

\$16,195,000  
CITY OF FRANKLIN REDEVELOPMENT DISTRICT  
TAX INCREMENT REVENUE BONDS, SERIES 2015

**BOND PURCHASE AGREEMENT**

June 5, 2015

City of Franklin Redevelopment Commission  
70 East Monroe Street  
Franklin, IN 46131

Gentlemen:

The undersigned, JPMorgan Chase Bank, N.A. (the “Purchaser”), hereby offers to enter into the following agreement with the City of Franklin Redevelopment Commission (the “Issuer”), which, upon acceptance of this offer, will be binding upon the Issuer and the Purchaser.

1. Upon the terms and conditions and upon the basis of the respective representations and covenants hereafter set forth, the Purchaser hereby agrees to purchase from the Issuer, and the Issuer hereby agrees to sell to the Purchaser all, but not less than all, of the \$16,195,000 in aggregate issued amount of the City of Franklin Redevelopment District Tax Increment Revenue Bonds, Series 2015 (the “Bonds”). The Bonds shall be dated as of the date of delivery, shall mature in such amounts, bear interest at such rates to their stated maturities, and be subject to redemption as set forth in **Schedule A** attached hereto and made a part hereof.

2. The initial purchase price of the Bonds shall be \$16,195,000.

3. The Bonds shall be authorized and secured by, and issued under Resolution No. 2015-15, adopted by the Issuer on May 19, 2015 (the “Bond Resolution”).

4. The Purchaser agrees to provide a purchaser letter to the Issuer at Closing (as hereinafter defined) in the form set forth in **Schedule B** attached hereto and made a part hereof.

5. The Bonds, registered in the name of the Purchaser, shall be delivered to the Purchaser at the offices of Bond Counsel, Barnes & Thornburg LLP, Indianapolis, Indiana, or at such other location as the Purchaser shall direct, on June 25, 2015, at which time the Purchaser shall pay the purchase price in full to an account specified by the Issuer. Such delivery and payment is referred to herein as the “Closing”.

6. The Purchaser shall have the right to cancel its obligation to purchase the Bonds if between the date hereof and the date of Closing, (i)(A) legislation shall be introduced in

Congress, or enacted or actively considered for enactment by the Congress, or recommended to the Congress for passage by the President of the United States, or favorably reported for passage to either House of the Congress by any committee of such House, or (B) a decision by a Federal court of the United States or the United States Tax Court shall be rendered, or a ruling or regulation by or on behalf of the Treasury Department of the United States, the Internal Revenue Service or other governmental agency shall be made or proposed with respect to Federal taxation upon revenues or other income to be derived by the Issuer or upon interest on obligations of the general character of the Bonds, or (C) other actions or events shall have occurred or transpired, any of which has the purpose or effect, directly or indirectly, of materially adversely affecting the Federal or Indiana income tax or other Indiana tax consequences of any of the transactions contemplated in connection herewith, and in the reasonable judgment of the Purchaser materially adversely affects the market for the Bonds, or (ii) there shall have occurred any outbreak of hostilities or any national or international calamity or crises, including a financial crisis, the effect of which on the financial markets of the United States being such as would in the reasonable judgment of the Purchaser materially adversely affect the market for the Bonds, or (iii) there shall be in force a general suspension of trading on the New York Stock Exchange or a general banking moratorium shall have been declared by Federal, Indiana or New York authorities, the effect of which would, in the reasonable judgment of the Purchaser, materially adversely affect the market for the Bonds, or (iv) there shall have occurred, since the date hereof, any material adverse change in the affairs of the City of Franklin Redevelopment District (the "District") from that reflected in the financial statements of the District delivered in connection with the Bonds.

7. The Issuer hereby represents and warrants to the Purchaser that it is authorized by law to enter into this Bond Purchase Agreement and the documents herein referred to and to perform all of its obligations to consummate the transactions contemplated hereby and thereby. The Issuer agrees that it shall take all necessary action to authorize the execution and delivery of, and shall execute and deliver the Bonds and any and all other agreements, certificates, and documents as may be required to consummate the transactions contemplated hereby. Any certificate signed by an authorized officer of the Issuer and delivered to the Purchaser shall be deemed a representation and warranty by the Issuer to the Purchaser as to statements made therein.

8. The Purchaser hereby represents and warrants to the Issuer that it has been duly authorized to execute this Bond Purchase Agreement, and to carry out the terms of this Bond Purchase Agreement.

