

REFUNDING ISSUE

NON RATED

Book-Entry Only

In the opinion of Barnes & Thornburg LLP, Indianapolis, Indiana, under existing laws, interest on the Refunding Bonds (as hereinafter defined) is excludable from gross income for federal tax purposes under Section 103 of the Internal Revenue Code of 1986, as in effect on the date of issuance of the Refunding Bonds. Such exclusion is conditioned on continuing compliance with the Tax Covenants (hereinafter defined). In the opinion of Barnes & Thornburg LLP, Indianapolis, Indiana, under existing laws, interest on the Refunding Bonds is exempt from income taxation in the State of Indiana, except for the State financial institutions tax. See "TAX MATTERS" herein.

\$1,830,000*

**2010 HAMILTON NORTH PUBLIC LIBRARY BUILDING CORPORATION
FIRST MORTGAGE REFUNDING BONDS, SERIES 2010
(Hamilton County, Indiana)**

Dated: Date of Delivery

Due: As shown on Inside Cover

The Hamilton North Public Library Building Corporation First Mortgage Refunding Bonds, Series 2010 (the "Refunding Bonds") will be dated the date of delivery with interest payable on January 15 and July 15 of each year, commencing July 15, 2010. The Refunding Bonds will be issued only as fully registered bonds, and when issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). Purchasers of beneficial interest in the Refunding Bonds (the "Beneficial Owners") will not receive physical delivery of certificates representing their interest in the Refunding Bonds. Principal and semi-annual interest and premium, if any, on the Refunding Bonds will be disbursed on behalf of the 2010 Hamilton North Public Library Building Corporation (the "Building Corporation") by Community Bank, Noblesville, Indiana, as Trustee, Registrar, and Paying Agent (the "Trustee"). The Refunding Bonds will be issued under a Trust Indenture dated as of November 15, 1996 (the "Original Indenture"), between the Hamilton North Public Library Holding Corporation (the "Prior Building Corporation") and the Trustee, as supplemented by a First Supplemental Trust Indenture dated as of February 1, 2010 (the "First Supplemental Indenture" and together with the Original Indenture, collectively, the "Indenture"), between the Building Corporation (as assignee to the Prior Building Corporation) and the Trustee.

The proceeds of the Refunding Bonds will be used to (i) currently refund the Prior Building Corporation's First Mortgage Bonds, Series 1996 (the "1996 Bonds"), issued in the aggregate principal amount of \$3,200,000 and currently outstanding in the amount of \$1,835,000 and (ii) pay the costs associated with the issuance of the Refunding Bonds. **The rent paid by the Hamilton North Public Library (the "Public Library") under the Lease, dated as of September 19, 1996 (the "Lease"), by and between the Building Corporation (as assignee to the Prior Building Corporation), as lessor, and the Public Library, as lessee, is payable from ad valorem taxes to be levied by the Public Library; the levy of taxes by the Public Library to pay the rent due and payable under the Lease is mandatory.**

The Refunding Bonds and all bonds hereafter issued under the Indenture on a parity with the Refunding Bonds (collectively, the "Bonds"), are obligations of the Building Corporation payable solely from and secured exclusively by the trust estate established pursuant to the Indenture, which includes the rent received by the Building Corporation under the Lease amended from time to time the date thereof. (See "SOURCES OF PAYMENT AND SECURITY FOR THE BONDS" and "THE BUILDING CORPORATION" herein.)

The Refunding Bonds are **not** subject to optional redemption but may be subject to mandatory sinking fund redemption prior to their final maturity as more fully described herein.

The Refunding Bonds have been designated by the Building Corporation as qualified, tax-exempt obligations pursuant to Section 265(b)(3) of the Internal Revenue Service Code of 1986, as amended.

The Refunding Bonds are offered when, as and if issued by the Building Corporation and received by J.J.B. Hilliard, W.L. Lyons, LLC (the, "Underwriter"), subject to prior sale, the withdrawal or modification of the offer without notice, and to the unqualified approval of legality by Barnes & Thornburg LLP, Indianapolis, Indiana. It is expected that the Refunding Bonds will be delivered through The Depository Trust Company in New York, New York on or about March 11, 2010

J.J.B. HILLIARD, W.L. LYONS, LLC.

*-Preliminary, subject to change

This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

This Preliminary Official Statement and information contained herein are subject to completion or amendment without notice. These Refunding Bonds may not be sold nor may an offer to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these Refunding Bonds in any jurisdiction to which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

\$1,830,000*
2010 HAMILTON NORTH PUBLIC LIBRARY BUILDING CORPORATION
FIRST MORTGAGE REFUNDING BONDS, SERIES 2010

The Refunding Bonds will mature on the dates and amounts as follows:

<u>Date*</u>	<u>Principal Maturity*</u>	<u>Coupon</u>	<u>Yield</u>
1/15/2011	\$190,000		
1/15/2012	150,000		
1/15/2013	175,000		
1/15/2014	245,000		
1/15/2015	255,000		
1/15/2016	265,000		
1/15/2017	270,000		
1/15/2018	280,000		

**Preliminary, Subject to Change*

IN CONNECTION WITH THIS OFFERING THE UNDERWRITER MAY OVER ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE REFUNDING BONDS OFFERED HEREBY AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET, AND SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

No dealer, broker, salesman or other person has been authorized by the Building Corporation or the Public Library to give any information or to make any representations, other than those contained in this Official Statement, and if given or made, such other information or representations must not be relied upon as having been authorized by the Building Corporation or the Public Library. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities described herein by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained by the Public Library, the Building Corporation, and other sources which are believed to be reliable, but it is not guaranteed as to accuracy or completeness. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale of the securities described herein shall, under any circumstances, create any implication that there has been no change in the affairs of the Building Corporation or the Public Library since the date of delivery of the securities described herein to the initial purchaser thereof. However, upon delivery of the securities, the Building Corporation and the Public Library will provide a certificate stating that there have been no material changes in the information contained in the Final Official Statement since its delivery.

THE REFUNDING BONDS HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED.

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE BUILDING CORPORATION AND THE PUBLIC LIBRARY AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE REFUNDING BONDS HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT; ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

Pursuant to continuing disclosure requirements promulgated by the Securities and Exchange Commission in Securities and Exchange Commission Rule 15c2-12, as amended, the Public Library will enter into a Continuing Disclosure Contract. For a description of the Continuing Disclosure Contract, see "CONTINUING DISCLOSURE".

SUMMARY STATEMENT

THIS SUMMARY STATEMENT IS NOT INTENDED TO BE COMPLETE AND IS QUALIFIED BY THE ENTIRE OFFICIAL STATEMENT. BEFORE PURCHASING ANY REFUNDING BONDS, A PROSPECTIVE PURCHASER SHOULD REVIEW THIS OFFICIAL STATEMENT IN ITS ENTIRETY.

Bonds	First Refunding Mortgage Bonds, Series 2010
Amount of Offering	\$1,830,000*
Denomination	\$5,000 and integral multiples thereof
Dated Date	Date of Delivery
Interest Payments	Interest is payable on January 15 and July 15 of each year, commencing July 15, 2010.
Maturities	The Refunding Bonds will mature annually on the dates and in the principal amounts shown on the inside front cover.
Redemption	The Refunding Bonds are not subject to optional redemption but may be subject to a mandatory sinking fund redemption prior to their final maturity. See “THE REFUNDING BONDS”.
Security	The Refunding Bonds are obligations of the 2010 Hamilton North Public Library Building Corporation (the “Building Corporation”) payable solely from and secured exclusively by the trust estate established pursuant to the Indenture, which includes the rent received by the Building Corporation under a Lease dated as of September 19, 1996 (the “Lease”), by and between the Building Corporation (as assignee to the Hamilton North Public Library Holding Corporation (the “Prior Building Corporation”)), as lessor, and the Hamilton North Public Library, Hamilton County, Indiana (the “Public Library”), as lessee, as amended from time to time. See “SOURCE OF PAYMENT AND SECURITY FOR THE BONDS”.
Tax Exemption	In the opinion of Barnes & Thornburg LLP, Indianapolis, Indiana, under existing laws, interest on the Refunding Bonds is excludable from gross income for federal tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended, and in effect on the date of issuance of the Refunding Bonds. In the opinion of Barnes & Thornburg LLP, Indianapolis, Indiana, under existing laws, interest on the Refunding Bonds is exempt from income taxation in the State of Indiana, except for the State financial institutions tax. See “TAX MATTERS” and Appendix D herein.
Bank Qualification	The Refunding Bonds have been designated by the Building Corporation as qualified, tax-exempt obligations pursuant to section 265(b)(3) of the Internal Revenue Service Code of 1986, as amended.
Purpose	The proceeds of the Refunding Bonds will be used to (i) currently refund the Prior Building Corporation’s First Mortgage Bonds, Series 1996 (the “1996 Bonds”), issued in the aggregate principal amount of \$3,200,000 and currently outstanding in the amount of \$1,835,000 and (ii) pay the costs of issuing the Refunding Bonds.

**Preliminary, Subject to Change*

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2010 Hamilton North Public Library Building Corporation

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Michel J. Hartley, Vice President
Sandra A. Baitz, Secretary/Treasurer
Daniel Conder, Member
John Goff, Member
Edmund Linn, Member

Hamilton North Public Library Board of Trustees

Emily Holt, President
Peter Freeman, Vice - President
Mike Jenkins, Secretary
Laura Holliday, Treasurer
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OFFICIAL STATEMENT

\$1,830,000*

2010 HAMILTON NORTH PUBLIC LIBRARY BUILDING CORPORATION FIRST MORTGAGE REFUNDING BONDS, SERIES 2010 (Hamilton County, Indiana)

INTRODUCTION

This Official Statement of the 2010 Hamilton North Public Library Building Corporation (the “Building Corporation”), including the cover page and appendices, is provided for the purpose of setting forth information concerning the Building Corporation, the Hamilton North Public Library, Hamilton County, Indiana (the “Public Library”), the Building Corporation’s First Mortgage Refunding Bonds, Series 2010, in the aggregate principal amount of \$1,830,000* (the “Refunding Bonds”), and the Trust Indenture, dated as of November 15, 1996 (the “Original Indenture”), between the Hamilton North Public Library Holding Corporation (the “Prior Building Corporation”) and the Trustee, as supplemented by a First Supplemental Trust Indenture dated as of February 1, 2010 (the “First Supplemental Indenture” and together with the Original Indenture, collectively, the “Indenture”), between the Building Corporation (as assignee to the Prior Building Corporation) and the Trustee.

The Refunding Bonds shall be secured under the provisions of the Indenture and shall be issued in accordance with the Indenture and Indiana Code, Title 36, Article 12, Chapter 10, as amended, Indiana Code, Title 5, Article 1, Chapter 5, as amended, and other applicable laws (the “Act”).

The summaries of and references to all documents, statutes, and other instruments referred to in this Official Statement do not purport to be complete and are qualified in their entirety by reference to the full text of each document, statute, or instrument. Terms not defined in this Official Statement shall have the meaning set forth in the respective documents.

Investors should read the entire Official Statement to obtain necessary information essential to the making of an informed investment decision.

THE BUILDING CORPORATION

The Building Corporation was organized as a nonprofit corporation under laws of the State of Indiana (the “State”), for the purpose of providing funds to be applied to the cost of acquiring real estate and constructing library facilities to be leased to the Public Library. In order to provide the funds necessary to undertake projects, the Building Corporation may, from time to time, issue bonds secured by a lease agreement and a mortgage. None of the officers, directors or members of the Building Corporation has or will receive any compensation from the Building Corporation or the Public Library and none have a pecuniary interest in the Refunding Bonds.

**-Preliminary, subject to change*

PURPOSE OF ISSUE

The proceeds of the Refunding Bonds will be used to (i) currently refund the Prior Building Corporation's First Mortgage Bonds, Series 1996 (the "1996 Bonds"), issued in the aggregate principal amount of \$3,200,000 and currently outstanding in the amount of \$1,835,000 (the "1996 Refunded Bonds") and (ii) pay the costs associated with the issuance of the Refunding Bonds.

LEASED PREMISES

The premises subject to the Lease (the "Premises" or "Leased Premises") consist of an approximately four (4) acre site in the town of Cicero and a 15,300 square foot library building. The Public Library has a Victorian style exterior and provides for youth, young adult, adult, audio/visual and genealogy areas. The Leased Premises also includes a special room for children's programs as well as a room for public meetings. Expansion capabilities provide for additions to the Public Library totaling 3,700 square feet.

