

**PRELIMINARY OFFICIAL STATEMENT DATED JUNE 3, 2016**

**NEW ISSUE**  
**Book-Entry-Only (if elected)**  
**Bank Qualified**

**NON-RATED**

*In the opinion of Barnes & Thornburg LLP, Indianapolis, Indiana (“Bond Counsel”), under existing laws, interest on the 2016 Bonds (as hereinafter defined) 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 2016 Bonds (the “Code”). Such exclusion is conditioned on continuing compliance with the Tax Covenants (hereinafter defined). In the opinion of Bond Counsel under existing laws, interest on the 2016 Bonds is exempt from income taxation in the State of Indiana except for the financial institutions tax. The 2016 Bonds have been designated by the Building Corporation (as herein defined) as “qualified tax-exempt obligations” under Section 265(6)(3) of the Code. See “TAX MATTERS” and APPENDIX E herein.*

**\$1,115,000\***  
**ORLEANS PUBLIC LIBRARY BUILDING CORPORATION**  
**FIRST MORTGAGE BONDS, SERIES 2016**

**Dated Date: Date of Delivery**

**Due: January 15 and July 15**  
**As shown on the inside front cover**

The Orleans Public Library Building Corporation First Mortgage Bonds, Series 2016 (the “2016 Bonds”) will be dated as the date of delivery and issued as fully registered bonds in the denomination of \$5,000 or any integral multiple thereof with interest payable on July 15, 2017, and semi-annually on January 15 and July 15 of each year and will mature as set forth as shown on the inside front cover page. When issued and except as requested by the initial purchaser of the 2016 Bonds, the 2016 Bonds will be issued in fully registered form, and will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York (“DTC”). Principal of and premium, if any, on the 2016 Bonds are payable at the designated corporate trust office of Springs Valley Bank & Trust Company, French Lick, Indiana, as trustee (the “Trustee”). The 2016 Bonds will be issued under a Trust Indenture dated as of \_\_\_\_\_, 2016 (the “Indenture”), which is between the Orleans Public Library Building Corporation (the “Building Corporation”) and the Trustee, as trustee.

The proceeds of the 2016 Bonds, together with federal grant funds received by the Library (as hereinafter defined), will be used to finance (i) the acquisition by the Building Corporation of the real estate located at 174 North Maple Street, Orleans, Indiana (the “Existing Real Estate”) and the improvements located thereon, including, but not limited to, the existing Orleans Public Library and its related outdoor facilities and improvements (collectively, the “Existing Structures”), (ii) renovating, expanding and equipping of the Existing Structures, (iii) projects and site improvements related to the projects described in clauses (1) and (2) (clauses (1) through and including (3), collectively, the “2016 Project”), and (iv) the payment of the costs associated with the issuance of the 2016 Bonds.

The 2016 Bonds, together with all additional bonds hereafter issued on a parity with the 2016 Bonds (the “Additional Bonds”) (the 2016 Bonds and all Additional Bonds, collectively, the “Bonds”), are secured exclusively by, and payable solely from, mortgaged property pledged under the Indenture, which includes primarily the rent to be received from a Lease, dated as of April 20, 2015, as amended by an Addendum to Lease, dated as of \_\_\_\_\_, 2016 (collectively, the “Lease”), each of which is by and between the Building Corporation as lessor, and the Orleans Public Library, Orange County, Indiana (the “Library”), as lessee. The rent paid under the Lease will be paid by the Library directly to the Trustee and applied in accordance with the Indenture. **The rent paid by the Library under the Lease is payable from ad valorem taxes to be levied by the Library; the levy of taxes by the Library to pay the rent due and payable under the Lease is mandatory. However, such payment is subject to any Circuit Breaker Tax Credit. See “CIRCUIT BREAKER TAX CREDIT” herein.**

The 2016 Bonds are subject to optional redemption prior to maturity and may be aggregated into one or more term bonds (the “Term Bonds”) and subject to mandatory sinking fund redemption, each as described herein. See “THE 2016 BONDS”.

In connection with any acquisition of the 2016 Bonds by financial institutions, the 2016 Bonds have been designated by the Building Corporation as “qualified tax-exempt obligations” for purposes of Section 265 (b)(3) of the Code.

The 2016 Bonds are offered when, as if and issued by the Building Corporation and received by the underwriter or initial purchaser of the 2016 Bonds, subject to prior sale the withdrawal or modification of the offer without notice, and to the approval of legality by Barnes & Thornburg LLP, Indianapolis, Indiana, Bond Counsel. Certain legal matters will be passed on by Tucker & Tucker, PC, Paoli, Indiana, counsel for the Building Corporation and the Library. The 2016 Bonds will be available for delivery to DTC in New York, New York or to the initial purchaser, as directed, on July \_\_, 2016.