9. The obligations of the Purchaser hereunder shall be subject to:

(a) The performance by the Issuer its obligations to be performed hereunder at and prior to the Closing;

(b) The accuracy of the warranties and representations of the Issuer; and

(c) Delivery to the Purchaser of executed counterparts of the following documents in such number as shall be reasonably required and in form and substance satisfactory to the Purchaser:

- (1) A resolution adopted by the City of Franklin Redevelopment Commission, amending Resolution to increase the additional bonds test to 150% coverage and to lower the debt service reserve requirement to \$1,000,000.
- (2) The unqualified approving opinion of Bond Counsel in customary market form, dated the date of Closing, relating to the due authorizations, execution, and delivery of the Bonds (and any documents relating to the issuance and security therefor), the tax-exempt status of interest on the Bonds for Federal income tax purposes, and such other matters as are customarily provided in such opinions.
- (3) Such additional legal and accounting opinions, proceedings, and such other documents, including references to the provisions of the Internal Revenue Code of 1986, as amended, as Bond Counsel or the Purchaser may reasonably request to evidence compliance by the Issuer with legal requirements and the due performance or satisfaction by the Issuer at or prior to the Closing of all agreements then to be performed and all conditions then to be satisfied by the Issuer.

10. The Issuer hereby agrees to pay all costs and expenses incident to the performance of its obligations under this Bond Purchase Agreement and in connection with the issuance of the Bonds, including: (i) all expenses incident to the delivery of the Bonds to the Purchaser, including the fees of counsel to the Purchaser in the amount of \$3,500; (ii) the fees and expenses of Bond Counsel; (iii) the fees and expenses of Piper Jaffray & Co., as placement agent in the amount of \$90,000; (iv) the fees and expenses of any financial advisor, general counsel, and consultants to the Issuer with respect to the Bonds; and (v) any additional costs and expenses incident to the preparing and issuance of the Bonds.

11. All representations, warranties, and agreements of the Issuer shall remain in full force and effect regardless of any investigations made by or on behalf of the Purchaser and shall survive the Closing.

12. No recourse under or upon any obligatory covenant or agreement contained in this Bond Purchase Agreement or to be implied therefrom shall be had against any officer, trustee, employees agent or representative of the Issuer; and no personal liability whatsoever shall attach to or be incurred by the present or any future elected officials, officers, directors, employees, agents or representatives of the Issuer by reason of any of the obligations, covenants or agreements contained or this Bond Purchase Agreement, or to be implied therefrom.

13. Any notice or other communication to be given to the Issuer shall be given by delivering the same in writing at the address set forth above and any notice or other

communication to be given to the Purchaser shall be given in writing to JPMorgan Chase Bank, N.A., 1 E Ohio St. Indianapolis, Indiana 46204, Attention: Andy Popek.

14. Neither the Purchaser nor Piper Jaffray & Co., as placement agent, nor any of their respective affiliates has acted or shall act as a fiduciary for the Issuer or in the capacity of broker, dealer, municipal securities underwriter or municipal advisor. Neither the Purchaser nor Piper Jaffray & Co., as placement agent, nor any of their respective affiliates has provided, and will not provide, financial, legal, tax, accounting or other advice to or on behalf of the Issuer with respect to the proposed issuance of the Bonds. The Issuer has sought and obtained financial, legal, tax, accounting and other advice (including as it relates to structure, timing, terms and similar matters) with respect to the proposed issuance of the Bonds from its financial, legal and other advisors (and not the Purchaser, Piper Jaffray & Co., as placement agent or any of their respective affiliates) to the extent that the Issuer desired to obtain such advice.

15. The Issuer shall provide the Purchaser with the following: (i) annual financial statements of the City of Franklin, Indiana, which have been audited by the Indiana State Board of Accounts ("ISBA"), within sixty (60) days of receipt of such annual statements from the ISBA; (ii) an annual tax increment analysis report, to include both base and increment value for the year, by parcel, with summary totals for the Franklin Eastside Business Park Allocation Area, the Franklin Power Products Economic Development Allocation Area, the Musicland Allocation Area, the Casting Technology Company Allocation Area, and the Amended Franklin Park Allocation Area; (iii) the annual budget of the Issuer, as adopted or amended, within 30 days of adoption or amendment; or (iv) such other reporting, as the Purchaser may reasonably request from time to time, including any long-term capital improvement plan of the Issuer.

16. This Bond Purchase Agreement is made solely for the benefit of the parties hereto, and no other person, including any holders of the Bonds, shall acquire or have any right hereunder or by virtue hereof.

