor shall either party be deemed to be the agent of the other except as may be herein specifically provided, and the sole relationship between the parties shall be that of Landlord as Landlord and Tenant as Tenant.

**ARTICLE 27**  
**SIGNAGE**

At any time and from time to time during the Term, upon Landlord’s prior consent, which consent may not be unreasonably delayed, conditioned or withheld, Tenant, at its sole cost and expense, may install signage on the Parcel so long as such signage complies with Landlord’s published standards and all other Applicable Laws.

**ARTICLE 28**  
**FORCE MAJEURE**

Any prevention, delay or stoppage attributable to strikes, lockouts, terrorism, labor disputes, civil commotion, pandemic, fire or other casualty not caused directly or indirectly by a party hereto, and acts of God, will excuse the performance of that party for a period equal to the duration of the prevention, delay or stoppage; provided, however, that these provisions will not apply to the obligations imposed with regard to Rent and other charges Tenant must pay in accordance with the terms of this Lease, or to the payment by Landlord of any applicable Residual Value Amount.

**ARTICLE 29**  
**OPTION TO LEASE OR PURCHASE ADJACENT PROPERTY**

- A. Landlord is the owner of the adjacent property identified on Exhibit A (the “Adjacent Property”). For a period of one year following the effective date of this Lease (“Option Term”), Tenant shall have the exclusive right to purchase or lease the Adjacent Property, in whole or in part, from Landlord (“Purchase Option B”). Tenant may exercise this option by providing written notice to Landlord at any time prior to the expiration of the Option Term. The purchase price for the Adjacent Property, whether Purchase Option B is exercised in whole or in part, will be equal to the amount Landlord paid to purchase the Adjacent Property, on a per square foot basis. Should Tenant exercise the right to lease the Adjacent Property, in whole or in part, the annual per square foot lease rent for the Adjacent Property will be equal to the annual per square foot Base Rent in effect under this Lease at the time the amendment is executed to add the Adjacent Property to this Lease. An exercise of Purchase Option B for anything less than the whole of the Adjacent Property shall not operate to extinguish Tenant’s rights under the section, and Tenant’s Purchase Option B shall continue for the duration of the Option Term.
- B. Should Tenant exercise an option to lease the Adjacent Property, in whole or in part, the Adjacent Property will be added to the Parcel via amendment to this Lease and will be subject to the same terms of this Lease. Should Tenant exercise the option to purchase the Adjacent Property, in whole or in part, the purchase and sale will be conducted in accordance with Applicable Law, and subject to separate due diligence by Tenant and negotiation and execution of appropriate purchase and sale documentation, including a deed of sale.

### **ARTICLE 30**

### **EASEMENTS**

Landlord shall cooperate with Tenant in obtaining and providing, as applicable, all necessary easements, rights of way, utility feeds and conduit connections, permits and governmental and quasi-governmental approvals or consents reasonably necessary to develop the Project on the Parcel. In addition, Landlord recognizes that Tenant’s access to the runways and taxiways on the Airport are critical for Tenant and subtenant operations, and Landlord will provide access easements via separate document to Tenant for Tenant and subtenant’s benefit.

### **ARTICLE 31**

### **NONDISCRIMINATION AND GOVERNMENTAL MATTERS**

- A. During the term of this agreement:
- (1) Each party agrees to comply with pertinent statutes, Executive Orders and such rules as are promulgated to ensure that no person shall, on the grounds of race, creed, color, national origin, sex, age, or disability be excluded from participating in any activity conducted with or benefiting from Federal assistance. This provision obligates each party for the period during which Federal assistance is extended to the Airport through the Airport Improvement Program.

In cases where Federal assistance provides, or is in the form of personal property; real property or interest therein; structures or improvements thereon, this provision obligates the party or any transferee for the longer of the following periods:



- (a) The period during which the property is used by the airport sponsor or any transferee for a purpose for which Federal assistance is extended, or for another purpose involving the provision of similar services or benefits; or
- (b) The period during which the airport sponsor or any transferee retains ownership or possession of the property.

(2) Each party covenants and agrees that (1) no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities, (2) that in the construction of any improvements on, over or under such land and the furnishing of services thereon, no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination, (3) that each Party shall use the premises in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Non-discrimination in Federally Assisted Programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended.