*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.*

*\*Preliminary, Subject to Change*

This Preliminary Official Statement and information contained herein are subject to completion or amendment without notice. These securities 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 securities 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.

**\$1,115,000\***  
**ORLEANS PUBLIC LIBRARY BUILDING CORPORATION**  
**FIRST MORTGAGE BONDS, SERIES 2016**

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

Base CUSIP: \_\_\_\_\_\*\*

<u>Date*</u>	<u>Amount*</u>	<u>Rate</u>	<u>Yield</u>	<u>CUSIP**</u>	<u>Date*</u>	<u>Amount*</u>	<u>Rate</u>	<u>Yield</u>	<u>CUSIP**</u>
1/15/2018	\$20,000				7/15/2027	\$30,000			
7/15/2018	20,000				1/15/2028	30,000			
1/15/2019	20,000				7/15/2028	30,000			
7/15/2019	20,000				1/15/2029	30,000			
1/15/2020	25,000				7/15/2029	30,000			
7/15/2020	25,000				1/15/2030	35,000			
1/15/2021	25,000				7/15/2030	35,000			
7/15/2021	25,000				1/15/2031	35,000			
1/15/2022	25,000				7/15/2031	35,000			
7/15/2022	25,000				1/15/2032	35,000			
1/15/2023	25,000				7/15/2032	35,000			
7/15/2023	25,000				1/15/2033	35,000			
1/15/2024	25,000				7/15/2033	40,000			
7/15/2024	25,000				1/15/2034	40,000			
1/15/2025	30,000				7/15/2034	40,000			
7/15/2025	30,000				1/15/2035	40,000			
1/15/2026	30,000				7/15/2035	40,000			
7/15/2026	30,000				1/15/2036	40,000			
1/15/2027	30,000								

*\*Preliminary, Subject to Change*

*\*\*CUSIP numbers have been provided by an organization not affiliated with the Building Corporation. The Building Corporation is not responsible for the selection of CUSIP numbers, nor does it make any representation as to such numbers.*

No dealer, broker, salesman or other person has been authorized by the Building Corporation or the 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 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 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 Library since the date of delivery of the 2016 Bonds described herein to the initial purchaser thereof. However, upon delivery of the securities, the Building Corporation and the 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 2016 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 LIBRARY AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE 2016 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.

THE BUILDING CORPORATION HAS HEREBY DEEMED THE INFORMATION CONTAINED HEREIN TO BE “FINAL” AS OF THIS DATE FOR PURPOSES OF RULE 15c2-12 OF THE SECURITIES AND EXCHANGE COMMISSION (THE “RULE”), EXCEPT FOR PERMITTED OMISSIONS INCLUDING THE OFFERING PRICES, THE INTEREST RATES, THE SELLING COMPENSATION, THE AGGREGATE PRINCIPAL AMOUNT, THE PRINCIPAL AMOUNT PER MATURITY, THE DELIVERY DATES AND OTHER TERMS OF THE 2016 BONDS DEPENDING ON SUCH MATTERS.

Pursuant to continuing disclosure requirements promulgated by the Securities and Exchange Commission in Securities and Exchange Commission Rule 15c2-12, as amended, the Library will enter into a Continuing Disclosure Agreement if the 2016 Bonds are purchased by an underwriter. For a description of the Continuing Disclosure Contract, see “CONTINUING DISCLOSURE”.

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# **ORLEANS PUBLIC LIBRARY**

## **Orleans Public Library Building Corporation**

Michael H. Fields, President  
Simon J. Sprigler, Vice-President  
Sandra Blanton, Secretary

### **Board of Trustees**

Cathy Hardin, President  
Kim Dixon, Vice-President  
Patty Mathers, Secretary  
Carol Sue McCart, Treasurer  
Neal Blanton, Member  
Phil Ross, Member  
Wendy Sprigler, Member

### **Director**

Deborah Stone

### **Bond Counsel**

Barnes & Thornburg LLP  
Indianapolis, Indiana

### **Municipal Advisor**

London Witte Group, LLC  
Indianapolis, Indiana

### **Trustee, Registrar and Paying Agent**

Springs Valley Bank & Trust Company  
French Lick, Indiana

## OFFICIAL STATEMENT

**\$1,115,000\***

### **ORLEANS PUBLIC LIBRARY BUILDING CORPORATION FIRST MORTGAGE BONDS, SERIES 2016**

#### INTRODUCTION

This Official Statement of the Orleans 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's issuance of \$1,115,000\* First Mortgage Bonds, Series 2016 (the "2016 Bonds"). The 2016 Bonds will be issued under a Trust Indenture dated as of \_\_\_\_\_, 2016 (the "Indenture"), between the Building Corporation and Springs Valley Bank & Trust Company, French Lick, Indiana, as trustee, registrar and paying agent (the "Trustee", "Registrar", and "Paying Agent").