THE REFUNDING PROGRAM

Pursuant to the terms of an Escrow Agreement, dated as of February 1, 2010 (the "Escrow Agreement"), entered into by and among the Building Corporation, the Trustee, and Community Bank, Noblesville, Indiana, as escrow agent, (the "Escrow Agent"), the current refunding of all of the 1996 Refunded Bonds (the "Refunding Program") will be accomplished by (a) creating an irrevocable escrow account (the "Escrow Account") to be held by the Escrow Agent and (b) depositing therein a sum of initial cash and certain non-callable direct obligations of or guaranteed by the Treasury of the United States of America (the "Government Obligations"). The funds needed to establish the initial cash balance in the Escrow Account and to purchase the Government Obligations will be provided from a portion of the proceeds of the sale of the Refunding Bonds and funds of the Building Corporation.

The Government Obligations to be purchased and deposited with the Escrow Agent will be scheduled to mature at such times and in such amounts so that, when paid according to their respective terms, sufficient moneys, together with any amounts of cash then on deposit with the Escrow Agent, will be available to pay on April __, 2010, all of the principal and interest on the 1996 Refunded Bonds when due, and (ii) pay on April __, 2010, all of the principal of the 1996 Refunded Bonds maturing on or after April __, 2010.

The Escrow Agent will not sell any of the original Government Obligations unless: (a) instructed to do so by the Building Corporation, (b) the proceeds are reinvested in Government Obligations which are sufficient to pay principal and interest on the 1996 Refunded Bonds as they become due, (c) an opinion of a certified public accountant that the principal and interest on such Government Obligations are sufficient to pay the principal and interest on the 1996 Refunded Bonds as they come due is furnished, and (d) an opinion of bond counsel is furnished to the Trustee and the Escrow Agent that such reinvestment will not cause the interest on either the Refunding Bonds or the 1996 Refunded Bonds to become subject to federal tax.

All moneys and Government Obligations on deposit with the Escrow Agent, including interest to be earned thereon, are pledged solely and irrevocably for the benefit of the holders of the Refunding Bonds.

SOURCES AND USES OF FUNDS

The proceeds from the Refunding Bonds are expected to be applied as follows:

Sources of Funds:

Principal Amount of Refunding Bonds	
Net Original Issue Premium/(Discount)	
O&R Funds	_____
 Total Sources of Funds	 _____

Uses of Funds:

Deposit to Escrow Account	
Cost of Issuance	
Underwriter's Discount	_____
 Total Uses of Funds	 =====

SOURCE OF PAYMENT AND SECURITY FOR THE BONDS

The Refunding Bonds, together with any additional bonds hereafter issued under the Indenture on a parity with the Refunding Bonds (the “Additional Bonds”) (the Refunding Bonds and the Additional Bonds, collectively, the “Bonds”), are obligations of the Building Corporation payable solely from and secured exclusively by (i) a first mortgage lien on and security interest in the Mortgaged Property, as hereinafter defined, and (ii) the lease rental payments (the “Rent”) to be paid by the Public Library directly to the Trustee as instructed by the Building Corporation under a Lease dated as of September 19, 1996, as amended from time to time (collectively the “Lease”), by and between the Building Corporation (as assignee to the Prior Building Corporation), as lessor, and the Public Library, as lessee. The “Mortgaged Property” consists of (i) the Premises, (ii) all right, title and interest of the Building Corporation in the Lease and any other leases entered into by the Building Corporation and the Public Library and pledged to the Trustee as a part of the Mortgaged Property, (iii) all of the right, title and interest in and to the proceeds from the sale of all or any property subject to the lien of the Indenture, (iv) all proceeds of the Bonds and certain other cash securities now or hereafter held in certain funds and accounts created and established by the Indenture (except the Rebate Fund, as hereinafter defined).

Pursuant to the Lease, the Public Library is obligated to pay the rent on a semi-annual basis directly to the Trustee on each June 30 and December 31 of each year in the amounts and on the dates shown on the schedule entitled “SCHEDULE OF DEBT SERVICE REQUIREMENTS & LEASE PAYMENTS” in APPENDIX E of this Official Statement. See “SUMMARY OF CERTAIN PROVISIONS OF THE LEASE” in Appendix C to this Official Statement.

The Lease provides that, in the event the Premises are partially or totally destroyed, whether by fire or any other casualty, so as to render the same unfit, in whole or part, for use by the Public Library: (I) it will then be the obligation of the Building Corporation to restore and rebuild the Premises as promptly as may be done, unavoidable strikes and other causes beyond the control of the Building Corporation excepted; provided, the Building Corporation will not be obligated to expend on such restoration or rebuilding more than the amount of the proceeds received by the Building Corporation from the insurance provided for in the Lease, and provided further, the Building Corporation will not be required to rebuild or restore the Premises if the Public Library instructs the Building Corporation not to undertake such work because the Public Library anticipates that either the cost of such work exceeds the amount of insurance proceeds and other amounts available for such purpose, or the work cannot be completed within the period covered by rental value insurance; and (ii) the rent will be abated, for the period during which the Premises or any part thereof is unfit for use by the Public Library, in proportion to the percentage of the area of Premises which is unfit for use by the Public Library if there is in force at the time of such partial or total destruction or taking rental interruption insurance on the Premises in the amount of the full rental value of the Premises for a period of two (2) years.

In accordance with the Lease, the Public Library, at its own expense, is required to keep the Premises insured against physical loss or damage, however caused, with such exceptions as are ordinarily required by insurers of buildings or improvements of a similar type, which insurance will be in an amount at least equal to the greater of the option to purchase price and 100% of the full replacement cost of the Premises. The Public Library will also, at its own expense, maintain rent or rental value insurance in an amount equal to the full rental value of the Premises for a period of two (2) years against physical loss or damage.

For a more detailed discussion of certain provisions of the Lease, see Appendix C, “SUMMARY OF CERTAIN PROVISIONS OF THE LEASE” herein.

ADDITIONAL BONDS

The Building Corporation may issue Additional Bonds on parity with the Refunding Bonds from time to time to provide for the refunding of outstanding Bonds, to pay the costs of improvements, and for certain other limited purposes. See APPENDIX B “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE -- Additional Bonds” herein. Any improvements or other property purchased from Additional Bonds shall be limited to amounts which can be repaid, along with the Refunding Bonds, from lease rental payments paid by the Public Library pursuant to the Lease. Any series of Additional Bonds shall have maturities, interest rates, interest payment dates, denominations and other terms as provided in the supplemental indenture entered into in connection with the issuance of such Additional Bonds, provided that such terms and provisions shall not be

otherwise inconsistent with the Indenture. All Refunding Bonds, together with any Additional Bonds as may be issued on parity therewith under the Indenture, are all to be equally and ratably secured and entitled to the protection given under the Indenture.

PROCEDURES FOR PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION

Real and personal property in the State of Indiana (the “State”) is assessed each year as of March 1. On or before August 1 each year, each county auditor must submit to each underlying political subdivision located within that county a statement containing: (1) information concerning the assessed valuation of the political subdivisions for the next calendar year; (2) an estimate of the taxes to be distributed to the political subdivision during the last six months of the current calendar year; (3) the current assessed valuation as shown on the abstract of charges; (4) the average growth in assessed valuation in the political subdivision over the preceding three budget years, excluding years in which a general reassessment occurs, determined according to procedures established by the Department of Local Government Finance (the “DLGF”); and (5) any other information at the disposal of the county auditor that might affect the assessed value as shown on the most recent abstract of property.

By statute, the budget, tax rate and levy of a local political subdivision must be established no later than September 30. The budget, tax levy and tax rate are subject to review, revision, reduction or increase by the DLGF. The DLGF must complete its actions on or before February 15 of the immediately succeeding calendar year.

On or before March 15, each county auditor prepares and delivers to the Auditor of State and the county treasurer the final abstract of property taxes within that county. The county treasurer mails tax statements the following April (but mailing may be delayed due to reassessment or other factors). Unless the mailing of tax bills is delayed, property taxes are due and payable to the county treasurer in two installments on May 10 and November 10. If an installment of taxes is not completely paid on or before the due date, a penalty of 10% of the amount delinquent is added to the amount due; provided, that so long as the installment is completely paid within 30 days of the due date and the taxpayer is not liable for delinquent property taxes first due and payable in a previous year for the same parcel, the amount of the penalty is five percent of the amount of the delinquent taxes. On May 11 and November 11 of each year after one year of delinquency, an additional penalty equal to 10% of any taxes remaining unpaid is added. The penalties are imposed only on the principal amount of the delinquency. Real property becomes subject to tax sale procedures on July 1 if a delinquency then exists with respect to an installment due on or before May 10 of the prior year. With respect to delinquent personal property taxes, each county treasurer shall serve a demand upon each county resident who is delinquent in the payment of personal property taxes after November 10, but before August 1 of the succeeding year. Each county auditor distributes property taxes collected to the various political subdivisions on or before the June 30 or December 31 after the due date of the tax payment.

Under State law, personal property is assessed at its actual historical cost less depreciation, whereas real property is valued for assessment purposes at its “true tax value” as defined in the 2002 Real Property Assessment Manual adopted by the DLGF (the “Manual”), and as interpreted in the rules and regulations of the DLGF, including the Real Property Assessment Guidelines for 2002-Version ‘A’ (the “Guidelines”), and the Real Property Assessment Manual Rule, 50 Indiana

Administrative Code 2.3. The Manual defines “true tax value” as “the market value in use of property for its current use, as reflected by the utility received by the owner or a similar user from that property.” The Manual permits assessing officials in each county to choose any acceptable mass appraisal method to determine true tax value, taking into consideration the ease of administration and the uniformity of the assessments produced by that method. The Guidelines were adopted to provide assessing officials with an acceptable appraisal methodology, although the Manual makes it clear that assessing officials are free to select from any number of appraisal methods, provided that they are capable of producing accurate and uniform values throughout the jurisdiction and across all classes of property. The Manual specifies the standards for accuracy and validation that the DLGF will use to determine the acceptability of any alternate appraisal method.

There are certain credits, deductions and exemptions available for various classes of property. For instance, real property may be eligible for certain deductions for mortgages, solar energy heating or cooling systems, wind power devices, hydroelectric power devices and geothermal energy heating or cooling devices and if such property is owned by the aged. Residential real property may be eligible for certain deductions for rehabilitation. Real property, which is the principal residence of the owner thereof, is entitled to certain deductions and may be eligible for additional deductions, and if such owner is blind or disabled, such property may also be eligible for additional deductions. Buildings designed and constructed to systematically use coal combustion products throughout the building may be eligible for certain deductions. Tangible property consisting of coal conversion systems and resource recovery systems may be eligible for certain deductions. Tangible property or real property owned by disabled veterans and their surviving spouses may be eligible for certain deductions. Commercial and industrial real property, new manufacturing equipment and research and development equipment may be entitled to economic revitalization area deductions. Government owned properties and properties owned, used and occupied for charitable, educational or religious purposes may be entitled to exemptions from tax. “Assessed value” or “assessed valuation” means an amount equal to the true tax value of property, which represents the gross assessed value of such property, less any deductions, credits and exemptions applicable to such property, and is the value used for taxing purposes in the determination of tax rates.

Changes in assessed values of real property occur periodically as a result of general reassessments scheduled by the State General Assembly, as well as when changes occur in the property due to new construction or demolition of improvements. The most recent scheduled reassessment became effective as of the March 1, 2002 assessment date, and affects taxes payable beginning in 2003. The next scheduled reassessment will be effective as of the March 1, 2012 assessment date, and will affect taxes payable beginning in 2013. The assessed value of real property will be annually adjusted to reflect changes in market value, based, in part, on comparable sales data, in order to account for changes in value that occur between general reassessments. This process is generally known as “Trending.”

When a change in assessed value occurs, a written notification is sent to the affected property owner. If the owner wishes to appeal this action, the owner must first request in writing a preliminary conference with the county or township official who sent the owner such written notification. That request must be filed with such official within 45 days after the written notification is given to the taxpayer. That preliminary conference is a prerequisite to a review of the assessment by the county property tax assessment board of appeals. While the appeal is pending: (1) any taxes on real property

which become due on the property in question must be paid in an amount based on the immediately preceding year's assessment, or it may be paid based on the amount that is billed; and (2) any taxes on personal property which become due on the property in question must be paid in an amount based on the assessed value reported by the taxpayer on the taxpayer's personal property tax return, or it may be paid based on the amount billed.

Prior to February 15 of each year for taxes to be collected during that year, the DLGF is required to review the proposed budgets, tax rates and tax levies of each political subdivision and the proposed appropriations from those levies to pay principal of and interest on each political subdivision's outstanding general obligation bonds and to pay the political subdivision's outstanding lease rental obligations (collectively "bond and lease obligations") to be due and payable in the next calendar year. If it determines that the proposed levies and appropriations are insufficient to pay the bond and lease obligations, the DLGF may at any time increase the tax rate and tax levy of a political subdivision to pay such bond and lease obligations.

