

RESOLUTION NO. 2000 - 5

**RESOLUTION OF THE FRANKLIN REDEVELOPMENT
COMMISSION APPROVING THE ACQUISITION OF ADDITIONAL
EQUIPMENT AND APPROVING AND AUTHORIZING AN
ASSIGNMENT AGREEMENT AND AN ADDENDUM TO THE EQUIPMENT
SUBLEASE AND TAXPAYER AGREEMENT**

WHEREAS, the Franklin Redevelopment Authority (the "Authority") has been created pursuant to Indiana Code § 36-7-14.5 as a separate body corporate and politic, and as 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, as lessor, and the Commission as lessee, entered into an Equipment Lease Agreement, dated as of July 1, 1994, as amended by an Amendment #1 to Lease, dated as of July 1, 1994, and an Addendum #1 to Lease, dated as of July 1, 1994, (such Equipment Lease Agreement, as so amended, the "Lease"), pursuant to which the Authority leased certain equipment described in Exhibit A of the Lease (the "Equipment") to the Commission;

WHEREAS, the Commission and Musicland Retail, Inc. (the "Sublessee"), entered into an Equipment Sublease and Taxpayer Agreement dated as of October 1, 1994, (the "Original Agreement"), which provided for the sublease of the Equipment from the Commission to the Sublessee, which Original Agreement has been amended by a First Amendment to Equipment Sublease and Taxpayer Agreement dated as of May 1, 1999, between the Commission and the Sublessee (the "First Amendment" and together with the Original Agreement, the "Sublease");

WHEREAS, pursuant to the Lease, a Surplus Fund has been created, and all Tax Increment (as defined in the Lease) not needed to pay lease rentals due within the next 12 calendar months under the Lease is required to be deposited into such Surplus Fund; and

WHEREAS, pursuant to the Sublease, the Sublessee may request that the Commission use amounts in the Surplus Fund to purchase Additional Equipment (as defined in the Sublease) to be leased from the Commission to the Sublessee on the same terms as set forth in the Sublease;

WHEREAS, pursuant to the Sublease, the Commission has authorized the Sublessee to serve as installation manager on behalf of the Commission in connection with the purchase and installation of Additional Equipment;

WHEREAS, the Sublessee has identified particular Additional Equipment to be purchased by the Commission and leased to the Sublessee (the "New Equipment"), and the Sublessee has entered into a purchase order with the vendor for such New Equipment, which purchase order and related documentation are attached hereto (the "Purchase Order");

WHEREAS, the Commission did not include any amounts held in the Surplus Fund in any regular budget and there are insufficient funds available or provided in the existing budget which may be applied to the cost of acquisition of the New Equipment and an emergency and necessity exists for the making of an additional appropriation;

WHEREAS, the Commission has held a public hearing, after proper publication of the notice of hearing, regarding the additional appropriation of funds from the Surplus Fund for the acquisition of the New Equipment; and

WHEREAS, the Commission now desires to take the additional steps with regard to the acquisition of the New Equipment.

NOW, THEREFORE, BE IT RESOLVED BY THE FRANKLIN REDEVELOPMENT COMMISSION AS FOLLOWS:

1. The Commission hereby finds and determines that the provisions of Indiana Code § 5-22-8-2 apply because the purchase of the New Equipment is expected to be less than \$25,000. Accordingly, no bids or proposals have been solicited for the New Equipment.

2. The Commission hereby approves the acquisition of the New Equipment as set forth in the Purchase Order, and pursuant to the Sublease, authorizes the Sublessee to act as installation manager in connection with the acquisition and installation of the New Equipment.

3. The Commission hereby approves the Assignment Agreement, substantially in the form presented in this meeting and attached hereto as Exhibit A, which assigns the Purchase Order from the Sublessee to the Commission (the "Assignment").

4. The Commission hereby appropriates the amount of \$15,675.00 from the Surplus Fund for the purpose of providing funds to purchase the New Equipment for lease to the Sublessee. The foregoing appropriation is in addition to all appropriations provided in any existing budget.