The 2016 Bonds, together with all additional bonds hereafter issued on a parity with the 2016 Bonds (the "Additional Bonds") (the 2016 Bonds and all Additional Bonds, collectively, the "Bonds"), are secured exclusively by under the provisions of the Indenture and are issued in accordance with the Indenture and Indiana Code, Title 36, Article 1, Chapter 10, 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.**

#### PURPOSE OF ISSUE

The proceeds of the 2016 Bonds, together with federal grant funds received by the Library (as hereinafter defined), will be used to finance (i) the acquisition by the Building Corporation of the real estate located at 174 North Maple Street, Orleans, Indiana (the "Existing Real Estate") and the improvements located thereon, including, but not limited to, the Orleans Public Library and its related outdoor facilities and improvements (collectively, the "Existing Structures"), (ii) renovating, expanding and equipping of the Existing Structures, (iii) projects and site improvements related to the projects described in clauses (1) and (2) (clauses (1) through and including (3), collectively, the "2016 Project"), and (iv) the payment of the costs associated with the issuance of the 2016 Bonds.

## **THE BUILDING CORPORATION**

The Building Corporation was organized as a nonprofit corporation under Indiana law pursuant to Indiana Code Title 23, Article 17, Chapters 1-30, for the sole purpose of financing, renovating, and constructing library facilities to be leased to the Orleans Public Library (the "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 or refinance such bonds.

During its existence, the Building Corporation will operate entirely without profit to the Building Corporation, its officers, directors, and members. The officers of the Building Corporation are Michael H. Fields, President; Simon J. Sprigler, Vice-President, and Sandra Blanton, Secretary. None of the officers, directors or members of the Building Corporation has or will receive any compensation from the Building Corporation or the Board of Directors of the Library (the "Board") and has no has any pecuniary interest in the Bonds.

## **THE LEASED PREMISES**

Under a Lease, dated as of April 20, 2015, as amended by an Addendum to Lease, dated as of \_\_\_\_\_, 2016 (collectively, the "Lease"), each of which is by and between the Building Corporation as lessor, and the Orleans Public Library, Orleans, Indiana (the "Library"), as lessee, the Building Corporation will lease the Existing Real Estate and the Existing Structures, as they currently exist and as renovated and expanded from time to time, to the Library for a term ending on December 31, 2035 (the Existing Real Estate and the Existing Structures, as they currently exist and as renovated and expanded from time to time, collectively, the "Premises" or the "Leased Premises").

## **SOURCES AND USES OF FUNDS**

The proceeds from the 2016 Bonds are expected to be applied as follows:

Sources of Funds: *	
Par Amount	\$1,115,000.00
Federal Grant Funds	<u>400,000.00</u>
Total Sources of Funds	<u>\$1,515,000.00</u>
Uses of Funds:*	
Payment of 2016 Project Costs	
Cost of Issuance, including Underwriter's/Purchaser's Discount	
Total Uses of Funds	<u>\$0.00</u>

*\*Preliminary, subject to change*

## **SOURCE OF PAYMENT AND SECURITY FOR THE BONDS**

The 2016 Bonds, together with any additional bonds hereafter issued under the Indenture on a parity with the 2016 Bonds (the “Additional Bonds”) (the 2016 Bonds and all Additional Bonds, collectively, the “Bonds”), are obligations of the Building Corporation payable solely from and secured exclusively by a first mortgage lien on and security interest in the Mortgaged Property, as hereinafter defined, which includes the lease rental payments to be paid by the Library (the “Lease Rentals,” the “Rent” or the “Annual Rent”) directly to the Trustee as instructed by the Building Corporation under the Lease. The “Mortgaged Property” consists of (i) the Leased 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 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 and securities now or hereafter held in certain funds and accounts created and established by the Indenture (except the Rebate Account, as hereafter defined).