The State General Assembly recently enacted legislation, which provides taxpayers with a tax credit for all property taxes in an amount that exceeds a percentage of the gross assessed value of real and personal property eligible for the credit ("Circuit Breaker Tax Credit"). A person is entitled to the Circuit Breaker Tax Credit against the person's property tax liability for property taxes first due and payable in 2009 in the amount by which the person's property tax liability attributable to the person's:

- (1) homestead would otherwise exceed 1.5%;
- (2) residential rental property would otherwise exceed 2.5%;
- (3) long term care property would otherwise exceed 2.5%;
- (4) agricultural land would otherwise exceed 2.5%;
- (5) nonresidential real property would otherwise exceed 3.5%; or
- (6) personal property would otherwise exceed 3.5%;

of the assessed value of the property in any one county, which is the basis for determination of property taxes payable with respect to property in that county in 2009.

A person is entitled to the Circuit Breaker Tax Credit against the person's property tax liability for property taxes first due and payable after 2009 in the amount by which the person's property tax liability attributable to the person's:

- (1) homestead would otherwise exceed 1%;
- (2) residential rental property would otherwise exceed 2%;
- (3) long term care property would otherwise exceed 2%;
- (4) agricultural land would otherwise exceed 2%;
- (5) nonresidential real property would otherwise exceed 3%; or
- (6) personal property would otherwise exceed 3%;

of the assessed value of the property in any one county, which is the basis for determination of

property taxes payable with respect to property in that county for that calendar year.

Property taxes imposed after being approved by the voters in a referendum or local public question will not be considered for purposes of calculating a person's Circuit Breaker Tax Credit. In addition, property taxes imposed by the Public Library to pay debt service or make lease rental payments for bonds or leases issued or entered into before July 1, 2008, will not be considered for purposes of calculating a person's Circuit Credit Tax Credit. Certain senior citizens with annual income below specified levels or their surviving spouses may be entitled to additional credits with respect to their property tax liability attributable to their homesteads.

The application of the Circuit Breaker Tax Credit will result in a reduction of property tax collections for each political subdivision in which the Circuit Breaker Tax Credit is applied. A political subdivision may not increase its property tax levy or borrow money to make up for any property tax revenue shortfall due to the application of the Circuit Breaker Tax Credit. However, the State General Assembly recently enacted legislation that created a statewide nine-member distressed unit appeal board (the "Distressed Unit Appeal Board"), to which "distressed political subdivisions" (as defined in Indiana Code 6-1.1-20.3-2) may appeal for relief from application of the Circuit Breaker Tax Credits for a calendar year. If certain conditions are met, the Distressed Unit Appeal Board may: (1) increase the percentage thresholds (specified as a percentage of gross assessed value), at which the Circuit Breaker Tax Credit applies to a person's property tax liability in the political subdivision; (2) provide for percentage reductions to the Circuit Breaker Tax Credits otherwise provided in the political subdivision; or (3) provide that some or all of the property taxes (a) that are being imposed to pay bonds, leases, or other debt obligations and (b) would otherwise be included in the calculation of the Circuit Breaker Tax Credits in the political subdivision, shall not be included for purposes of calculating a person's Circuit Breaker Tax Credit.

Property taxes collected by a political subdivision must first be applied to pay debt service or lease rental obligations on all outstanding bonds or lease rental revenue bonds payable from ad valorem property taxes. If property tax collections are insufficient to fully fund debt service or lease rental levies due to the Circuit Breaker Tax Credit, political subdivisions must use non-property tax revenues or revenues from property tax levies for other funds (including operating) to offset revenue loss to the debt service fund. This application of property tax revenues may impact the ability of political subdivisions to provide existing levels of service and, in extreme cases, the ability to make debt service or lease rental payments. Upon the failure of a political subdivision to pay any of the political subdivision's outstanding bonds or lease rental revenue bonds, the Treasurer of State, upon being notified of the failure by a claimant, shall pay such unpaid obligations from money in possession of the State that would otherwise be available for distribution to the political subdivision under any other law, deducting such payment from the amount distributed. Legislation adopted by the State General Assembly in 2008 will provide \$50,000,000 in 2009 and \$70,000,000 in 2010 to offset the revenue loss for school corporations that have an impact of greater than 2% of their property tax levy.

The Public Library cannot predict the timing, likelihood or impact on property tax collections of any future judicial actions, legislation, regulations or rulings taken, enacted, promulgated or issued to implement the regulations or statutes described above or of future property tax reform in general. In addition, there can be no assurance as to future events or legislation that may impact such regulations or statutes or the collection of property taxes by the Town and the District.

Legislative Services Agency (“LSA”) prepared a report which estimates the impact of HEA 1001 of 2008 for all taxing units in the State of Indiana. Pursuant to LSA data as of December 1, 2009, the estimated Circuit Breaker Tax Credit allocable to the Public Library for budget year 2010 is estimated to be approximately \$9,166 and \$10,316 in 2011. Prior estimates of the Circuit Breaker Tax Credit impact on tax revenues of local governments by the LSA have been subject to significant changes.

The LSA Circuit Breaker Tax Credit analysis described above does not reflect the potential effect of any further changes in the property tax system or methods of funding local government that may be enacted by the Indiana General Assembly before 2010. The effects of these changes could affect LSA’s estimated of the Circuit Breaker Tax Credit and the impact could be material. Other future events, such as the loss of a major taxpayer, reductions in assessed value or increases in property tax rates of overlapping taxing units could increase effective property tax rates and the amount of the lost revenue due to the Circuit Breaker Tax Credit, and the resulting increase could be material.

THE REFUNDING BONDS

General Description

The Refunding Bonds will be issued in fully registered form in the denominations of \$5,000 or any integral multiple of that amount and mature on the dates and in the amounts and bear interest at the rates set forth on the inside cover page of this Official Statement

Interest on the Refunding Bonds will be payable on January 15 and July 15, commencing July 15, 2010 (each date, an “Interest Payment Date”). Principal of the Refunding Bonds will be payable on as shown on the inside cover of this Official Statement. Principal of and interest on the Refunding Bonds will be paid by check or draft mailed on business day prior to the interest payment date to depositories shown as registered owners.

So long as DTC or its nominee is the registered owner of the Refunding Bonds, principal of and interest on the Refunding Bonds will be paid directly to DTC by the Paying Agent. (The final disbursement of such payments to the Beneficial Owners of the Refunding Bonds will be the responsibility of the Direct Participants and Indirect Participants, all as defined and more fully described herein.) Interest will be paid on the basis of a 360-day year consisting of twelve 30-day months.

Optional Redemption

The Refunding Bonds are **not** subject to optional redemption prior to maturity.

Mandatory Sinking Fund Redemption

The Refunding Bonds shall be subject to mandatory sinking fund redemption on _____ and _____ on the dates indicated below (collectively, the “Term Bonds”), by lot in such manner as the Building Corporation may determine in the principal amounts shown below, plus

accrued interest and without premium.

Term Bond Due

Date Amount

Term Bond Due

Date Amount

* - *Final Maturity*

In the event the principal of the Term Bonds, plus any interest accrued thereon, is declared to be due and payable immediately by reason of an event of default as described in the Indenture, the Term Bonds shall be called for payment prior to maturity, in whole, at any time, in accordance with the Indenture. Any payment pursuant to the preceding sentence shall be at a payment price of 100% of the principal amount thereof plus accrued interest to the payment date.

Registration, Transfer and Exchange

The Refunding Bonds will be registrable at and may be transferable by the registered owners at the principal corporate trust office of the Registrar and Paying Agent upon surrender and cancellation and on presentation of a duly executed written instrument of transfer. A new bond or bonds of the same aggregate principal amount and maturity and in authorized denominations will be issued to the transferee or transferees in exchange therefore.

If any Refunding Bond is mutilated, lost, stolen or destroyed, the Building Corporation may execute and the Registrar may authenticate, subject to the provisions of the Indenture, a replacement bond or bonds of the same date, maturity and denomination. In the case of a mutilated bond, the Registrar and Paying Agent may require that the mutilated bond be presented and surrendered as a condition to executing a replacement.

In the case of loss, theft or destruction, the Registrar and Paying Agent may require evidence of the destruction or indemnity satisfactory to the Building Corporation, the Trustee and the Registrar and Paying Agent in its discretion. The Building Corporation, the Trustee and the Registrar and Paying Agent may charge the owner for reasonable fees and expenses in connection with replacements.

BOOK ENTRY

The Depository Trust Company, New York, New York (“DTC”), will act as securities depository for the Refunding Bonds. The Refunding Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. Upon issuance, one (1) fully-registered bond certificate will be issued for each maturity of the Refunding Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 110 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Fixed Income Clearing Corporation, MBS Clearing Corporation and Emerging Markets Clearing Corporation, (NSCC, FICC and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has Standard & Poor's highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of Refunding Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Refunding Bonds on DTC's records. The ownership interest of each actual purchaser of each Refunding Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Refunding Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Refunding Bonds, except in the event that use of the book-entry system for the Refunding Bonds is discontinued.

To facilitate subsequent transfers, all Refunding Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Refunding Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Refunding Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Refunding Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Refunding Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Refunding Bonds, such as redemptions, defaults and proposed amendments to the Indenture. For example, Beneficial Owners of the Refunding Bonds may wish to ascertain that the nominee holding the Refunding Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Trustee and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Refunding Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Refunding Bonds unless authorized by a Direct Participant in accordance with DTC's procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Building Corporation as soon as possible after the Record Date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Refunding Bonds are credited on the Record Date (identified in a listing attached to the Omnibus Proxy).

Principal, premium and interest payments on the Refunding Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detailed information from the Building Corporation or the Trustee on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC (nor its nominee), the Trustee or the Building Corporation, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, premium and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Building Corporation or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Refunding Bonds at any time by giving reasonable notice to the Building Corporation or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, bond certificates are required to be printed and delivered.

The Building Corporation may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, bond certificates will be printed and

delivered.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Building Corporation and Public Library believe to be reliable, but the Building Corporation and Public Library take no responsibility for the accuracy thereof.

Discontinuation of Book-Entry System

In the event that the book-entry system for the Refunding Bonds is discontinued, the Trustee would provide for the registration of the Refunding Bonds in the name of the Beneficial Owners thereof. The Building Corporation and the Trustee would treat the person in whose name any Refunding Bond is registered as the absolute owner of such Refunding Bond for the purpose of making and receiving payment of the principal thereof and premium, if any, and interest thereon, and for all other purposes, except as described under the caption, "CONTINUING DISCLOSURE", and neither the Building Corporation nor the Trustee would be bound by any notice or knowledge to the contrary.

Each Refunding Bond would be transferable or exchangeable only upon the presentation and surrender thereof at the principal corporate trust office of the Trustee, duly endorsed for transfer or exchange, or accompanied by a written assignment duly executed by the owner or its authorized representative in form satisfactory to the Trustee. Upon due presentation of any Refunding Bond for transfer or exchange, the Trustee would authenticate and deliver in exchange therefore, within reasonable time after such presentation, a new Refunding Bond or Refunding Bonds, registered in the name of the transferees (in the case of a transfer), or the owner (in the case of an exchange), in authorized denomination at the same rate as the Refunding Bond or Refunding Bonds so presented. The cost of such transfer or exchange will be borne by the Building Corporation.

LEGAL MATTERS

Certain legal matters incident to the issuance of the Refunding Bonds and with regard to the tax status of the interest thereon (see "Tax Matters") will be passed upon by Barnes & Thornburg LLP, Indianapolis, Indiana ("Bond Counsel"). A signed copy of that opinion, dated and premised on the facts and laws existing as of the date of original delivery of the Refunding Bonds will be delivered to the Underwriter at the time of that original delivery. A copy of the opinion proposed to be delivered by Bond Counsel is attached as Appendix D.

The engagement of Barnes & Thornburg LLP as Bond Counsel is limited generally to the examination of the documents contained in the transcript of proceedings, and examination of such transcript of proceedings and the law incident to rendering the approving legal opinion referred to above. Bond Counsel has not been retained to pass upon any other information in this Official Statement, or in any other reports, financial information, offering or disclosure documents or other information that may be prepared or made available by the Public Library, the Building Corporation, the Underwriter or others to the prospective purchasers of the Refunding Bonds or to others.

LITIGATION

To the knowledge of the Building Corporation and the Public Library, no litigation or administrative action or proceeding is pending or threatened restraining or enjoining, or seeking to restrain or enjoin, the levy and collection of taxes to pay the rent to be paid under the Lease, or contesting or questioning the proceedings or authority under which the Lease was authorized, or the validity of the Lease. To the knowledge of the Building Corporation and the Public Library, no litigation or administrative action or proceeding is pending or threatened concerning the issuance, validity and delivery of the Refunding Bonds. Certificates to such effect will be delivered at the time of the original delivery of the Refunding Bonds.