The approval and acceptance of this offer by the Issuer, as evidenced by the execution of the acceptance clause below, shall cause this document to constitute a contract for the sale by the Issuer and the purchase by the Purchaser of the herein-described Bonds, subject to and in accordance with the terms and conditions herein outlined and established.

Respectfully submitted,

JPMORGAN CHASE BANK, N.A., as Purchaser

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

*(Signature Page to Bond Purchase Agreement)*

Accepted this 5th day of June, 2015.

CITY OF FRANKLIN REDEVELOPMENT  
COMMISSION

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

Attest:

\_\_\_\_\_  
Secretary

**SCHEDULE A**

Designation:	City of Franklin, Indiana Redevelopment District Tax Increment Revenue Bonds, Series 2015
Principal Amount:	\$16,195,000
Denominations:	\$100,000, or any \$1,000 integral multiples above such amount
Dated:	June 25, 2015
Maturity Date:	February 1, 2030
Interest Rate:	2.74%
Interest Payment Dates:	February 1 and August 1 of each year, commencing August 1, 2015

The Bonds are subject to mandatory sinking fund redemption prior to maturity on the dates and in the amounts set forth below at a price equal to 100% of the principal amount to be redeemed, plus accrued interest to the date of redemption:

<u>Date</u>	<u>Principal Amount</u>
August 1, 2015	\$90,000
February 1, 2016	455,000
August 1, 2016	460,000
February 1, 2017	470,000
August 1, 2017	475,000
February 1, 2018	480,000
August 1, 2018	490,000
February 1, 2019	495,000
August 1, 2019	500,000
February 1, 2020	510,000
August 1, 2020	515,000
February 1, 2021	525,000
August 1, 2021	530,000
February 1, 2022	535,000
August 1, 2022	545,000
February 1, 2023	550,000
August 1, 2023	560,000
February 1, 2024	565,000
August 1, 2024	575,000
February 1, 2025	585,000
August 1, 2025	590,000
February 1, 2026	600,000
August 1, 2026	605,000
February 1, 2027	615,000
August 1, 2027	625,000
February 1, 2028	630,000
August 1, 2028	640,000
February 1, 2029	650,000
August 1, 2029	660,000
February 1, 2030*	670,000

\* Final Maturity

Optional Redemption: The Bonds may not be redeemed prior to maturity at the option of the Issuer.

## **SCHEDULE B**

### *Form of Purchaser Letter*

June 9, 2015

City of Franklin Redevelopment Commission  
Franklin, Indiana

Piper Jaffray & Co.  
Indianapolis, Indiana

Peters Municipal Consultants, LTD  
Greenwood, Indiana

Barnes & Thornburg LLP  
Indianapolis, Indiana

Re: \$16,195,000 City of Franklin Redevelopment District Tax Increment Revenue  
Bonds, Series 2015 (the "Bonds")

Ladies and Gentlemen:

The undersigned, JPMorgan Chase Bank, N.A. (the "Purchaser"), hereby represents and warrants to you as follows:

1. The Purchaser has purchased on the date hereof at the price of par, with no accrued interest, \$16,195,000 in par amount of the Bonds issued pursuant to Resolution No. 2015-15, adopted by the City of Franklin Redevelopment Commission on May 19, 2015, as amended (the "Resolution").

2. The Purchaser has sufficient knowledge and experience in business and financial matters in general, and investments such as the Bonds in particular, to enable the Purchaser to evaluate the Bonds, the credit of the Issuer, and the security and other terms of the Bonds. The Purchaser will make its own independent credit analysis and decision to purchase the Bonds based on independent examination and evaluation of the transaction and the information deemed appropriate, without reliance on Peters Municipal Consultants, LTD, Barnes & Thornburg LLP or Piper Jaffray & Co., or their respective affiliates, directors, officers, employees, attorneys or agents.

3. The Purchaser acknowledges that no credit rating has been sought or obtained with respect to the Bonds.

4. The Purchaser acknowledges that no official statement has been prepared for the Bonds. The Purchaser has been offered copies of or full access to all documents relating to the

Bonds, including the tax matters disclosure attached hereto, and all records, reports, financial statements and other information concerning the Issuer and pertinent to the source of payment for the Bonds as deemed material by the Purchaser, which the Purchaser as a reasonable investor, has requested and to which the Purchaser, as a reasonable investor, would attach significance in making an investment decision.

5. The Purchaser confirms that its investment in the Bonds constitutes an investment that is suitable for and consistent with its investment program and that the Purchaser is able to bear the economic risk of an investment in the Bonds, including a complete loss of such investment.