Pursuant to the Lease, the 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 AND LEASE RENTAL PAYMENTS” in APPENDIX F. Indiana law does not permit local governmental entities to pay full lease rental payments on a building or structure which the local governmental entity leases until such building or structure is complete and ready for occupancy. The Lease Rentals to be paid commencing on June 30, 2017, which in turn will be used to pay the interest on the 2016 Bonds and the Trustee fees commencing on July 15, 2017, are not dependent upon the completion of the 2016 Project. The Lease Rentals to be paid commencing on December 31, 2017, which in turn will be used to pay the principal of, and interest on, the 2016 Bonds and the Trustee fees commencing on January 15, 2018, are dependent upon the completion of the 2016 Project. The 2016 Project will begin in June 2016, and the Building Corporation and Library anticipate that the completion of the 2016 Project will occur no later than June 30, 2017. If there are excessive delays in the 2016 Project and the Premises are not available for occupancy and use by December 31, 2017, sufficient funds may not be available to meet all of the principal and interest payments due on the Bonds on and after such dates. In addition, the Building Corporation and Library have secured, or will secure, a payment and performance bond from the contractors in an amount equal to 100% of the construction contracts, but there can be no assurance that the resources and remedies available to the Building Corporation and the Library will be sufficient to allow it to complete the 2016 Project. However, no assurances can be given regarding such matters. The Lease Rentals are payable from ad valorem property taxes to be levied against all taxable property within the geographical boundaries of the Library and are in such amounts sufficient to pay the principal of and interest on the Bonds as such becomes due. The levy of taxes by the Library to pay the Lease Rentals is mandatory.

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 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 Library instructs the Building Corporation not to undertake such work because the 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 Library, in proportion to the percentage of the area of the Leased Premises which is unfit for use by the Library.

In accordance with the Lease, the Library, at its own expense, is required to keep the Leased 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 one hundred percent (100%) of the full replacement cost of the Leased Premises. The 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 (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.

### **PROCEDURES FOR PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION**

The Lease Rentals are payable from ad valorem property taxes required by law to be levied by, or on behalf of, the Library. The Indiana General Assembly enacted legislation (Indiana Code Title 6, Article 1.1, Chapter 20.6), which provides taxpayers with a tax credit for all property taxes in an amount that exceeds a certain percentage of the gross assessed value of eligible property. See "Circuit Breaker Tax Credit" herein for further details on the levy and collection of property taxes.

Real and personal property in the State is assessed each year as of January 1. On or before August 1st each year, the County Auditor must submit to each underlying taxing unit a statement of (i) the estimated assessed value of the taxing unit as of January 1st of that year, and (ii) an estimate of the taxes to be distributed to the taxing unit during the last six months of the current budget year. The estimated value is based on property tax lists delivered to the Auditor by the County Assessor on or before July 1.

The estimated value is used when the governing body of a local taxing unit meets to establish its budget for the next fiscal year (January 1 through December 31), and to set tax rates and levies. By statute, the budget, tax rate and levy must be established no later than November 1. The budget, tax levy and tax rate are subject to review and revision by the Department of Local Government Finance (the "DLGF") which, under certain circumstances, may revise, reduce or increase the budget, tax rate, or levy of a taxing unit. The DLGF may increase the tax rate and levy if the tax rate and levy proposed by the Library is not sufficient to make its lease rental payments. The DLGF must complete its actions on or before February 15. Taxing units have until December 31st of the calendar year immediately preceding the ensuing calendar year to file a shortfall appeal.

On or before March 15, the County Auditor prepares and delivers the tax duplicate, which is a roll of property taxes payable in that year, to the County Treasurer. Upon receipt of the tax duplicate, the County Treasurer publishes notice of the tax rate in accordance with Indiana statutes. The County Treasurer mails tax statements at least 15 days prior to the date that the first installment is due (due dates may be delayed due to a general reassessment or other factors). Property taxes are due and payable to the County Treasurer in two installments on May 10 and November 10, unless a later due date is established by order of the DLGF. If an installment of property 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; unless the installment is completely paid within thirty (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 (5%) of the amount of the delinquent taxes. On May 10 and November 10 of each year thereafter, 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. Property becomes subject to tax sale procedures after 15 months of delinquency. The County Auditor distributes property tax collections to the various taxing units on or about June 30 after the May 10 payment date and on or about December 31 after the November 10 payment date.

