

BOND PURCHASE AGREEMENT

This BOND PURCHASE AGREEMENT is dated December 1, 2014, by and among the CITY OF FRANKLIN, INDIANA, a municipal corporation of the State of Indiana, duly created and existing as such under the constitution and laws of the State of Indiana (the "Issuer"), THE FRANKLIN UNITED METHODIST HOME, INC., an Indiana nonprofit corporation (the "Borrower"), and THE HUNTINGTON NATIONAL BANK, a national banking association, as the Original Purchaser (the "Original Purchaser").

1. Background.

(a) The Issuer previously issued its Economic Development Revenue Refunding and Improvement Bonds, Series 2010 (The Franklin Methodist Home, Inc. Project) (the "Prior Bonds").

(b) The Issuer is a municipal corporation of the State of Indiana, duly created and existing as such under the constitution and laws of the State of Indiana (the "State"), pursuant to Indiana Code, Title 36, Article 7, Chapters 11.9 and 12, as supplemented and amended (collectively, the "Act"), is authorized and empowered, among other things, to issue revenue bonds to provide funds for the financing and refinancing of projects including economic development facilities, as defined in the Act.

(c) Contemporaneously herewith, the Issuer is issuing its Economic Development Revenue Refunding and Improvement Bonds, Series 2014 (The Franklin United Methodist Home, Inc. Project) (the "Bonds") (i) in order to refund the Prior Bonds, (ii) to refinance prior taxable debt, (iii) to pay the costs associated with financing of costs for the Borrower of the construction and installation of the facilities (together with the refunding of the Prior Bonds, hereinafter referred to as the "Project"), as described more fully in that certain Loan Agreement, dated as of December 1, 2014, between the Issuer and the Borrower (the "Loan Agreement"), and (iii) to pay the costs of issuing the Bonds, pursuant to the terms of an Indenture of Trust dated as of December 1, 2014 (the "Indenture"), between the Issuer and The Huntington National Bank, as trustee (the "Trustee") all in furtherance of the purposes of the Issuer and in accordance with the provisions of the Act.

(d) The Borrower desires that the Original Purchaser purchase the Bonds for its own investment portfolio.

(e) The Bonds will mature on December 1, 2040, subject to prior redemption as described in the Indenture. The initial interest rate on the Bonds, effective from the date of their initial delivery through February 1, 2015, shall be _____% per annum. The Bonds will be issued pursuant to an ordinance (the "Bond Legislation") adopted on December 15, 2014, by the Issuer and will be secured under (i) the Indenture, and (ii) the Loan Agreement. In order to enhance the security for the Bonds and to achieve thereby interest cost and other savings to the Borrower and as an inducement to the Original Purchaser to purchase the Bonds, the Borrower and the Original Purchaser will enter into a Bank Bondowner Agreement, dated as of December 1, 2014 (the "Bondowner Agreement") and certain collateral documents of the Borrower securing its obligations (the "Collateral Documents").

(f) It is intended that the Project and the Bonds will conform with the provisions of the Act, that the Bonds will be issued as qualified 501(c)(3) bonds described in Section 145 of the Internal Revenue Code of 1986, as amended (the "Code") so that the interest on the Bonds will be excludable from gross income for the purposes of federal income taxation, and that the Bonds may be purchased by the Original Purchaser without registration of any security under the Securities Act of 1933, as amended (the "Securities Act"), or qualification of any indenture under the Trust Indenture Act of 1939 (the "Trust Indenture Act").

(g) To induce the Issuer to enter into this Bond Purchase Agreement and to issue and deliver the Bonds, the Borrower has entered into this Bond Purchase Agreement.

2. Purchase and Closing.

(a) Subject to the terms and conditions and in reliance upon the representations, warranties and agreements set forth herein, the Issuer hereby determines that the principal amount of the Bonds shall be \$27,000,000, and agrees to sell to the Original Purchaser and the Original Purchaser hereby agrees to purchase from the Issuer all (but not less than all) of the Bonds as contemplated herein. The Original Purchaser shall purchase the Bonds at a purchase price of \$27,000,000. In connection with the purchase of the Bonds, the Borrower shall pay to the Original Purchaser the expenses described in Section 13 hereof to be payable by wire transfer in immediately available funds on the Closing Date (as defined below).