CONTINUING DISCLOSURE

Rule 15c2-12, (the “Rule”) under the Securities Exchange Act of 1934, as amended, provides that, except as otherwise provided in the Rule, a participating underwriter must not purchase or sell municipal securities in connection with an offering unless the participating underwriter has reasonably determined that an issuer of municipal securities or an obligated person for whom financial or operating data is presented in the final official statement has undertaken to provide continuing disclosure of certain information.

In accordance therewith, the Public Library will, upon issuance of the Refunding Bonds, execute a Continuing Disclosure Contract from the Public Library to each registered owner or holder of any Refunding Bond (the “Continuing Disclosure Contract”). The Continuing Disclosure Contract will contain promises of the Public Library to each registered owner or holder of any Refunding Bonds, including a promise to provide certain continuing disclosure. By its payment for and acceptance of a Refunding Bond, the registered owner or holder thereof accepts and assents to the Continuing Disclosure Contract and the exchange of (i) such payment and acceptance for (ii) such promises.

The following is a brief summary of certain provisions of the Continuing Disclosure Contract. This summary does not purport to be a comprehensive description and is qualified in its entirety by reference to the Continuing Disclosure Contract.

In the Continuing Disclosure Contract, the Public Library undertakes to provide:

(i) To the Municipal Securities Rulemaking Board (the “MSRB”) through the facilities of its Electronic Municipal Market Access System (“EMMA”) within 180 days of each December 31, financial information for the Public Library for such calendar year including (A) in each year that it is received by the Public Library, the Audit or Examination Report of the Public Library as prepared and examined by the State Board of Accounts for each twelve (12) month period ending December 31, together with the opinion of such accountants and all notes thereto, and (B) in every other calendar year the budget approved by the DLGF (collectively, the “Annual Financial Information”); and

(ii) In a timely manner, to the MSRB through EMMA, notice of any of the following events with respect to the Refunding Bonds, if material:

- (A) Principal and interest payment delinquencies;
- (B) Non-payment related defaults;
- (C) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (D) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (E) Substitution of credit or liquidity providers, or their failure to perform;
- (F) Adverse tax opinions or events affecting the tax-exempt status of the security;
- (G) Modifications to rights of security holders;
- (H) Bond calls (other than mandatory, scheduled redemptions, not otherwise contingent upon the occurrence of an event, the terms of which redemptions are set forth in detail in this Official Statement);
- (I) Defeasances;
- (J) Release, substitution or sale of property securing repayment of the securities; or
- (K) Rating changes.

If any Annual Financial Information otherwise required by subparagraph (i) of the preceding paragraph no longer can be generated because the operations to which it relates have been materially changed or discontinued, a statement to that effect will be deemed to satisfy the requirements of such subparagraph.

The term of the Continuing Disclosure Contract commences on the date of delivery of the Refunding Bonds by the Building Corporation to the participating underwriter and expires on the earlier of (a) the date of payment in full of principal of and premium, if any, and interest on the Refunding Bonds, whether upon scheduled maturity, redemption, acceleration or otherwise, or (b) the date of defeasance of the Refunding Bonds in accordance with the terms of the Indenture. In addition, the obligation to provide Annual Financial Information and notices of events as described above will terminate with respect to the Public Library if and when the Public Library no longer remains an obligated person with respect to the Refunding Bonds.

Each registered or beneficial owner or holder of any Refunding Bond is an intended beneficiary of the obligations of the Public Library under the Continuing Disclosure Contract. Such obligations create a duty of the Public Library to each registered or beneficial owner or holder of any Refunding Bond to perform such obligations, and each registered or beneficial owner or holder of any Refunding Bond has the right to enforce such duty.

Nothing expressed or implied in the Continuing Disclosure Contract is intended to give, or gives, to any participating underwriter, the Securities and Exchange Commission or any obligated person, or any underwriters, brokers or dealers, or any other person, other than the Public Library and each registered or beneficial owner or holder of any Refunding Bonds, any legal or equitable right, remedy or claim under or with respect to the Continuing Disclosure Contract or any rights or obligations thereunder. The Continuing Disclosure Contract and the rights and obligations thereunder are intended to be, and are, for the sole and exclusive benefit of the Public Library and each registered or beneficial owner or holder of any Refunding Bond.

The sole and exclusive remedy for any breach or violation by the Public Library of any obligation of the Public Library under the Continuing Disclosure Contract is the remedy of specific performance by the Public Library of such obligation. No registered or beneficial owner or holder of

any Refunding Bonds has any right to monetary damages or any other remedy for any breach or violation by the Public Library of any obligation of the Public Library under the Continuing Disclosure Contract, except the remedy of specific performance by the Public Library of such obligation. No breach or violation by the Public Library of any obligation of the Public Library under the Continuing Disclosure Contract constitutes a breach or violation of or default under the Refunding Bonds or the Indenture.

The obligations of the Public Library under the Continuing Disclosure Contract are special and limited obligations of the Public Library, payable solely from the funds subject to the lien created under the Indenture. The obligations of the Public Library under the Continuing Disclosure Contract are not a general obligation, debt or liability of the Public Library, or the State, or any political subdivision thereof, within the meaning of any constitutional limitation or provision, or a pledge of the faith, credit or taxing power of the Public Library, or the State, or any political subdivision thereof, and do not constitute or give rise to any pecuniary liability or charge against the general credit or taxing power of the Public Library, or the State, or any political subdivision thereof.

The Public Library may, from time to time, amend any obligation of the Public Library under the Continuing Disclosure Contract, without notice to or consent from any registered or beneficial owner or holder of any Refunding Bond, if: (a)(i) such amendment is made in connection with a change in circumstances that arises from a change in legal requirements, change in law or change in the identity, nature or status of the Public Library, or type of business conducted, (ii) the Continuing Disclosure Contract, after giving effect to such amendment, would have complied with the requirements of the Rule on the date thereof, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances, and (iii) such amendment will not materially impair the interest of any registered or beneficial owners or holders of the Refunding Bonds, as determined either by (A) any person selected by the Public Library that is unaffiliated with the Public Library; or (B) an approving vote of the registered or beneficial owners or holders of the Refunding Bonds pursuant to the terms of the Indenture at the time of such amendment; or (C) such amendment is otherwise permitted by the Rule.

No registered or beneficial owner or holder of a Refunding Bond may, without the prior consent of the Public Library, assign any of its rights under the Continuing Disclosure Contract to any other person. The Public Library may not assign any of its rights or delegate any of its obligations under the Continuing Disclosure Contract to any other person, except that the Public Library may assign any of its rights or delegate any of such obligations to any entity (a) which (1) is an issuer of municipal securities (as defined in the Rule) with respect to the Refunding Bonds or (2) is an obligated person (as defined in the Rule) with respect to the Refunding Bonds for which financial information or operating data is presented in this Official Statement, and (b) which agrees in writing for the benefit of the registered or beneficial owners or holders of the Refunding Bonds to assume such rights or obligations.

TAX MATTERS

In the opinion of Barnes & Thornburg LLP, Indianapolis, Indiana, Bond Counsel, under existing laws, interest on the Refunding 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 Refunding Bonds (the “Code”). The opinion of Barnes & Thornburg LLP is based on certain certifications, covenants and representations of each of the Building Corporation and the Public Library and is conditioned on continuing compliance therewith. In the opinion of Barnes & Thornburg LLP, Indianapolis, Indiana, Bond Counsel, under existing laws, interest on the Refunding Bonds is exempt from income taxation in the State of Indiana for all purposes except the State financial institutions tax. See Appendix D for the form of opinion of Bond Counsel.

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

The interest on the Refunding Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes. However, interest on the Refunding Bonds is included in adjusted current earnings in calculating corporate alternative minimum taxable income for purposes of the corporate alternative minimum tax.

The Refunding Bonds are “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 6-5.5) which, in general, include all corporations which are transacting the business of a financial institution in Indiana. 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 Refunding Bonds is excludable from gross income for federal tax purposes and exempt from State income tax, the accrual or receipt of interest on the Refunding 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 an owner’s other items of income or deduction. Bond Counsel expresses no opinion regarding any other such tax consequences. Prospective purchasers of the Refunding Bonds should consult their own tax advisors with regard to the other tax consequences of owning the Refunding Bonds.

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

ORIGINAL ISSUE DISCOUNT

The initial public offering price of the Refunding Bonds maturing on _____, _____, through and including _____, _____ (collectively the “Discount Bonds”), is less than the principal amount payable at maturity. As a result the Discount Bonds will be considered to be issued with original issue discount. The difference between the initial public offering price of the Discount Bonds, as set forth on the inside front cover page of this Official Statement (assuming it is the first price at which a substantial amount of that maturity is sold) (the “Issue Price” for such maturity), and the amount payable at maturity of the Discount Bonds will be treated as “original issue discount.” The original issue discount on each of the Discount Bonds is treated as accruing daily over the term of such Discount Bond on the basis of the yield to maturity determined on the basis of compounding at the end of each six-month period (or shorter period from the date of the original issue) ending on January 15 and July 15 (with straight line interpolation between compounding dates). An owner who purchases a Discount Bond in the initial public offering at the Issue Price for such maturity will treat the accrued amount of original issue discount as interest which is excludable from the gross income of the owner of that Discount Bond for federal income tax purposes.

Section 1288 of the Code provides, with respect to tax-exempt obligations such as the Discount Bonds, that the amount of original issue discount accruing each period will be added to the owner’s tax basis for the Discount Bonds. Such adjusted tax basis will be used to determine taxable gain or loss upon disposition of the Discount Bonds (including sale, redemption or payment at maturity). Owners of Discount Bonds who dispose of Discount Bonds prior to maturity should consult their tax advisors concerning the amount of original issue discount accrued over the period held and the amount of taxable gain or loss upon the sale or other disposition of such Discount Bonds prior to maturity.

The original issue discount that accrues in each year to an owner of a Discount Bond may result in certain collateral federal income tax consequences. Owners of any Discount Bonds should be aware that the accrual of original issue discount in each year may result in a tax liability from these collateral tax consequences even though the owners of such Discount Bonds will not receive a corresponding cash payment until a later year.

Owners who purchase Discount Bonds in the initial public offering but at a price different from the Issue Price for such maturity should consult their own tax advisors with respect to the tax consequences of the ownership of the Discount Bonds.

The Code contains certain provisions relating to the accrual of original issue discount in the case of subsequent purchasers of bonds such as the Discount Bonds. Owners who do not purchase Discount Bonds in the initial offering should consult their own tax advisors with respect to the tax consequences of the ownership of the Discount Bonds.

Owners of Discount Bonds should consult their own tax advisors with respect to the state and local tax consequences of owning the Discount Bonds. It is possible under the applicable provisions governing the determination of state or local income taxes that accrued interest on the Discount Bonds

may be deemed to be received in the year of accrual even though there will not be a corresponding cash payment until a later year.

AMORTIZABLE BOND PREMIUM

The initial public offering price of the Refunding Bonds maturing on _____, _____, through and including _____, _____ (collectively, the “Premium Bonds”), is greater than the principal amount payable at maturity or earlier call date. As a result, the Premium Bonds will be considered to be issued with amortizable bond premium (the “Bond Premium”). An owner who acquires a Premium Bond in the initial public offering will be required to adjust the owner’s basis in the Premium Bond downward as a result of the amortization of the Bond Premium, pursuant to Section 1016(a)(5) of the Code. Such adjusted tax basis will be used to determine taxable gain or loss upon the disposition of the Premium Bonds (including sale, redemption or payment at maturity). The amount of amortizable Bond Premium will be computed on the basis of the taxpayer’s yield to maturity, with compounding at the end of each accrual period. Rules of determining (i) the amount of amortizable Bond Premium and (ii) the amount amortizable in a particular year are set forth at Section 171(b) of the Code. No income tax deduction for the amount of amortizable Bond Premium will be allowed pursuant to Section 171(a) (2) of the Code, but amortization of Bond Premium may be taken into account as a reduction in the amount of tax-exempt income for purposes of determining other tax consequences of owning the Premium Bonds. Owners of the Premium Bonds should consult their tax advisors with respect to the precise determination for federal income tax purposes of the treatment of Bond Premium upon the sale or other disposition of such Premium Bonds and with respect to the state and local tax consequences of owning and disposing of the Premium Bonds.

Special rules governing the treatment of Bond Premium, which are applicable to dealers in tax-exempt securities, are found at Section 75 of the Code. Dealers in tax-exempt securities are urged to consult their own tax advisors concerning the treatment of Bond Premium.

LEGAL OPINIONS AND ENFORCEABILITY OF REMEDIES

The enforceability of the rights and remedies of the Trustee or the registered owners of the Refunding Bonds under the Indenture and the availability of remedies to any party seeking to enforce the lien on the Trust Estate are in many respects dependent upon judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, including specifically Title 11 of the United States Code (the federal bankruptcy code), the enforceability of the rights and remedies under the Indenture and the availability of remedies to any party seeking to enforce the lien on the Trust Estate may be limited.