Pursuant to State law, personal property is assessed at its actual historical cost less depreciation. Pursuant to State law, real property is valued for assessment purposes at its “true tax value” as defined in the Real Property Assessment Rule, 50 IAC 2.3, the 2011 Real Property Assessment Manual (the “Manual”), as incorporated into 50 IAC 2.3 and the 2011 Real Property Assessment Guidelines, Version A (the “Guidelines”), as adopted by the DLGF. The Manual defines “true tax value” as “the market value-in-use of property with the exception of agricultural land for its current use, as reflected by the utility received by the owner or a similar user, from the property.” In the case of agricultural land, true tax value shall be the value determined in accordance with the Guidelines and IC 6-1.1-4-13. 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 method, although the Manual makes it clear that assessing officials are free to select from any number of appraisal methods, provided that they produce “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 uses to determine the acceptability of any alternative appraisal method.

“Net Assessed Value” or “Taxable Value” represents the “Gross Assessed Value” less certain deductions for mortgages, veterans, the aged, the blind, economic revitalization areas, resource recovery systems, rehabilitated residential property, solar energy systems, wind power devices, hydroelectric systems, geothermal devices and tax-exempt property. The “Net Assessed Value” or “Taxable Value” is the assessed value used to determine tax rates.

Changes in assessed values of real property occur periodically as a result of general reassessments scheduled by the State legislature, as well as when changes occur in the property value due to new construction or demolition of improvements. Before July 1, 2013, and before July 1 of every fourth year thereafter, the county assessor will prepare and submit to the DLGF a reassessment plan for each county. The DLGF must complete its review and approval of the reassessment plan before March 1 of the year following the year in which the reassessment plan is submitted by the county. The reassessment plan must divide all parcels of real property in the county into four (4) different groups of parcels. Each group of parcels must contain approximately twenty-five percent (25%) of the parcels within each class of real property in the county. All real property in each group of parcels shall be reassessed under the county’s reassessment plan once during each four (4) year cycle. The reassessment of a group of parcels in a particular class of real property shall begin on July 1 of a year, and must be completed on or before March 1 of the year after the year in which the reassessment of the group of parcels begins. For real property included in a group of parcels that is reassessed, the reassessment is the basis for taxes payable in the year following the year in which the reassessment is to be completed. The county may submit a reassessment plan that provides for reassessing more than twenty-five percent (25%) of all parcels of real property in the county in a

particular year. A plan may provide that all parcels are to be reassessed in one (1) year. However, a plan must cover a four (4) year period. All real property in each group of parcels shall be reassessed under the county's reassessment plan once during each reassessment cycle. The reassessment of the first group of parcels under a county's reassessment plan shall begin on July 1, 2014, and shall be completed on or before March 1, 2015. Effective with the tax year payable 2007, all real property assessments are revalued annually to reflect market value based on comparable sales data ("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 may file a petition requesting a review of the action. This petition must be filed with the county assessor in which the property is located within 45 days after the written notification is given to the taxpayer or May 10 of that year, whichever is later. While the appeal is pending, the taxpayer may pay taxes based on the current year's tax rate and the previous or current year's assessed value.

Effective with the tax year payable 2009, the standard deduction for homesteads was increased from the lesser of \$45,000 or 50% of assessed value to the lesser of \$45,000 or 60% of assessed value. Additionally, a supplemental homestead deduction equal to 35% of the next \$600,000 of assessed value remaining after the standard deduction and 25% of the remaining assessed value over \$600,000 was implemented beginning in 2009.

## **CIRCUIT BREAKER TAX CREDIT**

### **Description of Circuit Breaker**

Article 10, Section 1 of the Constitution of the State of Indiana (the "Constitutional Provision") provides that, for property taxes first due and payable in 2012 and thereafter, the Indiana General Assembly shall, by law, limit a taxpayer's property tax liability to a specified percentage of the gross assessed value of the taxpayer's real and personal property. Indiana Code § 6-1.1-20.6 (the "Statute") authorizes such limits in the form of a tax credit for all property taxes in an amount that exceeds the gross assessed value of real and personal property eligible for the credit (the "Circuit Breaker Tax Credit"). For property assessed as a homestead (as defined in Indiana Code § 6-1.1-12-37), the Circuit Breaker Tax Credit is equal to the amount by which the property taxes attributable to the homestead exceed 1% of the gross assessed value of the homestead. Property taxes attributable to the gross assessed value of other residential property, agricultural property, and long-term care facilities are limited to 2.0% of the gross assessed value, property taxes attributable to other non-residential real property and personal property are limited to 3.0% of the gross assessed value. The Statute provides additional property tax limits for property taxes paid by certain senior citizens.

If applicable, 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. Building corporations are authorized to impose a referendum tax levy, if approved by voters, to replace property tax revenue that the town will not receive due to the application of the Circuit Breaker Tax Credit. Otherwise, libraries and other political subdivisions may not increase their 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.