(b) At 10:00 a.m. eastern standard time on December 22, 2014, or at such earlier or later time or date as shall be agreed by the Issuer, the Borrower and the Original Purchaser (such time and date being herein referred to as the "Closing Date"), the Issuer will issue and deliver Bonds to the Original Purchaser, duly executed by the Issuer and authenticated by the Trustee as provided for in the Indenture; and the Original Purchaser shall pay the purchase price of the Bonds by wire transfer in immediately available funds to an account specified by the Trustee, for the account of the Issuer (such delivery and payment being herein referred to as the "Closing"). The Bonds shall be made available to the Trustee a reasonable time before the Closing Date for purposes of inspection and authentication. Prior to or concurrently with and as a condition to the Closing, the Issuer will execute and deliver the Loan Agreement and the Indenture at the offices of Barnes & Thornburg LLP, Indianapolis, Indiana.

(c) Each of the parties hereto represents and agrees that it has not knowingly participated in and will not knowingly participate in, and is not aware of, any offering or sale of any tax-exempt obligations (other than the Bonds) (i) which has been, is being or will be conducted during the period commencing 15 days prior to the date hereof and ending 15 days after the Closing Date, (ii) which has been, is being or will be paid from the same source of funds as the Bonds, determined without regard to guarantees from unrelated parties, and (iii) which was, is being or will be made pursuant to the same plan of financing. For purposes of the foregoing sentence, tax-exempt obligations issued pursuant to the same plan of financing means tax-exempt obligations (other than the Bonds) issued to finance a single facility or related facilities.

3. Issuer's Representations and Warranties. The Issuer makes the following representations and warranties:

(a) Issuer is a municipal corporation of the State of Indiana, duly created and existing as such under the constitution and laws of the State. Under the provisions of the Act, Issuer is authorized to enter into the transactions contemplated by this Bond Purchase Agreement and to carry out its obligations hereunder. Issuer agrees that it will do or cause to be done all things necessary to preserve and keep in full force and effect its existence.

(b) The Issuer has full legal right, power and authority (i) to adopt the Bond Legislation and enter into this Bond Purchase Agreement, the Indenture and the Loan Agreement, (ii) to issue, sell and deliver the Bonds as provided herein, and (iii) to carry out and consummate all other transactions contemplated by each of the aforesaid documents, and the Issuer has complied with all provisions of applicable law, including the Act, in all matters relating to such transactions.

(c) The Issuer has duly authorized (i) the issuance, sale and delivery of the Bonds upon the terms set forth herein and in the Indenture, (ii) the execution, delivery and due performance of this Bond Purchase Agreement, the Bonds, the Indenture and the Loan Agreement, and (iii) the taking of any and all such actions as may be required on the part of the Issuer to carry out, give effect to and consummate the transactions contemplated by such instruments.

(d) The Bond Legislation has been duly adopted by the Issuer and is in full force and effect. This Bond Purchase Agreement when executed and delivered constitutes, and the Indenture and the Loan Agreement, when executed and delivered, will constitute legal, valid and binding special obligations of the Issuer, enforceable in accordance with their respective terms, subject to all limitations set forth in Section 11 hereof, except that enforceability may be limited by laws relating to bankruptcy, reorganization or other similar laws affecting the rights of creditors, by the exercise of judicial discretion in accordance with general principles of equity, and by matters of public policy.

(e) When duly authenticated by the Trustee, delivered and paid for at the Closing in accordance with the provisions of this Bond Purchase Agreement, the Bonds will have been duly authorized, executed, issued and delivered and will constitute legal, valid and binding special obligations of the Issuer in conformity with the laws of the State, including the Act, will be entitled to the benefit and security of the Loan Agreement and the Indenture, and will be enforceable in accordance with their terms, except that enforceability may be limited by laws relating to bankruptcy, reorganization or other similar laws affecting the rights of creditors.

(f) To the best of the Issuer's knowledge neither the adoption of the Bond Legislation, the execution and delivery of this Bond Purchase Agreement, the Bonds, the Indenture or the Loan Agreement, nor the consummation of the transactions contemplated therein or the compliance with the provisions thereof, will conflict with, or constitute on the part of the Issuer a violation of, or a breach of or default under, any statute, indenture, mortgage, commitment, note or other agreement or instrument to which the Issuer is a party or by which it

is bound, or under any provision of the Indiana Constitution or under any existing law, rule, regulation, resolution, charter, judgment, order or decree to which the Issuer is subject.