- B. **Subject to Funds Availability.** This Lease is subject to the appropriation and availability of State or federal funds. In the event that the funds are not appropriated or are otherwise unavailable, the State reserves the right to terminate this Lease upon written notice to the Landlord.
- C. **Termination for Convenience.** The Tenant may terminate this Lease for convenience without cause and for any reason. The Tenant shall give Landlord at least 90 days written notice before the termination date becomes effective.
- D. **Records Retention.** Landlord shall maintain documentation for all charges against Tenant under the Lease. The books, records, and documentation of Landlord, insofar as they relate to reimbursement by Tenant for costs incurred, whether in whole or in part, shall be maintained in conformity with generally accepted accounting principles for a period of five (5) full years from the date of what amounts to be the final payment under the Lease, and shall be subject to audit, at any reasonable time and upon reasonable notice by the Comptroller of the Treasury or his duly appointed representative or a licensed independent public accountant.
- E. **Nothing herein contained shall be deemed to grant Tenant any exclusive right or privilege within the meaning of Article 308 of the Federal Aviation Act of 1958, as amended (the "Federal Aviation Act"), in the conduct of any activity at the Airport, except that, subject to the terms and provisions hereof, Tenant shall have the rights with respect to the Parcel under the provisions of this Lease.**
- F. **This Lease is subject and subordinate to the provisions of any agreement heretofore or hereafter made between Landlord and the United States government relative to the operation or maintenance of the Airport, the execution of which has been required as a condition precedent to the transfer of federal rights or property to Landlord for Airport purposes, or the expenditure of federal funds for the improvement or development**

of the Airport, including the expenditure of federal funds for the development of the Airport in accordance with the provisions of the Federal Aviation Act.

- G. Each party will comply with all security regulations established or amended by, but not limited to the Landlord, Department of Homeland Security, Customs and Border Protection, TSA and the FAA. If Landlord incurs any fines and/or penalties imposed by the Federal Aviation Administration and/or the Transportation Security Administration, or any expense in enforcing the regulations of Federal Aviation Regulations Part 1542 and/or the Airport Security Program, as a result of the acts or omissions of Tenant, Tenant agrees to pay and/or reimburse all such costs and expense, subject to applicable law. Tenant further agrees to rectify any security deficiency as may be determined as such by Landlord, the Federal Aviation Administration and/or the Transportation Security Administration. Landlord reserves the right to take whatever action necessary to rectify any security deficiency as may be determined as such by Landlord, the Federal Aviation Administration and/or the Transportation Security Administration, in the event Tenant fails to remedy the security deficiency.
- H. Tenant hereby represents that, as of the Effective Date, neither Tenant nor any officer, employee, representative or agent of Tenant has given or donated, or promised to give or donate, either directly or indirectly, to any official, employee or commissioner of Landlord or to anyone else for its benefit, any sum of money or other thing of value to aid or assist in obtaining this Lease.
- I. This Lease may be executed in counterparts and each will be deemed an original but all counterparts together will constitute one instrument. The parties will fully execute a minimum of two copies of this Lease, with one fully executed original copy being retained by each party.

[Signatures on following page]

**APPROVED AND ADOPTED**, by the Mayor and City Council of the City of Shelbyville, Tennessee at its regular monthly meeting of April 13, 2023.

**IN WITNESS WHEREOF**, the parties hereto have executed this Lease as of the day and date first written above.

**LANDLORD:**

By: 

Name: Randy Carroll

Title: Mayor

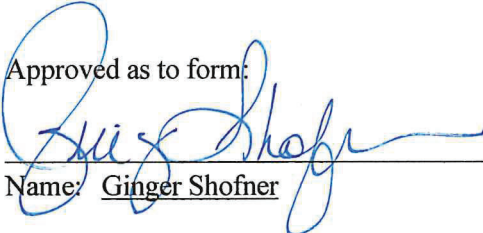
Date: April 14, 2023

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Approved as to form:



Name: Ginger Shofner

Title: City Attorney

Date: April 14, 2023

**TENANT:**

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Approved as to form and legality:

\_\_\_\_\_  
Name: Jonathan Skrmetti

Title: Attorney General and Reporter





NOTE:  
Dimensions approximate and for  
reference only. Exact descriptions  
to be included on survey plat.