The Constitutional Provision excludes from the application of the Circuit Breaker Tax Credit property taxes first due and payable in 2012, and thereafter, that are imposed after being approved by the voters in a referendum. The Statute codifies this exception, providing that, with respect to property taxes first due and payable in 2012 and thereafter, property taxes imposed after being

approved by the voters in a referendum will not be considered for purposes of calculating the limits to property tax liability under the provisions of the Statute. In accordance with the Constitutional Provision, the General Assembly has, in the Statute, designated Lake County and St. Joseph County as “eligible counties” and has provided that property taxes imposed in these eligible counties to pay debt service and make lease rental payments for bonds or leases issued or entered into before July 1, 2008, will not be considered for purposes of calculating the limits to property tax liability under the provisions of the Statute, through and including December 31, 2019.

Political subdivisions are required by law to fully fund the payments of their debt obligations payable from property taxes (“Debt Service Obligations”) in an amount sufficient to pay any debt service or lease rentals on outstanding obligations, regardless of any reduction in property tax collections due to the application of the Circuit Breaker Tax Credit. Upon the failure of a political subdivision to pay any of the political subdivision’s Debt Service Obligations during a calendar year when due, the Treasurer of State, upon being notified of the failure by a claimant, shall pay the unpaid Debt Service Obligations that are due 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. A deduction must be made: (1) first, from distributions of county adjusted gross, option or economic development income taxes that would otherwise be distributed to the county; and (2) second, from any other undistributed funds of the political subdivision in possession of the State.

The Statute categorizes property taxes levied to pay Debt Service Obligations as “protected taxes,” regardless of whether the property taxes were approved at a referendum, and all other property taxes as “unprotected taxes.” The total amount of revenue to be distributed to the fund for which the protected taxes were imposed shall be determined without applying the Circuit Breaker Tax Credit. The application of the Circuit Breaker Tax Credit must reduce only the amount of unprotected taxes distributed to a fund. The Library may allocate the reduction by using a combination of unprotected taxes of the political subdivision in those taxing districts in which the Circuit Breaker Credit caused a reduction in protected taxes. The tax revenue and each fund of any other political subdivisions must not be affected by the reduction.

If the allocation of property tax reductions to funds receiving only unprotected taxes is insufficient to offset the amount of the Circuit Breaker Tax Credit, the revenue for a fund receiving protected taxes will also be reduced. If a fund receiving protected taxes is reduced, the Statute provides that a Library may transfer money from any other available source in order to meet its Debt Service Obligations. The amount of this transfer is limited to the amount by which the protected taxes are insufficient to meet Debt Service Obligations.

The Library cannot predict the timing, likelihood or impact on property tax collections of any future actions taken, amendments to the Constitution of the State of Indiana or legislation enacted, regulations or rulings promulgated or issued to implement any such regulations, statutes or the Constitutional Provision described above or of future property tax reform in general. There has been no judicial interpretation of this legislation. In addition, there can be no assurance as to future events or legislation that may affect the Circuit Breaker Tax Credit or the collection of property taxes by the Library.

## **Estimated Circuit Breaker Tax Credit for the Library**

According to the DLGF, the Circuit Breaker Tax Credit allocable to the Library, in budget years 2013, 2014, and 2015 were \$162.26, \$82.36, and \$77.35, respectively.

The Circuit Breaker Tax Credit amounts above do 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 in the future. The effects of these changes could affect 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, increases in property tax rates of overlapping taxing units or the reduction in local option income taxes applied to property tax relief 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 2016 BONDS**

### **General Description**

The 2016 Bonds will be issued in fully registered form in the denominations of \$5,000 or any integral multiple of that amount and mature on January 15<sup>th</sup> and July 15<sup>th</sup> in the years and amounts and bear interest at the rates set forth on the inside front cover of this Official Statement. Interest on the 2016 Bonds is payable on January 15 and July 15, commencing July 15, 2017.

Interest on the 2016 Bonds will be paid by the Trustee on or before the business day prior to each interest payment date to the registered owners or registered assigns appearing on the registration books maintained by the Registrar as of the close of business on the first day of the calendar month preceding such interest payment date. The principal of and redemption premium, if any, on the 2016 Bonds will be payable to the depository shown as the registered owner.

So long as DTC or its nominee is the registered owner of the 2016 Bonds, principal of and interest on the 2016 Bonds will be paid directly to DTC by the Paying Agent. (The final disbursement of such payments to the Beneficial Owners of the 2016 Bonds will be the responsibility of the DTC Participants and Indirect Participants, all as defined and more fully described herein).