The various legal opinions to be delivered concurrently with the delivery of the Refunding Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by the valid exercise of the constitutional powers of the State of Indiana and the United States of America and bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally, and by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law). These exceptions would encompass any exercise of federal, State or local police powers (including the police powers of the Public Library and the State),

in a manner consistent with the public health and welfare. The enforceability of the Indenture and the availability of remedies to a party seeking to enforce the lien on the trust estate in a situation where such enforcement or availability may adversely affect public health and welfare may be subject to these police powers.

UNDERWRITING

The Refunding Bonds are being purchased subject to certain conditions by J.J.B. Hilliard, W.L. Lyons, LLC (the "Underwriter"), in the amount equal to \$_____ (which represents the principal amount of the Refunding Bonds of \$_____ less Underwriter's discount of \$_____, less net original issue discount/plus net original issue premium of \$_____.) The Underwriter intends to make a secondary market in the Refunding Bonds; however, no assurance can be given that such a market will develop or be maintained in the future. The Purchase Contract provides that the Underwriter will purchase all of the Refunding Bonds if any are purchased. The obligations of the Public Library to deliver the Refunding Bonds and of the Underwriter to accept delivery of the Refunding Bonds are subject to various conditions contained in the Purchase Contract.

The Underwriter may offer and sell the Refunding Bonds to certain dealers (including dealers depositing the Refunding Bonds into unit investment trusts, certain of which may be sponsored or managed by the Underwriter) at prices lower than the public offering prices stated on the inside front cover of this Official Statement. The initial public offering prices of the Refunding Bonds may be changed, from time to time, by the Underwriter.

STATEMENT OF THE BUILDING CORPORATION

The information and descriptions of documents included in this Official Statement do not purport to be complete and are expressly made subject to the exact provisions of the complete documents for details of all terms and conditions thereof relating to the Lease, the mortgage, the Indenture and the Refunding Bonds.

Neither this Official Statement, nor any statement which may have been made orally or in writing is to be construed as a contract with the owners of any of the Refunding Bonds. Any

statements in this Official Statement involving matters of opinion whether or not expressly so stated, are intended as such and not as representations of fact.

During the initial offering period for the Refunding Bonds, copies of the Lease and Indenture may be requested from Bond Counsel.

This Official Statement has been authorized and approved by the Building Corporation and the Public Library.

2010 HAMILTON NORTH PUBLIC LIBRARY BUILDING CORPORATION

By: _____
President

HAMILTON NORTH PUBLIC LIBRARY

By: _____
Director

APPENDIX A

Appendix A

GENERAL INFORMATION ABOUT THE AREA

Location

The Hamilton North Public Library is located in the Town of Cicero (the “Town”). The Town is located in northern Hamilton County, Jackson Township and is approximately thirty (30) miles north east of Indianapolis, Indiana.

Transportation

State Road 19 runs through the Town, and State Road 32 is located five (5) miles south of the Town, connecting the Town to Interstates 65 and 69. The Indianapolis Airport is the nearest commercial airport located approximately forty-five (45) miles away.

Library

The Public Library is organized under the provision of Indiana Code 20-14-1 and serves the towns of Cicero, Arcadia and Atlanta. The Public Library is under the direction of a seven (7) member Board of Trustees. Three (3) members of the Board of Trustees are appointed by the Hamilton Heights School Corporation, two (2) members by the Hamilton County Council and two (2) members by the Hamilton County Board of Commissioners. The daily operations of the Public Library are the responsibility of the Library Director who is appointed by the Board of Trustees.

Medical

Medical services are supplied to the Public Library, the towns of Cicero, Arcadia and Atlanta by Riverview Hospital in Noblesville, Indiana approximately four (4) miles away; the Tipton County Memorial Hospital located in Tipton, Indiana approximately eleven (11) miles away and St. Vincent’s Hospital located in Carmel, Indiana approximately fourteen (14) miles away.

Utilities

Utilities serving the area of the Hamilton North Public Library are the following:

- Electric - Duke Energy
- Gas - Vectren
- Water - Town of Cicero

Education

The library district is served by the Hamilton Heights School Corporation. The School Corporation provides education for grades PK-12 with a total of four (4) schools. The School Corporation is comprised of one (1) high school, one (1) middle school, one (1) elementary school, and 1 (one) primary school. Enrollment for the 2008-2009 school year is 2,238 and is estimated to be 2,249 for the 2009-2010 school year. Higher education opportunities are available at Anderson University, Butler University, Indiana University-Purdue University Indianapolis, Ivy Tech State College –Central Indiana, and Ball State University. All located within thirty (30) miles of the Town.

Financial Institutions

The following are financial institutions located within the library district.

Community Bank
Keybank National Association

FINANCIAL AND DEBT INFORMATION

Property Tax Rates

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
State	\$0.0000	\$0.0024	\$0.0024	\$0.0024	\$0.0024
Welfare	0.0000	0.0096	0.0099	0.0186	0.0208
County	0.2753	0.2035	0.2092	0.2154	0.2167
Solid Waste	0.0029	0.0023	0.0024	0.0027	0.0028
Township	0.0130	0.0100	0.0086	0.0097	0.0097
Town	0.6080	0.4707	0.4699	0.5301	0.4435
School	1.0855	1.5100	1.5309	1.6929	1.6123
Library					
Library General	0.0301	0.0231	0.0230	0.0257	0.0264
Lease Rental	0.0487	0.0375	0.0411	0.0510	0.0452
Capital Projects	<u>0.0000</u>	<u>0.0000</u>	<u>0.0101</u>	<u>0.0073</u>	<u>0.0000</u>
Total Rate	<u>\$2.0635</u>	<u>\$2.2691</u>	<u>\$2.3075</u>	<u>\$2.5558</u>	<u>\$2.3798</u>

Note: HEA 1001 of 2008 resulted in the elimination of many property tax levies for 2009.

Source: Hamilton County Auditor's Office

Record of Taxes Levied and Collected – Hamilton North Public Library

Collection

<u>Year</u>	<u>Levied</u>	<u>Collected</u>	<u>% Collected</u>
2009	\$406,008	\$407,944	100.48%
2008	392,447	389,079	99.14%
2007	449,665	449,942	100.06%
2006	435,649	434,210	99.67%
2005	363,983	369,193	101.43%

Source: Hamilton County Auditor's Office

Assessed Valuation

<u>Year</u>	<u>Assessed Valuation</u>
2009	\$515,237,948 *
2008	647,601,574
2007	606,016,469
2006	518,629,762
2005	508,356,145

* Note: The 2009 Assessed Valuation per HEA 1001 of 2008 is subject to a 35% Supplemental Homestead Deduction for Homesteads Only.

Source: Hamilton County Auditor's Office.

Ten Largest Taxpayers-Hamilton North Public Library

<u>Taxpayers</u>	<u>Type of Business</u>	<u>2008 pay 2009 Assessed Value</u>
Becks Superior Hybrids Inc	Seed Company	11,165,800
Bear Slide Golf Club LP	Golf Club	2,703,200
Cicero Place Apartments LLC	Apartments	2,677,400
GDR Cicero LLC	Publication	2,168,200
Moore, Robert D & Brynn B	Residance	1,516,850
G W Pierce Auto Parts Inc	Auto Parts	1,484,200
George Elliot Revocable Trust	Trust	1,457,100
Geriatrics Arcadia Realty LLC	Real Estate	1,250,400
Cross Stone Properties LLC	Real Estate	1,160,700
Hamilton Place LLP	Apartments	1,013,000

Source: Hamilton County Auditor's Office

Direct Debt Issuance Limitation

The Public Library is limited to the issuance of direct debt based upon the assessed valuation of property within the library district. As of January 31, 2010, the limitation is as follows:

	<u>Amount</u>
Net Assessed Valuation--2008/2009	\$515,237,948
Statutory Limitation	
2% of 1/3 of Net Assessed Valuation	3,434,920
Debt Subject to Limitation	<u>0</u>
Issuance Margin	<u>\$3,434,920</u>

Schedule of Bond Indebtedness (As of January 31, 2010)

	<u>Principal Outstanding</u>	<u>Percent Applicable</u>	<u>Amount Applicable</u>
<u>Direct Debt:</u>			
First Mortgage Refunding Bonds, Series 2009 (<i>This Issue</i>) *	\$1,830,000	100.00%	\$1,830,000
Total Direct Debt	<u>\$1,830,000</u>		<u>\$1,830,000</u>
<u>Overlapping Debt:</u>			
Hamilton Heights School Corporation	\$24,876,707	76.53%	\$19,038,144
Hamilton County	<u>91,577,202</u>	2.94%	<u>2,688,625</u>
Total Overlapping Debt	<u>\$116,453,909</u>		<u>\$21,726,769</u>
<u>Underlying Debt:</u>			
Town of Cicero	<u>\$478,378</u>	100.00%	<u>\$478,378</u>
Total Direct, Overlapping, and Underlying Debt	<u>\$118,762,287</u>		<u>\$24,035,147</u>

*The Preliminary, subject to change refunding 1996 First Mortgage Bonds outstanding the aggregate amount of \$1,835,000.

Debt Per Capita

Population	7,159
Net Assessed Valuation 2008/2009	\$515,237,948

<u>Description</u>	<u>Amount</u>	<u>Debt Per Capita</u>	<u>Debt/ Assessed Valuation</u>
Total Direct Debt	\$3,850,000	\$538	0.75%
Total Overlapping Debt	21,726,769	3,035	4.22%
Total Underlying Debt	<u>478,378</u>	<u>67</u>	<u>0.09%</u>
Total	<u>\$26,055,147</u>	<u>\$3,640</u>	<u>5.06%</u>

ECONOMIC INFORMATION

Population

<u>Year</u>	<u>Hamilton North Public Library</u>
2008	7,159
2007	7,079
2006	7,090
2005	7,087
2004	7,040

Source: Stats Indiana

Employment

Employment statistics for prior years for Hamilton County, the State of Indiana, and the United States are stated as annual averages. Estimates for 2009 are listed as of December.

<u>Hamilton County</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Labor Force	133,401	141,942	141,334	137,057	131,679
Employed	124,739	136,542	137,201	132,655	127,154
Unemployed	8,662	5,400	4,133	4,402	4,525
<u>Percent Unemployed</u>					
Hamilton County	6.5%	3.8%	2.9%	3.2%	3.4%
State of Indiana	9.8%	5.9%	4.6%	5.0%	5.3%
United States	9.7%	5.8%	4.6%	4.6%	5.1%

Source: Indiana Department of Workforce Development and Stats Indiana

Per Capita Income

The table below sets forth estimated per capita income figures for Hamilton County and the State of Indiana:

<u>Year</u>	<u>Hamilton County</u>	<u>State of Indiana</u>
2007	\$46,378	\$33,215
2006	44,955	32,006
2005	43,612	30,593
2004	43,139	29,982
2003	42,041	28,917

Source: Stats Indiana

Note: Per Capita estimates for 2008 and 2009 were not yet available at the time of this report.

APPENDIX B

SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE

THE FOLLOWING IS A SUMMARY OF CERTAIN PROVISIONS CONTAINED IN THE INDENTURE. THIS SUMMARY DOES NOT PURPORT TO BE A COMPREHENSIVE DESCRIPTION AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO THE INDENTURE. CAPITALIZED TERMS NOT DEFINED IN THIS SUMMARY WILL HAVE THE MEANINGS SET FORTH ELSEWHERE IN THIS OFFICIAL STATEMENT.

Creation of Funds and Accounts

The Indenture establishes the following funds and accounts to be held by the Trustee:

- (i) Refunding Fund;
- (ii) Sinking Fund;
- (iii) Rebate Fund;
- (iv) Operation Fund; and
- (v) Redemption Fund.

Operation of Funds and Accounts

Refunding Fund. The Refunding Fund will consist of the Refunding Account and the Bond Issuance Expense Account. A portion of the proceeds of the Refunding Bonds in an amount equal to \$___ will be deposited by the Trustee into the Refunding Account of the Refunding Fund on the date of issuance of the Refunding Bonds, and immediately transferred, together with any money on hand of the Building Corporation, to Community Bank, as escrow agent, for deposit into an irrevocable escrow account to pay all of the principal of, and interest and redemption premium, if any, on the 1996 Refunded Bonds through the redemption date, which is April __, 2010. A portion of the proceeds of the Refunding Bonds will be deposited into the Bond Issuance Expense Account of the Refunding Fund and used to pay all of the cost of issuance incurred in connection with the issuance of the Refunding Bonds. Any money remaining in the Bond Issuance Expense Account on _____ __, 2010, will be transferred to the Sinking Fund.