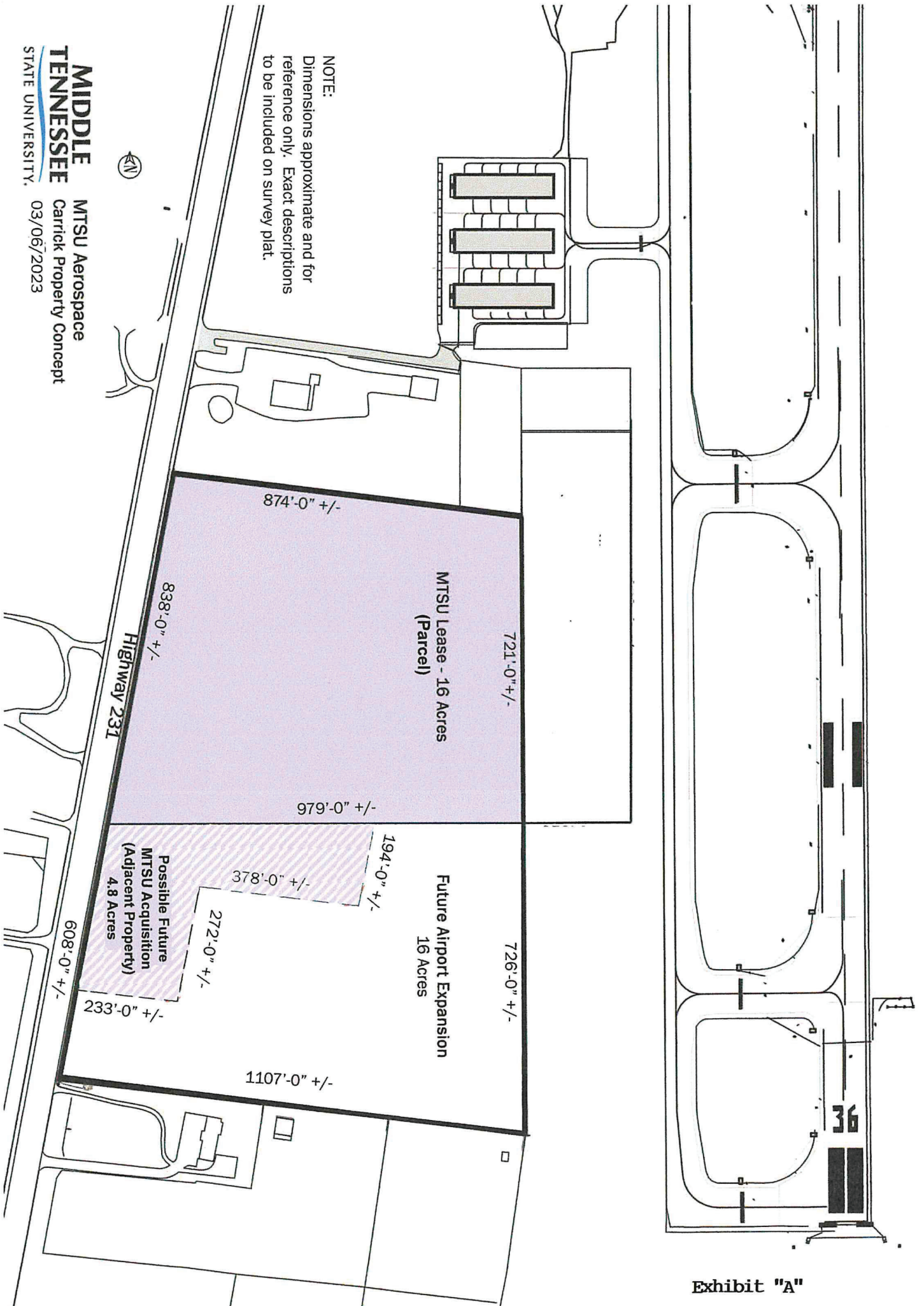


Exhibit "A"