### **Optional Redemption**

The 2016 Bonds maturing on or after July 15, 2026, are subject to optional redemption prior to maturity, at the option of the Building Corporation, in whole or in part, but in integral multiples of \$5,000, in such order of maturities as the Building Corporation shall determine and by lot within maturities, on any date not earlier than January 15, 2026 at one hundred percent (100%) of the principal amount of each 2016 Bond to be redeemed plus accrued interest to the redemption date.

### **Mandatory Sinking Fund Redemption**

The 2016 Bonds due on \_\_\_\_\_ (the "Term Bonds") are subject to mandatory sinking fund redemption on January 15<sup>th</sup> and July 15<sup>th</sup> of the years and in the amounts listed below by lot in such manner as the Trustee may determine at a redemption price of one hundred percent (100%) of the principal amount thereof plus accrued interest to the date of redemption.

**TERM BOND DUE ---- 15, 20--**

Date

Amount

**TERM BOND DUE ---- 15. 20--**

Date

Amount

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 one hundred percent (100%) of the principal amount thereof plus accrued interest to the payment date.

**Notice and Effect of Redemption**

Notice of redemption shall be given by the Trustee by mailing a copy of the redemption notice, by first class mail, not more than sixty (60) days and not less than thirty (30) days prior to the redemption date to the registered owners of the 2016 Bonds to be redeemed as shown on the registration record kept by the Trustee except to the extent each redemption notice is waived by owners of the 2016 Bonds redeemed. Any defect in that notice shall not affect the validity of the proceedings for the redemption of any other 2016 Bonds for which notice has been properly given.

With respect to any optional redemption of the 2016 Bonds, unless moneys sufficient to pay the principal of, and premium, if any, and interest on the 2016 Bonds to be redeemed has been received by the Trustee prior to the giving of such notice of redemption, such notice will state that said redemption is conditional upon the receipt of such moneys by the Trustee on or prior to the date fixed for redemption. If such moneys are not received by the redemption date, such notice will be of no force and effect, the Trustee will not redeem such 2016 Bonds, the redemption price will not be due and payable and the Trustee will give notice, in the same manner in which the notice of redemption was given, that such moneys were not so received and that such 2016 Bonds will not be redeemed and that the failure to redeem such 2016 Bonds will not constitute an event of default. Moneys need not be on deposit with the Trustee prior to the mailing of the notice of redemption of the 2016 Bonds.

If notice of redemption has been given and provisions for payment for the redemption price, premium, if any, and accrued interest has been made, the 2016 Bonds to be redeemed shall be due and payable on the redemption date at the redemption price, and from and after the redemption date, interest on the 2016 Bonds will cease to accrue, and the 2016 Bonds will no longer be deemed outstanding.

**Registration, Transfer and Exchange**

The 2016 Bonds will be registerable at and may be transferrable by the registered owners at the principal corporate trust office of the Registrar and Paying Agent upon surrender and cancellation through the Book-Entry-System, or, if none is in effect, 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 2016 Bond not issued under the Book-Entry-System is mutilated, lost, stolen or destroyed, the Registrar and Paying Agent may execute, 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 2016 Bond, the Registrar and Paying Agent may require that the mutilated bond be presented and surrendered as a condition to executing a replacement. The Registrar and Paying Agent may charge the owner for reasonable fees and expenses in connection with replacements.

### **ADDITIONAL BONDS**

The Building Corporation may issue Additional Bonds from time to time to provide for the refunding of outstanding Bonds to pay the costs of improvements, and for certain other purposes. Any series of Additional Bonds shall have maturities, interest rates, interest payment dates, denominations and other terms as provided in the supplement 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 Bonds, including, but not limited to, any Additional Bonds are all to be equally and ratably secured and entitled to the protection given under the Indenture.

### **BOOK-ENTRY-ONLY SYSTEM**

If the successful bidder of the 2016 Bonds determines to have the 2016 Bonds held by The Depository Trust Company, the following information will apply to the 2016 Bonds.

The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the 2016 Bonds. The 2016 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. One fully registered security certificate for each maturity of the 2016 Bonds will be issued for the 2016 Bonds, in the aggregate principal amount of each such maturity, and will be deposited with DTC.

DTC, the world’s largest securities 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 100 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 is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. 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, directly or indirectly (“Indirect Participants”). DTC has a Standard & Poor’s rating of AA+. 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](http://www.dtcc.com).

Purchases of 2016 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2016 Bonds on DTC's records. The ownership interest of each actual purchaser of the 2016 Bonds ("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 2016 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 2016 Bonds, except in the event that use of the book-entry system for the 2016 Bonds is discontinued.