Sinking Fund. The Trustee will deposit in the Sinking Fund from each rental payment received by the Trustee pursuant to the Lease, and from proceeds of rental value insurance which represents lease rental payments under the Lease, all of such rental payment or if less an amount which, when added to the amount in the Sinking Fund on the deposit date, equals the sum of (i) principal due on the Bonds on the next principal payment date or sinking fund redemption date and (ii) interest on the Bonds due within 20 days after the date such rental payment becomes due. Any portion of a rental payment remaining after such deposit will be deposited by the Trustee in the Operation Fund; provided, however, that the portion of the rental payments made on each June 30 or December 31 prior to each Interest Payment Date on _____ through and including _____, and which are not needed to pay principal or interest on the Bonds on such

Interest Payment Date, will be transferred one day after each Interest Payment Date to the Public Library as excess lease rental payments to be deposited into the Public Library's Rainy Day Fund. The Trustee will pay from the Sinking Fund the principal of the Bonds at maturity or upon mandatory sinking fund redemption and the interest on the Bonds as the same falls due. Investment earnings may be used for deposits in the Rebate Fund.

Rebate Fund. If in order to maintain the exclusion of interest on the Bonds from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), the Building Corporation determines upon the advice of counsel that it is required to cause to be calculated amounts to be rebated to the United States government, the Building Corporation will cause to be computed the amount required to be rebated, or if the Building Corporation determines upon the advice of counsel to pay a penalty in lieu of rebate, the Building Corporation will cause to be computed the amount of the penalty to be paid. The Trustee will deposit such amounts, at the direction of the Building Corporation, in the Rebate Fund from the Project Fund, the Operation Fund or investment earnings on the Sinking Fund. The Trustee will pay required amounts from the Rebate Fund as directed by the Building Corporation and as required by Section 148 of the Code.

Operation Fund. The Operation Fund will be used only for the payment of necessary incidental expenses of the Building Corporation, such as Trustee's, Registrar's and Paying Agent's fees, expenses incurred in connection with any continuing disclosure obligations, the payment of any rebate or penalties to the United States government, to transfer funds to the Redemption Fund if so directed by the Building Corporation, the payment of principal of and premium, if any, and interest on the Bonds upon redemption or the purchase price of Bonds purchased as provided in the Indenture, and if the amount in the Sinking Fund at any time is less than the required amount, the Trustee will transfer funds from the Operation Fund to the Sinking Fund in an amount sufficient to raise the amount in the Sinking Fund to the required amount. Incidental expenses will be paid by the Trustee upon the presentation of an affidavit (except in the case of amounts owing to the Trustee, which may be withdrawn from the Fund when due without presentation of an affidavit) stating the character of the expenditure, the amount thereof and to whom due.

Notwithstanding anything herein to the contrary, upon receipt by the Trustee of a Request for Release of Funds, as defined below, the Trustee will as soon thereafter as practical release to the Public Library funds in the Operation Fund in accord with such Request. For these purposes, a "Request for Release of Funds" means a written request made by the Public Library which (i) is signed by an appropriate representative of the Public Library, (ii) sets forth the amount requested to be released from the Operation Fund to the Public Library, and (iii) includes a statement, accompanied by supporting schedules prepared by an accountant or firm of accountants which verify the statement, that the balance to be held in the Operation Fund immediately after such amount is released to the Public Library is expected to be sufficient to meet the known and anticipated payments and transfers to be satisfied from the Operation Fund in the succeeding eighteen months. The supporting schedules will identify with particularity the anticipated sources and applications of funds. The statement and supporting schedules required by clause (iii) above will not include anticipated investment earnings based on assumptions about reinvestment rates, but may include known investment earnings scheduled to be received on then current investments, and will include any known or anticipated gain or loss from the

disposition of investments. Notwithstanding the foregoing provisions of this paragraph, the Trustee will not so release funds from the Operation Fund to the Public Library during any time that there exists an uncured or unwaived event of default under the Indenture, or an event which with notice or lapse of time or both would become such an event of default, or if the Trustee determines that the information set forth in the Request for Release of Funds (including the supporting schedules) is not reasonably consistent with the books and records of the Trustee or is otherwise not accurate or appropriate.

Redemption Fund. The Trustee and the Building Corporation will use funds in the Redemption Fund to call the Bonds for redemption or to purchase the Bonds.

Investment of Funds. All funds will be invested by the Trustee in Qualified Investments, defined in the Indenture as (i) non-callable obligations of, or unconditionally guaranteed by, the Department of the Treasury of the United States of America (“Government Obligations”), (ii) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by any agency or instrumentality of the United States of America when such obligations are backed by the full faith and credit of the United States of America, (iii) money market funds which are rated in the highest rating category by Standard & Poor’s Ratings Services, which funds may be funds of the Trustee, (iv) certificates of deposit issued by a commercial bank, organized under the laws of the United States of America or any state thereof, which are fully insured by the Federal Deposit Insurance Corporation, (v) repurchase agreements that are fully collateralized by Government Obligations based upon the market value of such obligations on the day such agreement becomes effective, which obligations are in possession of the Trustee or its agent and are free and clear of all security interests, liens or other rights of any third party, (vi) any obligation the interest on which is excludable from gross income for federal tax purposes under Section 103 of the Code, other than a specified private activity bond as defined in Section 57(a)(5)(C) of the Code, and which is rated in one of the two highest rating categories by Standard and Poor’s Ratings Services, (vii) commercial paper (having original maturities of not more than 270 days) rated “A-1” by Standard and Poor’s Ratings Services and “Prime-1” by Moody’s Investors Services, Inc., or (viii) any guaranteed investment contract or investment agreement of financial institutions which is rated in the highest rating category by Standard and Poor’s Ratings Services. Until the filing of the Affidavit of Completion all investment earnings from all of the funds will be deposited into the Construction Account. After such filing, investment earnings will be allocated to the fund or account to which the earnings are allocable. Funds invested for the Sinking Fund and Rebate Fund will mature prior to the time the funds invested will be needed for payment of principal of and interest on the Bonds or rebate to the United States government. The Trustee is authorized to sell any securities so acquired from time to time in order to make required payments from a particular fund or account.

Redemption of Bonds. Whenever the amounts contained in the Sinking Fund, Redemption Fund and Operation Fund are sufficient, together with any other funds deposited with the Trustee by the Building Corporation (other than amounts deposited into the Rebate Fund), to redeem, upon the next redemption date, all Bonds then outstanding under the Indenture, after accounting for the intervening uses of such amounts, the Trustee will apply the amounts in such funds to the redemption of the Bonds.

Purchase of Bonds. At the request of the Building Corporation, the Trustee will remove funds from the Operation Fund or the Redemption Fund to be used for the redemption of the Bonds or for the purchase of the Bonds.

Additional Bonds

Additional Bonds may be issued under the Indenture on a parity with the Bonds issued and outstanding under the Indenture. Additional Bonds will be limited to amounts which can be repaid, along with all outstanding Bonds, from lease rentals paid by the Public Library pursuant to the Lease.

Covenants of the Building Corporation

In the Indenture, the Building Corporation makes certain covenants to the Trustee for the benefit of Bondholders, including but not limited to the following.

Title to Mortgaged Property. The Building Corporation covenants that it will preserve good and indefeasible title to the Mortgaged Property. The Building Corporation also covenants that it will not suffer any lien or charge equal or prior to the lien created by the Indenture to be enforced or to exist against the Mortgaged Property or any part thereof, except the lien of current taxes not yet due.

Corporate Existence. The Building Corporation covenants that it will maintain its corporate existence. Nothing in the Indenture prevents any consolidation or merger of the Building Corporation with or into, or any conveyance or transfer subject to the Indenture of all the Mortgaged Property as an entirety to, any other Building Corporation; provided, however, that such consolidation, merger, conveyance or transfer must not impair the lien of the Indenture or any of the rights or powers of the Trustee or the registered owners under the Indenture; and provided, further, that upon any such consolidation, merger, conveyance or transfer, the due and punctual payment of the principal of and interest on all Bonds, and the performance and observance of all terms and covenants and conditions of the Indenture and of the Lease to be kept or performed by the Building Corporation, must be assumed by the Building Corporation formed by such consolidation or into which such merger has been made, or to which the Mortgaged Property has been so conveyed and transferred.

Books of Record and Account. The Building Corporation covenants that proper books of record and account will be kept in which full, true and correct entries will be made of all dealings or transactions of or in relation to the properties, business and affairs of the Building Corporation. The Building Corporation will from time to time furnish the Trustee such information as to the property of the Building Corporation as the Trustee reasonably requests and such other information and reports as the Indenture requires.

Incurring Indebtedness. The Building Corporation covenants that it will not incur any indebtedness other than the Bonds except Additional Bonds as permitted by the Indenture or indebtedness payable from income of the Building Corporation from some source other than the rental payments under the Lease pledged under the Indenture as long as any Bonds are outstanding under the Indenture.

Tax Covenants. In order to preserve the exclusion of interest on the Bonds from gross income for federal income tax purposes, the Building Corporation represents, covenants and agrees that, among other things, it will not take any action or fail to take any action with respect to the Bonds that would result in the loss of the exclusion from gross income for federal income tax purposes of interest on the Bonds pursuant to Section 103 of the Code, nor will the Building Corporation act in any other manner which would adversely affect such exclusion. The Building Corporation is not required to comply with one or more of these tax covenants to the extent the Building Corporation receives an opinion of nationally recognized bond counsel to the effect that any tax covenant is unnecessary to preserve the exclusion of interest on the Bonds from gross income under federal income tax law.

Insurance

Insurance Required on the Premises. In the Lease, the Lessee has agreed to carry (i) insurance on the Mortgaged Property against physical loss or damage; (ii) rent or rental value insurance; and (iii) combined bodily injury insurance, including accidental death and property damage with references to the Mortgaged Property in an amount not less than Three Million Dollars (\$3,000,000) CSL on account of each occurrence. See “SUMMARY OF CERTAIN PROVISIONS OF THE LEASE - Insurance” in Appendix C of this Official Statement.

Use of Proceeds from Insurance. Subject to the terms of the Lease, the proceeds of such insurance (other than rental value insurance which represents lease rental payments) received by the Trustee will be applied to the repair, replacement or reconstruction of the damaged or destroyed property. In the event the Building Corporation does not commence to repair, replace or reconstruct the Mortgaged Property within 90 days after damage or destruction, or the Building Corporation abandons or fails diligently to pursue the same, the Trustee may make or complete such repairs, replacements or reconstructions, unless the Lessee instructs the Building Corporation not to undertake such work in accordance with the Lease (which may occur if, for example, the Lessee anticipates that the cost of such repair, replacement or reconstruction exceeds the amount of insurance proceeds and other amounts available for such purpose, or that the repair, replacement or reconstruction cannot be completed within the period covered by rental value insurance). If the Building Corporation does not proceed in good faith with repair, replacement or reconstruction for 120 days or if the Lessee instructs the Building Corporation not to undertake such work in accordance with the Lease, the Trustee, upon receipt of the insurance moneys, must (unless the Trustee proceeds to make such repairs, replacements or reconstructions) apply the proceeds in the following manner: (i) if the proceeds are sufficient to redeem all the Bonds then outstanding under the Indenture, the Trustee will apply the proceeds to the redemption of such Bonds in an extraordinary prepayment in the manner provided in the Indenture as if redemption had been at the option of the Building Corporation, but without premium or penalty, and (ii) if the proceeds are not sufficient to redeem all the Bonds then outstanding under the Indenture, the Trustee will apply the proceeds to the partial redemption of outstanding Bonds in an extraordinary prepayment, without premium or penalty, in the manner provided by the Indenture in the case of proceeds from the sale of the Mortgaged Property, as described below under the heading “Events of Default and Remedies--Application of Proceeds from Sale of Mortgaged Property” in this Appendix C. Furthermore, if at any time the Mortgaged Property is totally or substantially destroyed and the amount of insurance money is sufficient to redeem all the Bonds then outstanding and such Bonds are then subject to

redemption, the Building Corporation, at the written request of the Lessee, will direct the Trustee to use said moneys for the purpose of redeeming all such Bonds outstanding at the then current redemption price. See “SUMMARY OF CERTAIN PROVISIONS OF THE LEASE - Damage and Destruction of Premises” in Appendix C of this Official Statement.

Mortgaged Property

Unless an event of default under the Indenture has occurred and continues beyond any applicable grace period, the Building Corporation may remain in full possession, enjoyment and control of all of the Mortgaged Property. While in possession of the Mortgaged Property and not in default under the Indenture, the Building Corporation may alter, change, add to, repair or replace any of the Mortgaged Property, provided that the Building Corporation maintains and preserves the value of the Mortgaged Property from substantial impairment or reduction so that the security of the Bonds outstanding under the Indenture is not thereby substantially impaired or reduced.

The Trustee has full power and authority to release from the lien of the Indenture, in the manner and subject to the conditions as the Trustee deems proper, such portion of the Mortgaged Property that has become unfit or unnecessary for use. The proceeds from all sales of such Mortgaged Property which, within 90 days after receipt, are not invested in other property which becomes subject to the lien of the Indenture will be deposited in the Operation Fund.