LEASE AGREEMENT  
BY AND BETWEEN

City of Shelbyville  
AND  
Middle Tennessee State University

RENT PAYMENT SCHEDULE

	Annual Escalation	Annual Payments
Year 1 (Base Lease Payment)	-	300,000.00
Year 2	3,000.00	303,000.00
Year 3	3,030.00	306,030.00
Year 4	3,060.30	309,090.30
Year 5	3,090.90	312,181.20
Year 6	3,121.81	315,303.02
Year 7	3,153.03	318,456.05
Year 8	3,184.56	321,640.61
Year 9	3,216.41	324,857.01
Year 10	3,248.57	328,105.58
Year 11	3,281.06	331,386.64
Year 12	3,313.87	334,700.50
Year 13	3,347.01	338,047.51
Year 14	3,380.48	341,427.98
Year 15	3,414.28	344,842.26
Year 16	3,448.42	348,290.69
Year 17	3,482.91	351,773.59
Year 18	3,517.74	355,291.33
Year 19	3,552.91	358,844.24
Year 20	3,588.44	362,432.69
Year 21	3,624.33	366,057.01
Year 22	3,660.57	369,717.58
Year 23	3,697.18	373,414.76
Year 24	3,734.15	377,148.91
Year 25	3,771.49	380,920.39
Year 26	3,809.20	384,729.60

LEASE AGREEMENT  
BY AND BETWEEN

City of Shelbyville  
AND  
Middle Tennessee State University

RENT PAYMENT SCHEDULE

	Annual Escalation	Annual Payments
Year 27	3,847.30	388,576.89
Year 28	3,885.77	392,462.66
Year 29	3,924.63	396,387.29
Year 30	3,963.87	400,351.16
Year 31	4,003.51	404,354.67
Year 32	4,043.55	408,398.22
Year 33	4,083.98	412,482.20
Year 34	4,124.82	416,607.03
Year 35	4,166.07	420,773.10
Year 36	4,207.73	424,980.83
Year 37	4,249.81	429,230.64
Year 38	4,292.31	433,522.94
Year 39	4,335.23	437,858.17
Year 40	4,378.58	442,236.75

Annual Escalation is Based on: 1.00%



# Tennessee State School Bond Authority Feasibility Study

## MTSU -Athletic Video Board Upgrades (462)

### Individual Project Summary

Revenue Source:	Gift Funds	\$	485,000.00
	Conference USA Funds	\$	200,000.00
	Plant Funds		200,000.00
	<b>Total Revenue Source:</b>	<b>\$</b>	<b>885,000.00</b>
Assumptions:	TSSBA Funding Requested	\$	3,900,000.00
	Status		Tax-Exempt
	Term of Financing		5
	Interest Rate		4.25%

Feasibility Test	
	<u>Annual</u> Short-Term Pmt
Pledged Revenue	\$885,000
New Max Annual DS	\$882,207
<b>Feasible</b>	<b>Yes</b>

\*TSSBA staff conducts a feasibility test on a project-by-project basis to ensure that each individual project has sufficient revenue pledged to cover the projected maximum annual debt service charged to the project. On an annual basis, and prior to the issuance of long-term debt, an assessment is performed pursuant to Article 2.01 (b) which requires that the aggregate amount of the Fees and Charges collected by an Institution in the preceding Fiscal Year is not less than two times the amount required for the payment of the aggregate of the maximum amount of Annual Financing Charges.



**Campus Planning**  
MTSU Box 44 – Holmes Building  
1672 Greenland Drive  
Murfreesboro, TN 37132  
615-898-2411

April 14, 2023

Ms. Sandi Thompson, Director  
Comptroller of the Treasury  
Cordell Hull Building  
425 Rep. John Lewis Way N.  
Nashville, TN 37243-3400

Ms. Thompson:

Via the Tennessee Board of Regents, Middle Tennessee State University requests \$3,900,000 in TSSBA bond funds to purchase a new video board with integrated audio system for Floyd Stadium and new video boards for the Murphy Center at MTSU. Replacement of these systems is required as the existing video boards are at the end of their useful life and can no longer be supported with current hardware or software control systems. The desired term for financing is five (5) years. Debt payments for this financing will be with the combination of gift, Conference USA, and plant funds.

The requested funds are to be utilized for equipment purchase and installation only and will not require modifications to the existing structural support, electrical, data, or mechanical systems nor will it require professional design services.

This work was disclosed to the Tennessee Higher Education Commission via the FY 2021/2022 capital budget disclosure of the MTSU "Athletic Video Board Upgrades" project. This disclosure includes the requested \$3,900,000.00 in TSSBA bonds as a funding source.

Please see enclosed TSSBA Project Application form, short-term financing feasibility workbook, and draft SBC materials for the June SBC project approval request.

Thank you for your consideration and please don't hesitate to reach out if you have questions or need additional information as part of this request.