(g) Other than the Indenture and the Loan Agreement, the Issuer has not entered into any contract or arrangement of any kind which might give rise to any lien or encumbrance on the Revenues.

(h) To the best of the Issuer's knowledge, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, pending or threatened against the Issuer, which in any way questions the powers of the Issuer referred to in paragraph (a) above, or the validity of any proceedings taken by the Issuer in connection with the issuance of the Bonds, or wherein an unfavorable decision, ruling or finding would materially adversely affect the transactions contemplated by, or the validity or enforceability of, the Bond Legislation, the Indenture, the Loan Agreement, the Bonds or this Bond Purchase Agreement.

(i) Any certificate relating to the Bonds signed by the Issuer and delivered to Miller Johnson, as counsel to the Original Purchaser ("Bank Counsel"), or the Original Purchaser at or before the Closing Date shall be deemed a representation and warranty by the Issuer to Bank Counsel and the Original Purchaser, as to the truth of the statements therein contained.

4. Borrower's Representations and Warranties. The Borrower makes the following representations and warranties:

(a) The Borrower is a nonprofit corporation and a 501(c)(3) charitable organization, duly organized and validly existing in good standing under the laws of the State, and has full legal right, power and authority to own the Borrower's properties and conduct the Borrower's business. The Borrower has a determination letter from the Internal Revenue Service affirming the Borrower's status as a 501(c)(3) charitable organization, and the Borrower has not taken an action that would cause revocation of its status as a 501(c)(3) charitable organization nor omitted to take an action required to preserve such status. The Borrower has full legal right, power and authority to execute and deliver this Bond Purchase Agreement, the Collateral Documents, the Loan Agreement and the Bondowner Agreement, to provide for the operation and management of the Project, and to take any and all such action as may be required on its part to carry out, give effect to and consummate the transactions contemplated by this Bond Purchase Agreement, the Loan Agreement, the Bondowner Agreement and the Collateral Documents.

(b) The Borrower has duly authorized, executed and delivered this Bond Purchase Agreement, and on the Closing Date will have duly authorized, executed and delivered the Loan Agreement, the Collateral Documents and the Bondowner Agreement, and has taken or will take all such action as may be required on the part of the Borrower to carry out, give effect to and consummate the transactions contemplated by each of such documents. This Bond Purchase Agreement constitutes, and the Collateral Documents, the Loan Agreement and the Bondowner Agreement, when executed and delivered, will constitute legal, valid and binding obligations of the Borrower, enforceable in accordance with their respective terms, except that enforceability may be limited by laws relating to bankruptcy, reorganization or other similar laws

affecting the rights of creditors or by equitable principles which may affect the availability of specific performance or other equitable remedies.

(c) Neither the execution and delivery of this Bond Purchase Agreement, the Loan Agreement, the Collateral Documents or the Bondowner Agreement, nor the consummation of the transactions contemplated therein or the compliance with the provisions thereof, will conflict with, or constitute on the part of the Borrower a violation of, or a breach of or default under, the Borrower's Articles of Incorporation or any material indenture, mortgage, commitment, note or other agreement or instrument to which the Borrower is a party or by which the Borrower is bound, or any order, rule or regulation of any court or governmental agency or body having jurisdiction over the Borrower or any of its activities or properties. All consents, approvals, authorizations and orders of governmental or regulatory authorities which are required for the Borrower's execution and delivery of, consummation of the transactions contemplated by and compliance with the provisions of this Bond Purchase Agreement, the Collateral Documents, the Loan Agreement and the Bondowner Agreement have been obtained.

(d) To the Borrower's knowledge, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, pending or, to the best of the knowledge of the Borrower, threatened, against the Borrower, or the actions taken or contemplated to be taken by the Borrower, nor, to the best of the knowledge of the Borrower, is there any basis therefor, which reasonably would be expected to materially adversely affect the business, financial condition or operations of the Borrower, or the transactions contemplated by, or the validity or enforceability of, this Bond Purchase Agreement, the Collateral Documents, the Loan Agreement or the Bondowner Agreement, or which would in any way jeopardize the tax-exempt status of the interest on the Bonds.