5. The Commission hereby authorizes the President of the Commission, upon the advice of counsel to the Commission, to approve invoices presented by Sublessee for payment of amounts due under the Purchase Order in an amount not to exceed \$15,675.00 and to submit such invoices to the Clerk-Treasurer of the City of Franklin, Indiana, for payment to Sublessee.

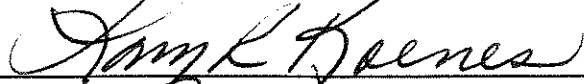
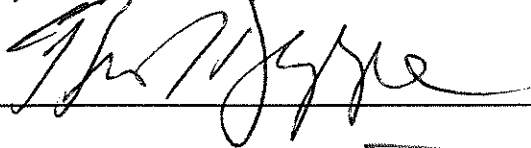
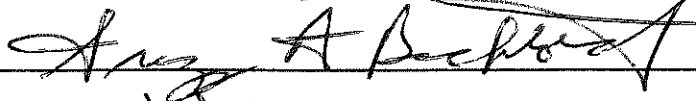
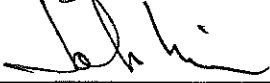
6. The Commission hereby approves and authorizes Addendum No. 4 to the Equipment Sublease and Taxpayer Agreement substantially in the form presented to this meeting and attached hereto as Exhibit B, which adds the New Equipment to Exhibit A to the Sublease (the "Addendum").

7. The Commission hereby authorizes the President and/or Secretary to take any and all necessary and proper actions on behalf of the Commission, including execution of the Assignment, the Addendum and any other necessary documents, to carry out the purposes of this Resolution.

8. This Resolution shall be in full force and effect after adoption by the Commission.

ADOPTED the ____ day of _____, 2000.

FRANKLIN REDEVELOPMENT COMMISSION

Prepared by:

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ASSIGNMENT AGREEMENT

This Assignment Agreement dated as of the ____ day of _____, _____ (the "Assignment") is made and entered into between Musicland Retail, Inc., a Delaware corporation ("Sublessee"), and the Franklin Redevelopment Commission (the "Commission").

WHEREAS, the Commission and the Sublessee entered into an Equipment Sublease and Taxpayer Agreement dated as of October 1, 1994, (the "Original Agreement"), which provided for the sublease of certain equipment described in Exhibit A of the Lease (the "Equipment") from the Commission to the Sublessee, which Original Agreement has been amended by a First Amendment to Equipment Sublease and Taxpayer Agreement dated as of May 1, 1999, between the Commission and the Sublessee (the "First Amendment" and together with the Original Agreement, the "Sublease");

WHEREAS, pursuant to the Sublease, Sublessee may request that the Commission purchase Additional Equipment (as defined in the Sublease) to be leased from the Commission to the Sublessee on the same terms as set forth in the Sublease;

WHEREAS, pursuant to the Sublease, the Commission authorized the Sublessee to serve as installation manager on behalf of the Commission in connection with the purchase and installation of Additional Equipment;

WHEREAS, the Sublessee has identified particular Additional Equipment to be purchased by the Commission and leased to the Sublessee (the "New Equipment"), and the Sublessee has entered into a purchase order with the vendor for such New Equipment, which purchase order and related documentation are attached hereto (the "Purchase Order");

WHEREAS, the Commission has previously approved the acquisition of the New Equipment, has further approved the assignment of the Purchase Order, and authorized the execution thereof by the President of the Commission;

WHEREAS, in order to vest ownership of the New Equipment in the Commission, the Sublessee now desires to assign the Purchase Order to the Commission, and the Commission desires to accept the assignment of the Purchase Order.