Sincerely,

A handwritten signature in black ink, appearing to read "W. Waits".

William Waits, Architect  
Assistant VP for Campus Planning  
Middle Tennessee State University

## Tennessee State School Bond Authority Project Application

**DEPARTMENT:** Tennessee Board of Regents

**INSTITUTION/LOCATION:** Middle Tennessee State University / Murfreesboro, Rutherford County

**PROJECT :** Athletic Video Board Upgrades

**SBC PROJECT #:** TBD

**PROJECT BUDGET:**

		Original	Revised	Total
<b>Funding Sources:</b>	TSSBA	\$ 3,900,000.00	\$	\$ 3,900,000.00
	Gifts	\$ 600,000.00		\$ 600,000.00
				\$
	<b>Total</b>	<b>\$ 4,500,000.00</b>	<b>\$</b>	<b>\$ 4,500,000.00</b>

**PROJECT REVENUES:** (Describe sources and projected levels)

Gift funds: \$485,000.00 annual

Conference USA funds: \$200,000.00 annual

Plant Funds: \$200,000.00 annual

Total revenue sources: \$885,000.00 annual

**PROJECT LIFE:**

Anticipated Useful Life of Project: Fifteen (15) years

Desired Term for Financing (if less than useful life): Five (5) years

**ESTIMATED ANNUAL FINANCING CHARGE:** \$882,207.00

**PROJECT APPROVAL DATES:**

**BOARD (MTSU):** 5/24/2022

**THEC:** 1/15/2021

**SBC:** pending

Disclosed in the Governor's Budget: X Yes      No If yes, what year? 21/22

Disclosed as TSSBA Funding: X      21/22

Match Project      X

**PROJECT DESCRIPTION:** Physical description, including land, buildings and equipment with approximate dollar value. (If a renovation or repair project, please provide information with respect to the renovated or improved portion as well as the entire structure).

This request is for the equipment purchase of video boards and audio system for the MTSU Floyd Stadium (football) and video boards for the MTSU Murphy Center (basketball and other events). Floyd Stadium equipment includes a 33.6'x 60' exterior video board (\$2,167,452), new ribbon board displays (\$401,165), relocation of existing ribbon board displays (\$179,663), and new audio system (\$381,095). Murphy Center equipment includes two new video boards (\$1,257,508). This equipment purchase will include installation by vendor and will not require construction activities for structural, electrical, or mechanical system modifications.

**REAL ESTATE:**

Owner of real property State of Tennessee – Middle Tennessee State University

           To be acquired

           To be leased or other arrangement

\*\*\*\*\*

The purpose of the following questions are to determine the tax status of this project to be financed with the proceeds of Tennessee State School Bond Authority Bonds and/or Bond Anticipation Notes and the amount of private use associated with this project. Private use means the direct or indirect use of the project by any entity other than a state or local government entity, including use by the Federal Government (including its agencies and instrumentalities) or a Section 501(c)(3), (c)(4), or (c)(6) organization. When the project consists of an improvement that does not involve space that is being used directly by governmental or private users (for example, a re-roofing, air conditioning or energy efficiency improvement), all questions involving uses and users of the project should be answered by reference to all portions of the facility or facilities benefited by the improvement.

The questions below relate to the project referenced above. Attach additional sheets as required. **Please make a copy of this document for your files.**

1. Project Status: (If the project has already been completed, and the proceeds are being used to reimburse the department, please so indicate and include date of project completion.) Vendor quotes for equipment have been received. Purchase orders for equipment will be issued upon TSSBA approval.
2. Project completion estimated to be: July 2024
3. Project Owner: Middle Tennessee State University
4. Project Operator (see also item 8 below): Middle Tennessee State University
5. Intended Use of the Project: This project will provide new video and audio equipment to support MTSU events held at Floyd Stadium and the Murphy Center.

6. Intended Users of the Project (excluding use by the general public): MTSU students, faculty, and staff
7. Indicate whether any of the following activities will take place at the project. Indicate whether the activities are operated by a private entity or will indirectly benefit a private entity. Include all incidental private uses. For each direct or indirect private use of the project, indicate the total amount of space the private use occupies in relation to the entire project. (For example, if an area of vending machines operated by a private contractor occupies 50 square feet of a 5,000 square foot area financed, indicate the relationship in terms of the ratio of square footage used.)

Gross Square Footage of Building N/A (See Supporting Data Sheet if more than one building is involved.)