Events of Default and Remedies

Events of Default. The following are each an “event of default” under the Indenture:

(i) Default in the payment on the due date of the interest on any Bond outstanding under the Indenture;

(ii) Default in the payment on the due date of the principal of or premium on any such Bond, whether at the stated maturity thereof, or upon proceedings for the redemption thereof, or upon the maturity thereof by declaration;

(iii) Default in the performance or observance of any other of the covenants or agreements of the Building Corporation in the Indenture or in the Bonds, and the continuance thereof for a period of 60 days after written notice thereof to the Building Corporation by the Trustee;

(iv) The Building Corporation: (a) admits in writing its inability to pay its debts generally as they become due, (b) files a petition in bankruptcy, (c) makes an assignment for the benefit of its creditors, or (d) consents to or fails to contest the

appointment of a receiver or trustee for itself or of the whole or any substantial part of the Mortgaged Property;

(v) (a) The Building Corporation is adjudged insolvent by a court of competent jurisdiction; (b) the Building Corporation, on a petition in bankruptcy filed against the Building Corporation, is adjudged a bankrupt; or (c) an order, judgment or

decree is entered by any court of competent jurisdiction appointing, without the consent of the Building Corporation, a receiver or trustee of the Building Corporation or of the whole or any substantial part of the Mortgaged Property, and any of the aforesaid adjudications, orders, judgments or decrees is not vacated, set aside or stayed within 60 days from the date of entry thereof;

(vi) Any judgment is recovered against the Building Corporation or any attachment or other court process issues that becomes or creates a lien upon any of its property, and such judgment, attachment or court process is not discharged or effectually secured within 60 days;

(vii) The Building Corporation files a petition under the provisions of the United States Bankruptcy Code, or files an answer seeking the relief provided in said Bankruptcy Code;

(viii) A court of competent jurisdiction enters an order, judgment or decree approving a petition filed against the Building Corporation under the provisions of said Bankruptcy Code, and such judgment, order or decree is not vacated, set aside or stayed within 120 days from the date of the entry thereof;

(ix) Under the provisions of any other law now or hereafter existing for the relief or aid of debtors, any court of competent jurisdiction assumes custody or control of the Building Corporation or of the whole or any substantial part of the Mortgaged Property, and such custody or control is not terminated within 120 days from the date of assumption of such custody or control;

(x) Failure of the Building Corporation to bring suit to mandate the Lessee to levy a tax to pay the rental provided in the Lease, or such other action to enforce the Lease as is reasonably requested by the Trustee, if such rental is more than 60 days in default; or

(xi) Any default occurs under the Lease.

Notwithstanding the foregoing, in determining whether an event of default has occurred under clause (i) or (ii) set forth above, no effect will be given to payments made under the Policy.

Remedies. In the case of the happening and continuance of any of the events of default, the Trustee, by notice in writing mailed to the Building Corporation, may, and upon written request of the registered owners of 25% in principal amount of the Bonds then outstanding under the Indenture must, declare the principal of all such Bonds, and the interest accrued thereon, immediately due and payable. However, the registered owners of a majority in principal amount of all outstanding Bonds, by written notice to the Building Corporation and to the Trustee, may annul each declaration and destroy its effect at any time before any sale under the Indenture if all agreements with respect to which default has been made are fully performed and all such defaults are cured, and all arrears of interest upon all Bonds outstanding and the reasonable expenses and charges of the Trustee, the Registrar and Paying Agent, its agents and attorneys, and all other indebtedness secured by the Indenture, except the principal of any Bonds not then

due by their terms and interest accrued thereon since the then last Interest Payment Date, are paid or the amount thereof is paid to the Trustee for the benefit of those entitled thereto. Interest shall be payable on overdue principal at the rate of interest set forth in each Bond.

Upon the occurrence of one or more events of default, the Building Corporation, upon demand of the Trustee, must surrender to the Trustee the actual possession of all the Mortgaged Property. In such event, the Trustee may, but is under no obligation to: (i) hold, operate and manage the same, and from time to time to make all needed repairs and such extensions, additions or improvements as the Trustee deems wise; (ii) receive the rents, revenues, issues, earnings, income, profits and proceeds thereof and out of the same pay all proper costs and expenses of so taking, holding and managing the same, including reasonable compensation to the Trustee, its agents and counsel, any charges of the Trustee, the Registrar and Paying Agent under the Indenture, any taxes and assessments and other charges prior to the lien of the Indenture which the Trustee may deem it wise to pay, and all expenses in connection therewith; and (iii) apply the remainder of the moneys so received by the Trustee, first, to the payment of the installments of interest which are due and unpaid in the order of their maturity, and next, if the principal of the Bonds is due, to the payment of the principal thereof and the accrued interest thereon pro rata, without any preference or priority whatsoever except as aforesaid. Whenever all that is due upon the Bonds outstanding under the Indenture and installments of interest and under any of the terms of the Indenture have been paid, and all defaults made good, the Trustee will surrender possession to the Building Corporation, its successors or assigns.

Upon the occurrence of any one or more events of default, the Trustee may, if at the time such action is lawful, sell all the Mortgaged Property as an entirety, or in such parts or parcels as the registered owners of a majority in principal amount of the Bonds outstanding under the Indenture may in writing request, or in the absence of such request as the Trustee may determine, at public auction.

In case of the happening and continuance of any event of default, the Trustee may, and will upon the written request of the registered owners of at least 25% in principal amount of the Bonds then outstanding under the Indenture and upon being indemnified to its reasonable satisfaction, proceed to protect and enforce its rights and the rights of the registered owners of the Bonds by suit or suits in equity or at law, in any court of competent jurisdiction, whether for specific performance of any covenant or agreement contained in the Indenture or in aid of any power granted in the Indenture, or for any foreclosure of or under the Indenture, or for the enforcement of any other appropriate legal or equitable remedy. Notwithstanding anything contained in the Indenture to the contrary, upon the occurrence and continuance of an Event of Default, before taking any foreclosure action or any action which may subject the Trustee to liability under any law, statute, regulation or similar requirement relating to the environment, the Trustee may require that a satisfactory indemnity bond, indemnity or environmental impairment insurance be furnished for the payment or reimbursement of all expenses to which it may be put and to protect it against all liability resulting from any claims, judgments, damages, losses, penalties, fines, liabilities (including strict liability) and expenses which may result from such foreclosure or other action.

Application of Proceeds from Sale of Mortgaged Property. The proceeds of any sale, together with any other amounts of cash which may then be held by the Trustee as a part of the Mortgaged Property, will be applied as follows:

- (i) to the payment of all costs and expenses of sale, and of all costs of the suit or suits wherein such sale may have been ordered and to the creation of a reserve for anticipated fees, costs and expenses;
- (ii) to the payment of all other expenses of the trust created by the Indenture, with interest thereon at the highest rate of interest on any of the Bonds issued under the Indenture when sold, whether or not then outstanding;
- (iii) to the payment of all the principal and accumulated and unpaid interest on the Bonds then outstanding under the Indenture in full, if said proceeds are sufficient, but if not sufficient, then to the payment thereof ratably without preference or priority of any one Bond over any other or of interest over principal, or of principal over interest, or of any installment of interest over any other installment of interest; and
- (iv) any surplus thereof remaining, to the Building Corporation, its successors or assigns, or to whomsoever may be lawfully entitled to receive the same.

Limitation on Rights of Bondholders. No owner of any Bond outstanding under the Indenture has the right to institute any proceeding at law or in equity for the foreclosure of the Indenture, or for the appointment of a receiver, or for any other remedy under the Indenture, without first giving notice in writing to the Trustee of the occurrence and continuance of an event of default, and unless the registered owners of at least 25% in principal amount of the then outstanding Bonds have made written request to the Trustee and have offered it reasonable opportunity either to proceed to exercise the powers granted under the Indenture or to institute such action, suit or proceeding in its own name, and without also having offered to the Trustee adequate security and indemnity against the costs, expenses and liabilities to be incurred by the Trustee; and such notice, request and offer of indemnity may be required by the Trustee as conditions precedent to the execution of the powers and trusts of the Indenture or to the institution of any suit, action or proceeding at law or in equity for the foreclosure thereof, for the appointment of a receiver, or for any other remedy under the Indenture, or otherwise, in case of any such default. No one or more registered owners of the Bonds outstanding under the Indenture has any right in any manner whatsoever to affect, disturb or prejudice the lien of the Indenture by such owner's or owners' action, or to enforce any right thereunder except in the manner therein provided, and all proceedings at law or in equity must be instituted, had and maintained in the manner therein provided, and for the equal benefit of all registered owners of outstanding Bonds. However, the right of any registered owner of any Bond outstanding under the Indenture to receive payment of the principal of and interest on such Bond on or after the respective due dates therein expressed, or to institute suit for the recovery of any such payment on or after such respective dates, will not be impaired or affected without the consent of such registered owner.

No recourse under or upon any obligation, covenant or agreement contained in the Indenture or in any Bond secured thereby, or because of the creation of any indebtedness thereby

secured, may be had against any incorporator, member, officer, director, employee, or agent, present or future, of the Building Corporation or of any successor Building Corporation, either directly or through the Building Corporation, by the enforcement of any assessment or by any legal or equitable proceeding or by virtue of any statute or otherwise.

Supplemental Indentures

The Building Corporation, Trustee, and the Registrar and Paying Agent may, without notice to or consent of any Bondholder, enter into supplemental indentures:

- (i) to cure any ambiguity or formal defect or omission in the Indenture, or in any supplemental indenture; or
- (ii) to grant to or confer upon the Trustee, for the benefit of the registered owners, any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the registered owners or the Trustee; or
- (iii) to provide for the issuance of Additional Bonds as provided in the Indenture, or
- (iv) to procure a rating on the Bonds from a nationally recognized securities rating agency designated in such supplemental indenture, if such supplemental indenture will not adversely affect the owners of the Bonds; or
- (v) to secure or maintain bond insurance with respect to the Bonds; or
- (vi) to provide for the refunding or advance refunding of the Bonds; or
- (vii) to evidence the appointment of a separate or co-trustee or the succession of a new Trustee or Paying Agent; or
- (viii) to make any other change which, in the determination of the Building Corporation and the Lessee in their sole discretion, is not to the prejudice of the owners of the Bonds.

In addition, the registered owners of not less than 66-2/3% in aggregate principal amount of the Bonds then outstanding under the Indenture may consent to and approve supplemental indentures as are deemed necessary or desirable by the Building Corporation for the purpose of modifying or amending in any particular any of the terms or provisions contained in the Indenture or in any supplemental indenture; provided, however, that such supplemental indenture does not effect:

- (i) an extension of the maturity of the principal of or interest or premium, if any, on any Bond, or an advancement of the earliest redemption date on any Bond, without the consent of the holder of each Bond so affected; or
- (ii) a reduction in the principal amount of any Bond or the rate of interest thereon or the premium payable upon redemption thereof, or a change in the monetary

medium in which such amounts are payable, without the consent of the holder of each Bond so affected; or

(iii) the creation of a lien upon the Mortgaged Property ranking prior to or on a parity with the lien created by the Indenture, without the consent of the holders of all Bonds then outstanding; or

(iv) a preference or priority of any Bond over any other Bond, without the consent of the holders of all Bonds then outstanding; or

(v) a reduction in the aggregate principal amount of the Bonds required for consent to such supplemental indenture, without the consent of the holders of all Bonds then outstanding.

Notwithstanding the foregoing, the rights, duties and obligations of the Building Corporation and of the registered owners of the Bonds, and the terms and provisions of the Bonds and the Indenture, or any supplemental indenture, may be modified or amended in any respect with the consent of the Building Corporation and the consent of the registered owners of all the Bonds then outstanding under the Indenture.

Defeasance

If, when the Bonds outstanding under the Indenture or a portion thereof have become due and payable in accordance with their terms or have been duly called for redemption or irrevocable instructions to call such Bonds or any portion thereof for redemption have been given by the Building Corporation to the Trustee, and the whole amount of the principal, premium, if any, and the interest so due and payable upon such Bonds or any portion thereof then outstanding are paid or (i) sufficient money, or (ii) noncallable Government Obligations, the principal of and the interest on which when due, without reinvestment, will provide sufficient money, or (iii) a combination thereof, are held for such purpose under the provisions of the Indenture, and provision is also made for paying all Trustee's and Paying Agents' fees and expenses and other sums payable under the Indenture by the Building Corporation, the Building Corporation shall be released from all liability on such Bonds or portion thereof and such Bonds shall no longer be deemed to be outstanding under the Indenture. In the event the foregoing applies to all Bonds secured by the Indenture, the right, title and interest of the Trustee will thereupon cease, determine and become void.

