

**STATE OF TENNESSEE**

OFFICE OF THE  
**ATTORNEY GENERAL**  
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NASHVILLE, TENNESSEE 37202

November 18, 2008

Opinion No. 08-176

State Fair Board and Lease for Use of State Fairgrounds

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Your opinion request presented the following facts and information. Pursuant to Chapter 490 of the Acts of 1909, a State Fair Board was created to manage property conveyed to Davidson County and leased or conveyed to the State to conduct a state fair annually. On September 1, 1911, real property, commonly known as the state fairgrounds, was leased to the State of Tennessee for a 99 year term commencing on July 1, 1911. Chapter 112 of the Public Acts of 1923 authorized the Commissioner of Agriculture to negotiate the termination of such lease. You also included copies of two draft agreements to terminate such lease obtained from the State Library and Archives from the collected papers of Governor Austin Peay. You have been unable to locate an executed or recorded copy of an agreement to terminate the lease.

**QUESTIONS**

1. Is the lease still in effect until July 1, 2010?
2. If the lease is still in effect, must state fairs continue to be operated in accordance with Chapter 490 of the Acts of 1909 until the lease terminates?
3. If the lease has already terminated or after it terminates in 2010, is there any restriction on the sale or lease of such property for a purpose other than a state fair?

**OPINIONS**

1. No. Our review of the documents and records indicates that the 99-year lease between the State of Tennessee and Davidson County was treated as terminated by the parties in 1923 pursuant to the provisions of Chapter 112 of the Acts of the Tennessee General Assembly for 1923. However, we were unable to find an executed or recorded copy of a lease termination agreement.

2. No. This lease was terminated.

However, a 2003 lease by and between the Metropolitan Government of Nashville and Davidson County (“Metro”) acting through the Metropolitan Board of Fair Commissioners (“Fair Board”) and LJ&J Enterprises of Tennessee, Inc. (“LJ&J”) was entered into and its term expires

December 31, 2008. According to a recent article in THE TENNESSEAN, the parties are in discussions for a one year lease extension. The use provision of this Lease makes no reference to Chapter 490.

3. No. The deeds conveying the Tennessee State Fairgrounds property to Davidson County do not contain any use restrictions on this property.

### **ANALYSIS**

1. Pursuant to Chapter 490 of the Public Acts of 1909, a State Fair Board was created to manage the property conveyed to Davidson County and, in turn, leased or conveyed to the State to conduct an annual state fair. The fairgrounds were leased to the State of Tennessee for a 99 year term commencing on July 1, 1911. Chapter 112 of the Public Acts of 1923 authorized the Commissioner of Agriculture to negotiate the termination of such lease.

We have reviewed the materials presented by you, and others collected from the Tennessee State Library & Archives, the Metropolitan Government Archives and the Davidson County Register of Deeds Office. Among these, we found:

1. From the box of Governor Peay, an agreement to cancel the 99- year lease agreement held by the State of Tennessee (attached hereto as Exhibit A). The signatures are typed in but not hand written. This declaration may have been initiated by Chapter 112 of the Public Acts of 1923, but it is not certain when this document was created or if it was signed.
2. From the Metro Archives three letters dated June 19, 1923, November 1, 1924 and November 26, 1924, (attached hereto as collective Exhibit B) that state that the lease for the fairgrounds between the State of Tennessee and Davidson County was terminated and that the property was turned back to Davidson County control.

Copies of correspondence confirm that the lease was terminated sometime in 1923. We did not find copies of an executed document or recorded termination instrument of record at the Register of Deeds Office, although the parties have treated this lease as being terminated.<sup>1</sup>

2. Currently a lease is in effect that was entered into on October 2, 2003, and amended on February 25, 2008, by and between Metro, the Fair Board and LJ&J (“2003 Lease”). The original 2003 Lease was for a term of five years and provided that the Fair Board would seek approval for a ten year renewal for a total of a fifteen year period if certain conditions were met.

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<sup>1</sup> The unsigned agreement in Governor’ Peay’s records stated that a release deed to cancel the 99 year lease would be drawn and approved by the Attorney General of the State with certain provisions, stipulations and agreements to be contained therein. We have searched the records of this Office, and we have no record of this document.

The 2003 Lease amendment, among other things, terminates the Lease on December 31, 2008. (The 2003 Lease and amendment are attached hereto as Collective Exhibit C).

Paragraph 4 of the 2003 Lease addresses the use of the property:

4. **Use of Leased Premises.** The Racetrack, Grandstand and Office are leased to LJ&J to promote and conduct motor racing of any type as well as auto fairs, auto festivals, musicals, auto conventions, driving schools, TV commercial and/or print advertising shooting locations, motion pictures and TV programming. "Motor racing" is defined as the racing of motorized vehicles. Events other than these require the written permission of the Fair Board.

The use provision of this Lease makes no reference to Chapter 490. A recent article in THE TENNESSEAN on October 16, 2008 indicates that the parties have agreed in principle to the terms of a one-year lease extension to run through the end of 2009. (Attached hereto as Exhibit D).

3. Paragraph 3(a) of the 2003 Lease defines the Tennessee State Fairgrounds property:

"Tennessee State Fairgrounds" means the plot of land in Nashville consisting of approximately 115.7 acres granted to Davidson County in three separate conveyances and of record in Book 410, Page 385, Register's Office for Davidson County; Book 658, Page 663, Register's Office for Davidson County; and Book 1495, Page 91, Register's Office for Davidson County, all of which property has been placed under the control of the Board.

The deeds conveying the Tennessee State Fairgrounds property to Davidson County do not contain any use restrictions on this property. Upon termination of the 2003 Lease, no use restrictions will be in effect.

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Requested by:

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