(e) No event has occurred and no condition exists which, upon issuance of the Bonds, would constitute (or with the giving of notice or lapse of time, or both, would constitute) an Event of Default under the Loan Agreement or the Bondowner Agreement.

(f) The Borrower is not in violation of any provisions of, or in default under, its Articles of Incorporation or any statute, indenture, mortgage, commitment, note or other agreement or instrument to which it is a party or by which it is bound, or any order, rule, regulation or decision of any court or governmental agency or body having jurisdiction over it or any of its activities or properties, which violation or default would materially and adversely affect its business or financial condition.

(g) Any certificate signed by any officer of the Borrower and delivered to the Issuer, Bank Counsel or the Original Purchaser at or before the Closing Date shall be deemed a representation and warranty by the Borrower to the Issuer, Bank Counsel and the Original Purchaser as to the truth of the statements therein contained.

5. Original Purchaser's Representations and Warranties. The Original Purchaser makes the following representations and warranties:

(a) The Original Purchaser is (i) an "accredited investor" within the meaning of Regulation D promulgated under the Securities Act, or (ii) a "qualified institutional buyer"

within the meaning of Rule 144A under the Securities Act, and has sufficient knowledge and experience in financial and business matters, including purchase and ownership of tax-exempt municipal obligations, to be able to evaluate the economic risks and merits of the investment represented by the purchase of the Bonds;

(b) The Original Purchaser has made its own inquiry and analysis with respect to the Bonds and the security therefor, the purpose for which the Bonds are issued, and other material factors affecting the security and payment of the Bonds, and the undersigned has not relied upon any statement by the Issuer, the Borrower, or any of their respective directors or employees, or their respective financial consultants or legal advisors in connection with such inquiry or analysis or in connection with the offer and sale of the Bonds other than as set forth in the Indenture, the Loan Agreement, the Bondowner Agreement, the Collateral Documents and as provided by the Borrower in connection with the sale of the Bonds;

(c) The Original Purchaser has either been furnished with or have had access to all necessary information that it desires in order to enable it to make an informed investment decision concerning investment in the Bonds and has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the purpose for which the Bonds were issued, the Bonds, and the security therefor, so that the undersigned has been able to make an informed decision to purchase the Bonds;

(d) The Original Purchaser understands that the Bonds (i) are not being registered under the Securities Act and are not being registered or otherwise qualified for sale under the "Blue Sky" laws and regulations of any state due to exemptions from registration provided for therein, (ii) will not be listed on any stock or other securities exchange, and (iii) may not be readily marketable;

(e) The Original Purchaser is purchasing the Bonds for its own account and, except with regard to the right of the Original Purchaser to sell participations not with a present view to, and with no present intention of, selling, pledging, transferring, conveying, hypothecating, mortgaging, disposing, reoffering, distributing or reselling the Bonds, or any part or interest thereof; provided, however, that the disposition of the Original Purchaser's property, including the Bonds, shall (subject to applicable laws and regulations) always remain in control of the Original Purchaser; and provided further that, the Original Purchaser shall have the right to sell participations to one or more persons in or to all or a portion of its rights and obligations under the Indenture, the Bondowner Agreement and the Collateral Documents, as specifically provided for and, subject to restrictions contained in, the Bondowner Agreement;

(f) The Original Purchaser acknowledges that it is responsible for consulting with its advisors concerning any obligations, including, but not limited to, any obligations pursuant to federal and state securities and income tax laws it may have with respect to subsequent purchasers of the Bonds if and when any such future disposition of the Bonds may occur;

(g) The Original Purchaser has not relied upon, or received any recommendation (implied or otherwise) by, the Issuer or the Borrower with respect to its purchase of the Bonds; and

(h) The Original Purchaser acknowledges (i) that it is aware that neither the Borrower nor the Issuer nor their respective counsel and financial advisors nor any other individuals have made any independent investigation of the ability of the revenues to timely pay amounts owed with respect to the Bonds and (ii) that it has received no disclosure document in connection with its purchase of the Bonds.

6. Covenants of the Issuer. The Issuer covenants that it will observe all covenants of the Issuer in the Indenture and the Loan Agreement and will not issue or sell any bonds or obligations other than the Bonds, the principal of, premium, if any, and interest on which are payable in whole or in part from the Revenues or are to be secured by any lien on, or pledge of, the Revenues.