NOW, THEREFORE, THIS ASSIGNMENT WITNESSETH THAT:

Section 1. The Sublessee agrees to assign the Purchase Order to the Commission, and the Commission agrees to accept the assignment of the Purchase Order from the Sublessee, subject to the following conditions:

- A. The Commission's obligation to make payment under the Purchase Order shall not exceed \$15,675.00 without the further approval of the Commission, and Sublessee agrees to make any and all payments under the Purchase Order in excess of such amount (unless otherwise approved by the Commission).
- B. Notwithstanding the foregoing, Sublessee agrees to act as installation manager and to continue to be responsible for managing the acquisition and installation of the New Equipment on behalf of the Commission.
- C. Upon delivery and completion of installation of the New Equipment, Sublessee shall execute an addendum to the Sublease to add the New Equipment to Exhibit A to the Sublease.

Section 2. The Sublessee and the Commission each represent and acknowledge that the New Equipment shall be the property of the Commission immediately upon its delivery and installation, and at such time the Commission will lease the New Equipment to the Sublessee pursuant to the terms of the Sublease.

IN WITNESS WHEREOF, THE PARTIES HERETO HAVE CAUSED THIS ASSIGNMENT TO BE EXECUTED FOR AND ON THEIR BEHALF ON THE DAY AND YEAR HEREIN ABOVE WRITTEN.

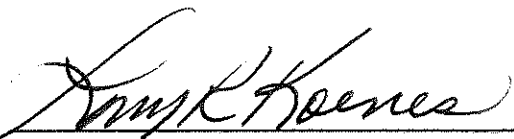
MUSICLAND RETAIL, INC.

By: _____

Printed: _____

Title: _____

FRANKLIN REDEVELOPMENT COMMISSION

By:  _____
President

**ADDENDUM NO. 4
TO EQUIPMENT SUBLEASE AND TAXPAYER AGREEMENT
"Truck Battery"**

WHEREAS, the Franklin Redevelopment Commission pursuant to provisions of Indiana Code § 36-7-14 (the "Commission") and Musicland Retail, Inc. ("Sublessee"), entered into an Equipment Sublease and Taxpayer Agreement dated as of October 1, 1994, as amended by a First Amendment to Equipment Sublease and Taxpayer Agreement dated as of May 1, 1999 (together the "Sublease"); and

WHEREAS, pursuant to the Sublease, Sublessee may request that the Commission purchase Additional Equipment (as defined in the Sublease) to be leased from the Commission to the Sublessee pursuant to the Sublease; and

WHEREAS, the Sublease requires that upon acquisition of Additional Equipment by the Commission, such Additional Equipment is to be added to Exhibit A of the Sublease and subject to all of the terms and conditions of the Sublease; and

WHEREAS, the Commission has acquired Additional Equipment and now desires to amend Exhibit A to the Sublease to include the newly acquired Additional Equipment.

NOW, THEREFORE, IT IS HEREBY CERTIFIED AND STIPULATED BY THE FRANKLIN REDEVELOPMENT COMMISSION AND MUSICLAND RETAIL, INC. AS FOLLOWS:

1. The Additional Equipment set forth and identified on Schedule A attached hereto (the "New Equipment") shall be added to Exhibit A to the Sublease; the definition of Equipment in the Sublease shall hereafter include the New Equipment; and such New Equipment shall be subject to all of the terms and conditions of the Sublease.

2. The Sublessee hereby certifies and represents that the New Equipment has been delivered to and has been received by or on behalf of the Sublessee; all installation or the work necessary prior to the use of the New Equipment has been completed; the New Equipment has been examined and/or tested and is in good operating order and condition and is in all respects satisfactory to the Sublessee; and the New Equipment has been accepted by the Sublessee and complies with all the terms of the Sublease.

3. This Addendum No. 1 shall be effective upon execution.

**SCHEDULE A TO ADDENDUM NO. 1
TO EQUIPMENT SUBLEASE AND TAXPAYER AGREEMENT**

Description of New Equipment:

Executed this ____ day of _____, _____.

FRANKLIN REDEVELOPMENT COMMISSION

By: _____

President

ATTEST: _____

Secretary

MUSICLAND RETAIL, INC.

By: _____

Printed: _____

Title: _____

Prepared by:

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