Upon any such termination of the Trustee's title, on demand of the Building Corporation, the Trustee will turn over to the Building Corporation or to such officer, board or body as may then be entitled by law to receive the same, any surplus in the Sinking Fund and in the Operation Fund and all balances remaining in any other funds or accounts, other than moneys and obligations held for the redemption or payment of the Bonds.

APPENDIX C

SUMMARY OF CERTAIN PROVISIONS OF THE LEASE

THE FOLLOWING IS A BRIEF SUMMARY OF CERTAIN PROVISIONS CONTAINED IN THE LEASE. THIS SUMMARY DOES NOT PURPORT TO BE A COMPREHENSIVE DESCRIPTION AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO THE LEASE. CAPITALIZED TERMS NOT DEFINED IN THIS SUMMARY WILL HAVE THE MEANINGS SET FORTH ELSEWHERE IN THIS OFFICIAL STATEMENT.

General, Term and Rent

In the Lease, the Building Corporation leases to the Public Library the Leased Premises. Except upon the occurrence and continuation of an event of default under the Lease, the term of the Lease will end on December 30, 2017. The Public Library may renew for a further like or lesser term upon the same or like conditions established in the Lease.

Under the Lease, the Public Library agrees to pay the Building Corporation leases rental at the rate per year during the term of the Lease in amounts sufficient to pay the principal of, and interest on the Bonds issued and outstanding under the Indenture, together with incidental costs (the "Rent" or "Annual Rent"). Each rental installment is payable in advance in semi-annual installments on June 30 and December 31 of each year, with the next rental installment due on June 30, 2010. All Annual Rent payable under the terms of the Lease are paid by the Public Library to the Trustee.

The Lease provides that the Public Library will pay as further rental for the Leased Premises all taxes and assessments levied against or on account of the Premises or the receipt of lease rental payments, and amounts required to be paid, after taking into account other available money, to the United States government to prevent the Bonds from becoming arbitrage bonds under Section 148 of the Code.

Operation, Maintenance and Repair of Leased Premises

The Lease provides that the Public Library will operate, maintain and repair the Premises in good repair, working order and condition at its own expense. At the end of the term of the Lease, the Public Library will deliver the Leased Premises to the Building Corporation in as good condition as at the beginning of the term of this Lease, reasonable wear and tear excepted.

The Public Library may, at its own expense, install on any of the Leased Premises personal property which is not an addition or improvement to, modification of or substitution for the facilities comprising the Leased Premises, which will be the sole property of the Public Library and in which the Building Corporation will have no interest. This additional property of the Public Library may be modified or removed at any time if the Public Library is not in default under the Lease.

Insurance

The Public Library, at its own expense, will keep the Leased Premises insured against physical loss or damage in an amount at least equal to 100% of the full replacement cost of the

Leased Premises, with such exceptions as are ordinarily required by insurers of similar facilities. During the full term of this Lease, the Public Library will also, at its own expense, carry combined bodily injury insurance, including accidental death, and property damage with references to the Leased Premises in an amount not less than Three Million Dollars (\$3,000,000) CSL on account of each occurrence. The Public Library will also, at its own expense, maintain rent or rental value insurance in an amount equal to the full rental value of the Leased Premises for a period of two years against physical loss or damage.

Damage and Destruction of Leased Premises; Abatement of Rent

The Lease provides that, in the event the Leased Premises are partially or totally destroyed, whether by fire or any other casualty, so as to render the same unfit, in whole or part, for use by the Public Library: (i) it will then be the obligation of the Building Corporation to restore and rebuild the Leased Premises as promptly as may be done, unavoidable strikes and other causes beyond the control of the Building Corporation excepted; provided, the Building Corporation will not be obligated to expend on such restoration or rebuilding more than the amount of the proceeds received by the Building Corporation from the insurance provided for in the Lease, and provided further, the Building Corporation will not be required to rebuild or restore the Leased Premises if the Public Library instructs the Building Corporation not to undertake such work because the Public Library anticipates that either the cost of such work exceeds the amount of insurance proceeds and other amounts available for such purpose, or the work cannot be completed within the period covered by rental value insurance; and (ii) the Rent will be abated, for the period during which the Leased Premises or any part thereof is unfit for use by the Public Library, in proportion to the percentage of the area of the Leased Premises which is unfit for use by the Public Library as it relates to the entire Leased Premises if there is in force at the time of such partial or total destruction or taking rental interruption insurance on the Premises in the amount of the full rental value of the Premises for a period of two years. If the Public Library so instructs the Building Corporation not to undertake such work, the Public Library will use the insurance proceeds and other amounts available to exercise its option to purchase under the Lease. (See "Option to Purchase Leased Premises" below)

In certain circumstances, proceeds of insurance may be used for redemption of Bonds. See "SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE--Insurance--Use of Proceeds from Insurance" in Appendix B of this Official Statement.

Option to Purchase Leased Premises

The Public Library has the right and option, on any date prior to the expiration of the Lease, to purchase the Leased Premises at a price equal to the amount required to enable the Building Corporation to pay or defease all indebtedness related to the Leased Premises, including the Bonds as determined by the Building Corporation and the Trustee, and to enable the Building Corporation to liquidate, if the Building Corporation is to be liquidated, by paying the expense and charges of liquidation, and to pay the cost of transferring the Leased Premises.

Transfer of Ownership to Public Library

In the event the Public Library has not exercised its option to purchase all of the Leased Premises, or its option to renew the Lease, then upon expiration of the Lease and full performance by the Public Library of its obligations under the Lease, the Leased Premises will become the absolute property of the Public Library. Notwithstanding the foregoing, in the event the Public Library has not exercised its option to purchase the Leased Premises, or its option to renew the Lease, then on December 30, 2017, and so long as there is no event of default under the Lease on the date thereof, the Leased Premises will become the absolute property of the Public Library.

Defaults

The Lease provides that if the Public Library defaults (i) in the payment of any rentals or other sums payable to the Building Corporation under the Lease, or (ii) in the observance of any other covenant, agreement or condition thereof and such default continues for ninety (90) days after written notice to correct the same, the Building Corporation may protect and enforce its rights by suit in equity or at law in any court of competent jurisdiction, or may authorize or delegate the authority to file a suit, or the Building Corporation, at its option and without further notice, may terminate the estate and interest of the Public Library thereunder, and the Building Corporation may resume possession of the Leased Premises. The exercise by the Building Corporation of its right to terminate the Lease will not release the Public Library from the performance of any obligation under the Lease maturing prior to the Building Corporation's actual entry into possession.

APPENDIX D

_____, 2010

2010 Hamilton North Public Library Building Corporation
Hamilton County, Indiana

Re: \$_____ 2010 Hamilton North Public Library Building Corporation
First Mortgage Refunding Bonds, Series 2010

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by the 2010 Hamilton North Public Library Building Corporation (the “Issuer”) of \$_____ aggregate principal amount of its First Mortgage Refunding Bonds, Series 2010, dated the date hereof (the “2010 Refunding Bonds”), pursuant to Indiana Code 36-12-10, as amended, Indiana Code 5-1-5, as amended, and a Trust Indenture, dated as of November 15, 1996 (the “Original Indenture”), by and between the Hamilton North Public Library Holding Corporation (the “Original Corporation”) and Community Bank, as trustee (the “Trustee”), as amended and supplemented by a First Supplemental Trust Indenture, dated as of February 1, 2010 (the “First Supplemental Indenture”), by and between the Issuer (as assignee to the Original Corporation”) and the Trustee (the Original Indenture, as supplemented and amended by the First Supplemental Indenture, collectively, the “Indenture”). We have examined the law and such certified proceedings and such other papers as we deem necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon representations of the Issuer and the Hamilton North Public Library, Hamilton County, Indiana (the “Public Library”) contained in the Indenture, the Lease (as defined in the Indenture), the certified proceedings and other certifications of public officials furnished to us, and certifications, representations and other information furnished to us by or on behalf of the Issuer, the Public Library and others, including certifications contained in the tax and arbitrage certificate of the Issuer and the Public Library dated the date hereof, without undertaking to verify the same by independent investigation. We have relied upon the legal opinion of Holt, Fleck & Romine, LLP, Noblesville, Indiana, counsel to the Issuer and the Public Library, dated the date hereof, as to the matters stated therein. In addition, we have relied upon the report of London Witte Group, LLC Indianapolis, Indiana, independent certified public accounts, dated the date hereof, as to the matters stated therein.

We have, with your permission, assumed that the Original Corporation's First Mortgage Bonds, Series 1996, which are currently outstanding and which are being current refunded with a portion of the proceeds of the 2010 Refunding Bonds, are bonds the interest on which is excludable from the gross income of the owners thereof for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder, a matter as to which we express no opinion.

Based upon the foregoing, we are of the opinion that, under existing law:

1. The Issuer is a nonprofit corporation validly existing under the laws of the State of Indiana, with the corporate power to enter into the Indenture and perform its obligations thereunder and to issue the 2010 Refunding Bonds.

2. The 2010 Refunding Bonds have been duly authorized, executed and delivered by the Issuer, and are valid and binding limited obligations of the Issuer, enforceable in accordance with their terms. The 2010 Refunding Bonds are payable solely from the Mortgaged Property (as defined in the Indenture).

3. The Indenture has been duly authorized, executed and delivered by the Issuer, and is a valid and binding obligation of the Issuer, enforceable against the Issuer in accordance with its terms.

4. The Lease has been duly authorized, executed and delivered by the Issuer and the Public Library, and is a valid and binding obligation of the Issuer and the Public Library, enforceable against the Issuer and the Public Library in accordance with its terms. The obligations of the Public Library under the Lease are payable solely from *ad valorem* taxes to be levied and collected on all taxable property within the geographical boundaries of the Public Library.

5. Under Section 103 of the Internal Revenue Code of 1986, as amended and in effect on this date (the "Code"), the interest on the 2010 Refunding Bonds is excludable from gross income for federal income tax purposes. The opinion set forth in the preceding sentence is subject to the condition that each of the Issuer and the Public Library comply with all requirements of the Code that must be satisfied subsequent to the issuance of the 2010 Refunding Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. Each of the Issuer and the Public Library has covenanted or represented that it will comply with such requirements. Failure to comply with certain of such requirements may cause the interest on the 2010 Refunding Bonds to become included in gross income for federal income tax purposes retroactive to the date of issuance of the 2010 Refunding Bonds.

6. Interest on the 2010 Refunding Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, for the purpose of computing the alternative minimum tax imposed on corporations (as defined for federal income tax purposes), such interest is taken into account in determining adjusted current earnings.

7. Interest on the 2010 Refunding Bonds is exempt from income taxation in the State of Indiana (the "State") for all purposes except the State financial institutions tax.

We have not been engaged or undertaken to review the accuracy, completeness or sufficiency of the Official Statement dated _____, or any other offering material relating to the 2010 Refunding Bonds, and we express no opinion relating thereto.

We express no opinion regarding any tax consequences arising with respect to the 2010 Refunding Bonds, other than as expressly set forth herein.

With respect to the enforceability of any document or instrument, this opinion is subject to the qualifications that: (i) enforceability of such document or instrument may be limited by bankruptcy, insolvency, reorganization, receivership, moratorium, fraudulent conveyance and similar laws relating to or affecting the enforcement of creditors' rights; (ii) the enforceability of equitable rights and remedies provided for in such document or instrument is subject to judicial discretion, and the enforceability of such document or instrument may be limited by general principles of equity; (iii) the enforceability of such document or instrument may be limited by public policy; and (iv) certain remedial, waiver and other provisions of such document or instrument may be unenforceable, provided, however, that in our opinion the unenforceability of those provisions would not, subject to the other qualifications set forth herein, affect the validity of such document or instrument or prevent the practical realization of the benefits thereof.

This opinion is given only as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Very truly yours,

APPENDIX E

**2010 HAMILTON NORTH PUBLIC LIBRARY BUILDING CORPORATION
FIRST MORTGAGE REFUNDING BONDS, SERIES 2010**

APPENDIX E

SCHEDULE OF DEBT SERVICE REQUIREMENTS & LEASE PAYMENTS

<u>Date</u>	<u>Refunding Principal (*)</u>	<u>Refunding Interest (*)</u>	<u>Total Refunding Debt Service</u>	<u>Semi-Annual Lease Rental Payment (1)</u>	<u>Annual Lease Rental Payment (1)</u>
7/15/2010					
1/15/2011					
7/15/2011					
1/15/2012					
7/15/2012					
1/15/2013					
7/15/2013					
1/15/2014					
7/15/2014					
1/15/2015					
7/15/2015					
1/15/2016					
7/15/2016					
1/15/2017					
7/15/2017					
1/15/2018					

(1) The semi-annual lease payments on the Refunding Bonds are paid on each June 30 and December 31.

**Preliminary, subject to change*