7. Covenants of the Borrower. The Borrower covenants as follows:

(a) The Borrower has applied the proceeds of the Bonds as provided in and subject to all of the terms and provisions of the Loan Agreement and will observe all covenants of the Borrower in such instrument.

(b) The Borrower will take such action as may be reasonably requested to facilitate the timely consummation of the transactions contemplated by this Bond Purchase Agreement.

(c) The Borrower will notify the Issuer and the Original Purchaser of any material adverse change in the business, properties or financial condition of the Borrower occurring before the Closing Date.

(d) The Borrower will not take any action or permit any action to be taken on its behalf or cause or permit any circumstance within its control to arise or continue, if such action would adversely affect the excludability from gross income for federal income tax purposes of the interest on the Bonds. Without limiting the generality of the foregoing sentence the Borrower will take all steps necessary to preserve its status as a 501(c)(3) charitable organization and will not take any action or permit any action to be taken on its behalf or cause or permit any circumstance within its control to arise or continue, if such would adversely affect its status as a 501(c)(3) charitable organization.

8. Conditions to the Obligations of the Original Purchaser. The obligation of the Original Purchaser to purchase the Bonds on the Closing Date shall be subject, at the option of the Original Purchaser, to the accuracy in all material respects of the representations and warranties on the part of the Issuer and the Borrower contained herein as of the date hereof and as of the Closing Date, to the accuracy in all material respects of the statements of the Issuer and the Borrower made in any certificates or other documents furnished pursuant to the provisions hereof, to the performance by the Issuer and the Borrower of their respective obligations to be performed hereunder at or prior to the Closing Date and to the following additional conditions:

(a) At the Closing Date, the Indenture, the Loan Agreement, the Collateral Documents and the Bondowner Agreement shall have been duly authorized, executed and delivered by the respective parties thereto, and none of the foregoing agreements shall have been amended, modified or supplemented so as to materially affect the content thereof, except as may

have been agreed to in writing by the Original Purchaser, and there shall have been taken in connection therewith, with the issuance of the Bonds, and with the transactions contemplated thereby and by this Bond Purchase Agreement, all such actions as Bank Counsel, reasonably shall deem to be necessary and appropriate.

(b) At or prior to the Closing Date, the Original Purchaser shall have received an original or copies of the following documents, in each case satisfactory in form and substance to the Original Purchaser:

(i) The Indenture, the Loan Agreement, the Bonds, the Bondowner Agreement and the Collateral Documents, each duly executed and delivered by the respective parties thereto, with such amendments, modifications or supplements as may have been agreed to in writing by the Original Purchaser;

(ii) The opinion of Barnes & Thornburg, LLP, counsel to the Borrower, dated the Closing Date, satisfactory in form to the Original Purchaser and Bank Counsel;

(iii) The approving opinion of Barnes & Thornburg LLP, as bond counsel, and supplemental opinions of bond counsel, each dated the Closing Date, satisfactory to the Original Purchaser;

(iv) A certificate, dated the Closing Date, signed by a duly authorized official of the Issuer, in form satisfactory to the Original Purchaser and Bank Counsel, to the effect that the representations and warranties of the Issuer set forth in Section 3 hereof are true, correct and complete on the date thereof;

(v) A certificate, dated the Closing Date, signed by a duly authorized officer of the Borrower, in form satisfactory to the Original Purchaser and Bank Counsel, to the effect that the representations and warranties of the Borrower set forth in Section 4 hereof are true, correct and complete on the date thereof; and

(vi) Such additional legal opinions, certificates, proceedings, instruments and other documents as the Original Purchaser or Bank Counsel may reasonably request to evidence compliance by the Issuer or the Borrower with legal requirements of closing, and to certify the truth and accuracy, as of the Closing Date, of the representations of the Issuer and the Borrower contained herein and the due performance or satisfaction by the Issuer and the Borrower at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by each of them.