A. Vending Machines:

Square Footage Not applicable

Operator Not applicable

Are any vending areas separated by walls, night gates, etc. so that they are under the control of the service provider/operator? N/A

B. Wholesalers or retailers (e.g., Newsstand, Book Store, Pharmacy, etc.):

Square Footage Not applicable

Type Not applicable

Operator Not applicable

C. Laundry Services:

Square Footage Not applicable

Operator Not applicable

Are any laundry service areas separated by walls, night gates, etc. so that they are under the control of the service provider/operator? Not applicable

D. Cafeteria or other food services areas:

Square Footage Not applicable

Operator Not applicable

E. Provision of health care services:

Square Footage Not applicable

Operator Not applicable

F. Laboratory research performed on behalf of or for the benefit of a private entity or pursuant to a cooperative research agreement:

Square Footage Not applicable

Recipient Not applicable

G. Office space utilized by or on behalf of private entities:

Square Footage Not applicable

Occupant Not applicable

## H. Provision of housing for persons or entities other than enrolled students:

Square Footage Not Applicable

8. Attach copies of any management contracts or incentive payment contracts entered into, or to be entered into, in connection with the operation of the project. (Do not include contracts for services that are solely incidental to the primary governmental functions of the facility (for example, contracts for janitorial, office equipment repair or similar services). Indicate the portion of the project to which the contracts relate. Give the usable square feet involved compared to the total usable square feet of the facility being financed. If a contract has not been entered into but is anticipated, indicate that fact.

Not applicable

9. Will any debt proceeds be used to make or finance loans to any private entity? If so, indicate the amount of such loans, the length and payment terms of such loans: No

10. Indicate any expected payments (direct or indirect) to be made by non-governmental entities, separately and in the aggregate, to the State or any other governmental entity, with respect to the project.

Gift funds are included as a funding source for this equipment purchase

11. Additional information not explained above. SBC project approval request is to be placed on the June SBC agenda, contingent on TSSBA approval.

Completed this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

DocuSigned by:

Flora W. Tydings

7E046D30A13B498...

Flora Tydings  
Chancellor

DocuSigned by:

Dick J. Tracy

DBCE2D56BDB749E...

Dick Tracy, Executive Director  
Office of Facilities Development

DocuSigned by:

Alisha Fox

15B44CDEEAC7429...

Alisha Fox, Vice Chancellor for  
Business & Finance*To be filled out by the Authority*

BOND COUNSEL APPROVAL:	DATE	_____
	GOOD	_____
	5%	_____
	10%	_____

# Middle Tennessee State University Feasibility Study

## MTSU - Athletic Video Board Upgrades (462)

### Individual Project Summary

Revenue Source:	Gift Funds	\$	485,000.00
	Conference USA Funding	\$	200,000.00
	Plant Funds		200,000.00
<b>Total Revenue Source:</b>		<b>\$</b>	<b>885,000.00</b>
Assumptions:	TSSBA Funding Requested	\$	3,900,000.00
	Status		Tax-Exempt
	Term of Financing		5
	Interest Rate		4.25%

Feasibility Test	
	<u>Annual</u> <u>Short-Term Pmt</u>
Pledged Revenue	\$885,000
New Max Annual DS	\$882,207
<b>Feasible</b>	<b>Yes</b>

Tennessee Board of Regents

Middle Tennessee State University, Murfreesboro, Rutherford County, Tennessee

**Requested Action:**        **Approval of a project utilizing campus procurement for the work and utilizing a previously selected designer**

**Project Title:**            Athletic Video Board Upgrades

**Project Description:**    Replace video boards, related audio systems and control boards at Floyd Stadium and the Murphy Center that are at the end of their useful life.

**SBC Number:**            166/009-xx-2023

**Total Project Budget:**   \$4,500,000.00

<b>Source of Funding:</b>	\$3,900,000.00	TSSBA	(O)
	\$ 600,000.00	Gifts	(O)

**Comment:**                This is a FY 21/22 **disclosed** project in the capital budget.

Scope of work includes equipment purchase and installation of new video boards to replace existing video boards that are at the end of their useful life.

Use of a previously selected Designer (Goodwyn, Mills and Cawood, Inc.) is requested to ensure proper coordination with the ongoing work to facilitate athletic video board installation being carried out with the TBR/MTSU Student Athlete Performance Center (SBC# 166/009-02-2021) and provide construction administration to help ensure work is carried out per agreement with equipment vendor.