6. The Purchaser is a qualified institutional buyer within the meaning of Rule 144A under the Securities Act of 1933, as amended (the "Securities Act") purchasing the Bonds for its own account or for the account of a qualified institutional buyer in a transaction meeting the requirements of Rule 144A, and not with a view to, or in connection with, any distribution, resale, pledging, fractionalization, subdivision or other disposition thereof (subject to the understanding that disposition of Purchaser's property will remain at all times within its control).

7. The Purchaser understands that the Bonds (i) have not been registered under the Securities Act and (ii) have not been registered or qualified under any state securities or "Blue Sky" laws.

8. The Purchaser has been furnished with and has examined the Bonds, the Resolution, the tax matters disclosure attached hereto and other documents, certificates and the legal opinions delivered in connection with the issuance of the Bonds as it has deemed necessary. Purchaser has investigated the security for the Bonds and understands that the Bonds are payable solely from all allocated incremental taxes received on real and personal property located in the Franklin Eastside Business Park Allocation Area, the Franklin Power Products Economic Development Allocation Area, the Musicland Allocation Area, the Casting Technology Company Allocation Area, and the Amended Franklin Park Allocation Area (the "Allocation Areas"), in accordance with IC 36-7-14-39 and deposited in the allocation funds for each of the Allocation Areas.

9. The Purchaser understands that the Issuer, Piper Jaffray & Co., their respective counsel, Peters Municipal Consultants, LTD, and Barnes & Thornburg LLP will rely upon the accuracy and truthfulness of the representations and warranties contained herein and hereby consents to such reliance.

10. The Purchaser recognizes that the legal and accounting opinions it has received express the professional judgment of the attorneys and accountants participating in the transaction as to the legal issues addressed therein. It also recognizes that by rendering such opinions, the attorneys do not become insurers or guarantors of that expression of professional judgment of the transaction opined upon, or of the future performance of parties to such transaction. Nor does the rendering of the opinions guarantee the outcome of any legal dispute that may arise out of the transaction.

11. The signatory of this letter is a duly authorized officer of the Purchaser with the authority to sign this letter on behalf of the Purchaser, and this letter has been duly authorized, executed and delivered.

Very truly yours,

JPMORGAN CHASE BANK, N.A.

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

## TAX MATTERS

In the opinion of Barnes & Thornburg LLP, Indianapolis, Indiana (“Bond Counsel”), under existing laws, interest on the Bonds is excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended and in effect on the date of issuance of the Bonds (the “Code”). The opinion of Bond Counsel is based on certain certifications, covenants and representations of the Issuer and the City of Franklin, Indiana and is conditioned on continuing compliance therewith. In the opinion of Bond Counsel, under existing laws, interest on the Bonds is exempt from income taxation in the State for all purposes, except the State financial institutions tax.

The Code imposes certain requirements which must be met subsequent to the issuance of the Bonds as a condition to the excludability of the interest on the Bonds from gross income for federal income tax purposes. Noncompliance with such requirements may cause interest on the Bonds to be included in gross income for federal income tax purposes retroactively to the date of issue, regardless of the date on which noncompliance occurs. Should the Bonds bear interest that is not excludable from gross income for federal income tax purposes, the market value of the Bonds would be materially and adversely affected. It is not an event of default if interest on the Bonds is not excludable from gross income for federal income tax purposes pursuant to any provision of the Code which is not in effect on the date of issuance of the Bonds.

The interest on the Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes. However, interest on the Bonds is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on certain corporations.

The Bonds are not “qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the Code.

Indiana Code 6-5.5 imposes a franchise tax on certain taxpayers (as defined in Indiana Code 6-5.5) which, in general, include all corporations which are transacting the business of a financial institution in the State. The franchise tax is measured in part by interest excluded from gross income under Section 103 of the Code minus associated expenses disallowed under Section 265 of the Code.

Although Bond Counsel will render an opinion that interest on the Bonds is excludable from gross income for federal income tax purposes and exempt from State income tax, the accrual or receipt of interest on the Bonds may otherwise affect an owner’s federal or state tax liability. The nature and extent of these other tax consequences will depend upon the owner’s particular tax status and the owner’s other items of income or deduction. Bond Counsel expresses no opinion regarding any other such tax consequences. Prospective purchasers of the Bonds should consult their own tax advisors with regard to the other tax consequences of owning the Bonds.

The foregoing does not purport to be a comprehensive description of all of the tax consequences of owning the Bonds. Prospective purchasers of the Bonds should consult their own tax advisors with respect to the foregoing and other tax consequences of owning the Bonds.