(c) On the Closing Date, legislation shall not have been enacted by the Congress, nor a decision rendered by any court of competent jurisdiction, or the Tax Court of the United States, nor any order, ruling, regulation or official statement made by the United States Treasury Department or the Internal Revenue Service, with the purpose or effect of imposing additional federal income taxation upon the Loan Payments or other income of the character derived by the Issuer under the Loan Agreement or upon the interest to be paid on the Bonds or on bonds of the general character of the Bonds. On the Closing Date, legislation shall not be

actively considered for enactment by the Congress, or recommended to the Congress for passage by the President of the United States of America, or introduced or favorably reported for passage to either House of the Congress, with the purpose or effect of imposing federal income taxation, other than any federal income taxes that may be imposed if the Bonds were to be issued on this date, upon the Loan Payments or other income of the character derived by the Issuer under the Loan Agreement or upon the interest to be paid on the Bonds or on bonds of the general character of the Bonds, the effect of which, in the sole determination of the Original Purchaser, would materially and adversely affect its investment decision with respect to the Bonds.

(d) Between the date hereof and the Closing Date, legislation shall not have been enacted by the Congress or be actively considered for enactment by Congress, or recommended to the Congress for enactment by the President of the United States, or introduced or favorably reported for passage to either house of the Congress, and neither a decision, order or decree of a court of competent jurisdiction, nor an order, ruling, regulation or official statement of or on behalf of the Securities and Exchange Commission shall have been rendered or made, with the purpose or effect that the issuance, offering or sale of the Bonds or any related security or obligations of the general character of the Bonds or any related security as contemplated hereby, or the execution and delivery of the Indenture, is or would be in violation of any provision of, or is or would be subject to registration or qualification requirements under, the Securities Act or the Trust Indenture Act, the effect of which, in the sole determination of the Original Purchaser, would materially and adversely affect its investment decision with respect to the Bonds.

(e) None of the following shall have occurred: (i) additional material restriction not in force as of the date hereof shall have been imposed upon trading in securities generally by any governmental authority or by any national securities exchange or such trading shall have been suspended; (ii) the New York Stock Exchange or other national securities exchange, or the Financial Industry Regulatory Authority or other national securities association, or the Municipal Securities Rulemaking Board or other similar national self-regulatory rule-making board, or any governmental authority, shall impose, as to the Bonds or similar obligations, any material restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by, or change in the net capital requirements of, Original Purchasers; (iii) a general banking moratorium shall have been declared by federal, New York or Indiana authorities; or (iv) a war involving the United States of America, whether or not declared, or any other national or international calamity or crisis, or a financial crisis, shall have occurred, the effect of which, in the sole determination of the Original Purchaser, would materially and adversely affect the Original Purchaser's investment decision with respect to the Bonds.

(f) All matters relating to this Bond Purchase Agreement, the Bonds, the Bond Legislation, the Indenture, the Loan Agreement, the Collateral Documents, the Bondowner Agreement and the consummation of the transactions contemplated by this Bond Purchase Agreement, shall be reasonably satisfactory to and subject to the approval of the Original Purchaser.

If the conditions to the Original Purchaser's obligations contained in this Bond Purchase Agreement are not satisfied or if the Original Purchaser's obligations shall be terminated for any

reason permitted herein, this Bond Purchase Agreement shall, at the option of the Original Purchaser, terminate and neither the Original Purchaser, the Issuer, nor the Borrower shall have any further obligations hereunder, except as provided in Section 13 with respect to the payment of certain expenses.

9. Conditions to the Obligations of the Issuer. The obligation of the Issuer to issue and deliver the Bonds on the Closing Date shall be subject, at the option of the Issuer, to the following conditions:

(a) At the Closing Date, the Indenture, the Loan Agreement, the Collateral Documents and the Bondowner Agreement shall have been duly authorized, executed and delivered by the respective parties thereto, and there shall have been taken in connection therewith, with the issuance of the Bonds, and with the transactions contemplated thereby and by this Bond Purchase Agreement, all such actions as Bank Counsel, reasonably shall deem to be necessary and appropriate, subject to all limitations set forth in Section 11.

(b) Between the date hereof and the Closing Date, legislation shall not have been enacted by the Congress or be actively considered for enactment by Congress, or recommended to the Congress for enactment by the President of the United States, or introduced or favorably reported for passage to either house of the Congress, and neither a decision, order or decree of a court of competent jurisdiction, nor an order, ruling, regulation or official statement of or on behalf of the Securities and Exchange Commission shall have been rendered or made, with the purpose or effect that the issuance, offering or sale of the Bonds or any related security or obligations of the general character of the Bonds or any related security as contemplated hereby, or the execution and delivery of the Indenture, is or would be in violation of any provision of, or is or would be subject to registration or qualification requirements under, the Securities Act or the Trust Indenture Act.