**Project Request****SBC1**

**1** Department: **Tennessee Board of Regents** submitting  
 Project Title: **Athletic Video Board Upgrades** 04/13/2023  
 Institution: **MTSU**  
 City/County: **Murfreesboro / Rutherford** SBC No: **166/009-xx-2023**

<b>3</b>	<input type="checkbox"/> Capital Outlay		<u>New</u>	<u>Renovation</u>
	<input checked="" type="checkbox"/> Capital Maintenance	Gross Sq. Ft.	0	0
	<input type="checkbox"/> Disclosure	Net Sq. Ft.	0	0
	<input type="checkbox"/> Designer Required	Cost/Sq. Ft.	\$0.00	\$0.00

**4 Project Description**

Replace video boards, related audio systems and control boards at Floyd Stadium and the Murphy Center that are at the end of their useful life.

<b>5</b>	<u>Total Project</u>	<u>Allocation</u>				
	\$0.00	\$0.00	Building Construction			
	\$0.00	\$0.00	Site & Utilities			
	\$0.00	\$0.00	Built-in Equipment			
	<b>\$0.00</b>	<b>\$0.00</b>	<b>Bid Target</b>			
	\$0.00	\$0.00	Contingency	0.00%	0.00%	
	<b>\$0.00</b>	<b>\$0.00</b>	<b>M.A.C.C.</b>			
	\$75,000.00	\$75,000.00	Fee	0.0000000	0.0000000	Fixed Fee
	\$0.00	\$0.00	Movable Equipment			
	\$4,425,000.00	\$4,425,000.00	Athletic Video Board procurement			
	\$0.00	\$0.00				
	\$0.00	\$0.00	Administration & Miscellaneous			
	<b>\$4,500,000.00</b>	<b>\$4,500,000.00</b>	<b>Total Cost</b>			

**6 Funding**

\$0.00	\$0.00	STATE Funds
\$0.00	\$0.00	FEDERAL Funds
\$4,500,000.00	\$4,500,000.00	TSSBA, Gifts
<b>\$4,500,000.00</b>	<b>\$4,500,000.00</b>	

**7 Available Funding Sources**

\$3,900,000.00	TSSBA	(O)
\$600,000.00	Gifts	(O)
\$0.00		
\$0.00		
\$0.00		
<b>\$4,500,000.00</b>		

**8 SBC Action**

<u>Date</u>	<u>Action</u>
-------------	---------------

**9 Designer** Unassigned

Vice President for Business and Finance

Cope Administration Building, Room 119  
1301 East Main Street  
Murfreesboro, Tennessee 37132  
o: 615-898-2852 • f: 615-898-5906



April 17, 2023

Ann McGauran, AIA, NCARB, MMHC  
State Architect  
Office of the State Architect

Dear Mrs. McGauran,

This letter is to confirm that Middle Tennessee State University has \$600,000.00 in gift funds in-hand and reserved as a funding source for the "Athletic Video Board Upgrades" project approval request on the June SBC agenda via the Tennessee Board of Regents.

Sincerely,

 Digitally signed by Alan R. Thomas,  
Vice President for Business and  
Finance, acting for and on behalf of  
Middle Tennessee State University  
Date: 2023.04.17 11:27:32 -05'00'

Alan R. Thomas  
Vice President for Business and Finance



THE UNIVERSITY of TENNESSEE

KNOXVILLE • CHATTANOOGA • MARTIN • MEMPHIS • TULLOHOOMA • PULASKI

DEPARTMENT OF CAPITAL PROJECTS

**MEMORANDUM**

DATE: April 18, 2023  
TO: Ms. Sandi Thompson  
FROM: Austin Oakes  
SUBJECT: UTHSC GMP Facility Expansion, SBC# 540/013-03-2019

---

Please cancel the \$10,000,000.00 TSSBA authorization on the UTHSC project "GMP Facility Expansion". This project is being canceled because it is no longer a priority. The request to cancel is scheduled for the May SBC meeting agenda.

Thank you for your attention to this matter. Please let me know if you have any questions or need more information.

cc: Mr. David Miller  
Mr. Luke Lybrand  
Mr. Tony Ferrara  
Ms. Michelle Crowder  
Mr. Ben Luttrell