

RESOLUTION NO. 03-01

**RESOLUTION OF THE FRANKLIN REDEVELOPMENT AUTHORITY
APPROVING AMENDMENT NO. 2 TO EQUIPMENT LEASE
AGREEMENT BETWEEN THE FRANKLIN REDEVELOPMENT AUTHORITY
AND THE FRANKLIN REDEVELOPMENT COMMISSION, AND MATTERS
RELATED THERETO**

WHEREAS, the Franklin Redevelopment Authority (the "Authority") has been created pursuant to IC 36-7-14.5 as a separate body corporate and politic and an instrumentality of the City of Franklin, Indiana (the "City"), to finance local public improvements for lease to the Franklin Redevelopment Commission (the "Commission");

WHEREAS, the Authority issued its Economic Development Lease Rental Taxable Bonds of 1994, dated October 1, 1994, in the original aggregate principal amount of Two Million Three Hundred Thousand Dollars (\$2,300,000) (the "Bonds"), pursuant to a Trust Indenture between the Authority and National City Bank, Indiana, as Trustee (the "Trustee"), dated as of October 1, 1994 (the "Indenture"), for the purpose of procuring funds to pay the costs of certain equipment to be leased to the Commission;

WHEREAS, the Authority, as lessor, and the Commission, as lessee, entered into an Equipment Lease Agreement, dated as of July 1, 1994, as amended by Amendment No. 1 to Lease, dated as of July 1, 1994, and an Addendum No. 1 to Lease, dated as of July 1, 1994 (such Equipment Lease Agreement, as so amended, the "Original Lease"), pursuant to which the Authority leased certain equipment, as described in Exhibit A of the Original Lease (the "Original Equipment"), to the Commission;

WHEREAS, the Commission and Musicland Retail, Inc. ("MRI") entered into an Equipment Sublease and Taxpayer Agreement dated as of October 1, 1994 (the "Original Sublease"), which provided for the sublease of the Original Equipment from the Commission to the MRI, and the Commission and the MRI subsequently entered into a First Amendment to Equipment Sublease and Taxpayer Agreement dated as of May 1, 1999, which made certain amendments to the Original Agreement;

WHEREAS, Best Buy Co., Inc. ("Best Buy"), acquired the Musicland entities, although MRI continues to exist as an affiliate of Best Buy, and as a result of certain proposed modifications to the Franklin Distribution Center, certain of the Original Equipment will no longer be needed for operations at the Franklin Distribution Center; and

WHEREAS, pursuant to Section 14.5 of the Original Lease, the terms of the Original Lease may be modified, amended, altered or changed by written agreement signed by the parties, and Section 8.02 of the Indenture expressly authorizes the replacement of property that constitutes a part of the equipment subject to the Original Lease, so long as the Authority shall maintain and preserve the value of such equipment from substantial impairment or reduction; and

ADOPTED this 30th day of May, 2003.

FRANKLIN REDEVELOPMENT AUTHORITY

Laura B. Stuenkel

Philip B. Barrow