(c) All matters relating to this Bond Purchase Agreement, the Bonds, the Bond Legislation, the Indenture, the Loan Agreement, the Collateral Documents, the Bondowner Agreement and the consummation of the transactions contemplated by this Bond Purchase Agreement, shall be reasonably satisfactory to and subject to the approval of the Issuer.

If the conditions to the Issuer's obligations contained in this Bond Purchase Agreement are not satisfied or if the Issuer's obligations shall be terminated for any reason permitted herein, this Bond Purchase Agreement shall, at the option of the Issuer, terminate and neither the Original Purchaser, the Issuer, nor the Borrower shall have any further obligations hereunder, except as provided in Section 13 with respect to the payment of certain expenses.

10. Conditions to the Obligations of the Borrower. The obligations of the Borrower to execute and deliver the Loan Agreement, the Bondowner Agreement and the Collateral Documents on the Closing Date shall be subject, at the option of the Borrower, to the following conditions:

(a) Between the date hereof and the Closing Date, legislation shall not have been enacted by the Congress or be actively considered for enactment by Congress, or recommended to the Congress for passage by the President of the United States, or introduced to

either house of the Congress, nor a decision rendered by any court of competent jurisdiction, or the Tax Court of the United States, nor any order, ruling, regulation or official statement made by the United States Treasury Department or the Internal Revenue Service, with the purpose or effect of imposing federal income taxation upon revenues or other income of the character derived by the Issuer under the Loan Agreement or upon the interest to be paid on the Bonds or on bonds of the general character of the Bonds.

(b) Between the date hereof and the Closing Date, legislation shall not have been enacted by the Congress or be actively considered for enactment by Congress, or recommended to the Congress for enactment by the President of the United States, or introduced or favorably reported for passage to either house of the Congress, and neither a decision, order or decree of a court of competent jurisdiction, nor an order, ruling, regulation or official statement of or on behalf of the Securities and Exchange Commission shall have been rendered or made, with the purpose or effect that the issuance, offering or sale of the Bonds or any related security or obligations of the general character of the Bonds or any related security as contemplated hereby, or the execution and delivery of the Indenture, is or would be in violation of any provision of, or is or would be subject to registration or qualification requirements under, the Securities Act or the Trust Indenture Act.

(c) All matters relating to this Bond Purchase Agreement, the Bonds, the Bond Legislation, the Indenture, the Loan Agreement, the Bondowner Agreement and the consummation of the transactions contemplated by this Bond Purchase Agreement, shall be reasonably satisfactory to and subject to the approval of the Borrower.

If the conditions to the Borrower's obligations contained in this Bond Purchase Agreement are not satisfied or if the Original Purchaser's obligations shall be terminated for any reason permitted herein, this Bond Purchase Agreement shall, at the option of the Borrower, terminate and neither the Original Purchaser, the Issuer, nor the Borrower shall have any further obligations hereunder, except as provided in Section 13 with respect to the payment of certain expenses.

11. No Pecuniary Liability of Issuer. No provision, covenant, or agreement contained in this Bond Purchase Agreement, and no obligation herein imposed upon the Issuer, or the breach thereof, shall constitute an indebtedness of the Issuer or the State or any political subdivision thereof within the meaning of any Indiana constitutional provision or statutory limitation or shall constitute or give rise to a pecuniary liability of the Issuer or the State or any political subdivision thereof or a charge against its general credit or taxing powers. In making the agreements, provisions and covenants set forth in this Bond Purchase Agreement, the Issuer has not obligated itself, except to the extent that the Issuer is authorized to act pursuant to Indiana law and except with respect to the Revenues. The Issuer and any of its officials, officers or employees shall have no monetary liability arising out of the obligations of the Issuer hereunder or in connection with any covenant, representation or warranty made by the Issuer herein, and neither the Issuer nor its officials shall be obligated to pay any amounts in connection with the transactions contemplated hereby other than from Revenues or other moneys received from the Borrower.

12. Survival of Representations, Warranties, Covenants, Agreements and Indemnities. All representations, warranties, covenants, agreements and indemnities contained in this Bond Purchase Agreement, or contained in the certificates of members, officials, partners or officers of the Issuer or of the Borrower submitted pursuant hereto, shall remain operative and in full force and effect, regardless of any investigation by or on behalf of the Original Purchaser or any person controlling the Original Purchaser, and shall survive delivery of the Bonds to the Original Purchaser and payment therefor by the Original Purchaser.

13. Expenses. All reasonable costs and expenses incident to the performance of the Issuer's, the Original Purchaser's, and the Borrower's obligations in connection with the authorization, issuance and sale of the Bonds shall be paid by the Borrower, including the costs for printing the Bonds, CUSIP Service Bureau charges (if any), fees and expenses of the Issuer, including reasonable fees and expenses of its counsel, fees and expenses of the Original Purchaser, including reasonable fees and expenses of its counsel and any fees and amounts payable to the Original Purchaser under the Bondowner Agreement on the Closing Date, and fees and expenses of the Trustee. All such costs and expenses shall be paid by the Borrower whether or not the Bonds are actually issued and sold. To the extent statements for such costs and expenses are available on the Closing Date, the Borrower shall pay such costs and expenses on the Closing Date.

14. Parties in Interest. This Bond Purchase Agreement is made solely for the benefit of the Original Purchaser, the Issuer, the Borrower and their respective successors and assigns, and the Indemnified Parties, and no other person, partnership, association or corporation shall acquire or have any rights under or by virtue of this Bond Purchase Agreement. Nothing contained in this Bond Purchase Agreement, express or implied, is intended or shall be construed to confer upon or give to any person, firm, corporation or other legal entity including any purchaser of the Bonds, other than a party hereto or its successors and assigns, any rights, remedies or other benefits under or by reason of this Bond Purchase Agreement, all third party rights being hereby negated.

15. Notices. Any notice or other communication to be given to any party to this Bond Purchase Agreement may be given by delivering the same in writing at the respective addresses set forth below:

The Borrower:	The Franklin United Methodist Home, Inc. 1070 W. Jefferson St. Franklin, Indiana 46131 Attention: Executive Director Telephone: (317) 736-7185 Telecopy: (317) 736-1150
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The Issuer:	City of Franklin, Indiana 70 E. Monroe Street Franklin, Indiana 46131 Attention: Clerk-Treasurer Telephone: (317) 736-3609
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The Original Purchaser: The Huntington National Bank
50 Monroe Ave. NW
Grand Rapids, Michigan 49503
Attention: Tom Gibbons
Telephone: (616) 235-6454
Telecopy: (616) 771-0226

16. Severability. If any provisions of this Bond Purchase Agreement shall be held or deemed to be or shall, in fact, be inoperative, invalid or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions because it conflicts with any provisions of any constitution, statute, rule or public policy, or any other reason, such circumstance shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions of this Bond Purchase Agreement invalid, inoperative or unenforceable to any extent whatever.

17. Good Faith. Each party to this Bond Purchase Agreement shall be obligated to act in good faith in the performance and enforcement of its obligations and rights hereunder, and shall have an obligation to deal fairly with the other party with respect to all matters pertaining hereto, expressed herein or otherwise, having due regard for all relevant facts and circumstances.

18. Applicable Law. This Bond Purchase Agreement shall be governed by and construed in accordance with the laws of the State.

19. Selection of Original Purchaser and Trustee; No Financial Obligations of the Issuer. The Borrower, the Issuer and the Original Purchaser represent, warrant and confirm as follows:

(a) The Borrower selected the Original Purchaser in connection with the sale of the Bonds and the Trustee to act as trustee under the Indenture;

(b) The Issuer did not participate in the process of selecting the Original Purchaser or the Trustee and did not decide who would be selected as a result of such selection process; and

(c) The Issuer has no financial obligation to the other parties to this Bond Purchase Agreement.

20. Counterparts. This Bond Purchase Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SIGNATURE PAGE
TO
BOND PURCHASE AGREEMENT FOR THE FRANKLIN UNITED METHODIST HOME,
INC. PROJECT

CITY OF FRANKLIN, INDIANA,
as Issuer

By: _____
Mayor

ATTEST:

Clerk-Treasurer

THE HUNTINGTON NATIONAL BANK,
as Original Purchaser

By: _____
Tom Gibbons, Vice President

THE FRANKLIN UNITED METHODIST HOME,
INC.,
as Borrower

By: _____
Keith B. Van Deman, Executive Director