To facilitate subsequent transfers, all 2016 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 2016 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 2016 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 2016 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 2016 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the 2016 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of 2016 Bonds may wish to ascertain that the nominee holding the 2016 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 registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of a maturity of the 2016 Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant for such maturity of the 2016 Bonds to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the 2016 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI 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 2016 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption, principal and interest payments on the 2016 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 detail



information from the Building Corporation or the Trustee, on the payment 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, the Trustee or the Building Corporation, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption, principal and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Registrar and Paying Agent, 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 2016 Bonds at any time by giving reasonable notice to the Building Corporation and Registrar and Paying Agent. 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 or the Library may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Building Corporation and the Library believe to be reliable, but neither the Library nor the Building Corporation takes any responsibility for the accuracy thereof.

### **Discontinuation of Book-Entry System**

In the event that the book-entry system for the 2016 Bonds is discontinued, the Registrar would provide for the registration of the 2016 Bonds in the name of the Beneficial Owners thereof. The Building Corporation, the Library and the Registrar would treat the person in whose name any 2016 Bond is registered as the absolute owner of such 2016 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, and none of the Building Corporation, the Library or the Registrar would be bound by any notice or knowledge to the contrary.

Each 2016 Bond would be transferable or exchangeable only upon the presentation and surrender thereof at the principal corporate trust office of the Registrar, 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 Registrar. Upon due presentation of any 2016 Bond for transfer or exchange, the Registrar would authenticate and deliver in exchange therefor, within reasonable time after such presentation, a new 2016 Bond or 2016 Bonds, registered in the name of the transferees (in the case of a transfer), or the owner (in the case of an exchange), in the authorized denomination at the same rate as the 2016 Bond or 2016 Bonds so presented. The cost of such transfer or exchange will be borne by the Library.

## **LEGAL MATTERS**

Certain legal matters incident to the issuance of the 2016 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 2016 Bonds will be delivered to the initial purchaser of the 2016 Bonds at the time of that original delivery. A copy of the opinion proposed to be delivered by Bond Counsel is attached as APPENDIX E. Certain legal matters will be passed on by Tucker & Tucker, PC, Paoli, Indiana, counsel for the Building Corporation and the Library.

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 Library, the Building Corporation, the initial purchaser of the 2016 Bonds or others to the prospective purchasers of the 2016 Bonds or to others.

### **LITIGATION**

To the knowledge of the Building Corporation and the 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 Library, no litigation or administrative action or proceeding is pending or threatened concerning the issuance, validity and delivery of the 2016 Bonds. Certificates to such effect will be delivered at the time of the original delivery of the Bonds.

### **CONTINUING DISCLOSURE**

Pursuant to continuing disclosure requirements promulgated by the Securities and Exchange Commission in SEC Rule 15c2-12, as amended (the "Rule"), the Library will enter into a Continuing Disclosure Contract (the "Contract"), to be dated the date of the issuance of the 2016 Bonds. The form of the Contract is attached to this Official Statement as APPENDIX B.

Neither the Library, nor any entity on behalf of the Library, has issued any obligations which have been subject to the requirements of the Rule.

### **MUNICIPAL ADVISOR**

London Witte Group, LLC is a Municipal Advisor registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board. As such, London Witte Group, LLC is providing certain specific municipal advisory services to the Library, but is neither a placement agent nor a broker/dealer.

The offer and sale of the 2016 Bonds shall be made by the Library, in the sole discretion of the Library, and under its control and supervision. The Library agrees that London Witte Group, LLC does not undertake to sell or attempt to sell the 2016 Bonds, and will take no part in the sale thereof.

## TAX MATTERS

In the opinion of Barnes & Thornburg LLP, Indianapolis, Indiana (“Bond Counsel”), under existing laws, interest on the 2016 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 2016 Bonds (the “Code”). The opinion of Bond Counsel is based on certain certifications, covenants and representations of each of the Building Corporation and the Library and is conditioned on continuing compliance therewith (collectively, the “Tax Covenants”). In the opinion of Bond Counsel, under existing laws, interest on the 2016 Bonds is exempt from income taxation in the State for all purposes, except the State financial institutions tax. See APPENDIX E for the form of opinion of Bond Counsel.

The Code imposes certain requirements, which must be met subsequent to the issuance of the 2016 Bonds as a condition to the excludability of the interest on the 2016 Bonds from gross income for federal income tax purposes. Noncompliance with such requirements may cause interest on the 2016 Bonds to be included in gross income for federal income tax purposes retroactively to the date of issue, regardless of the date on which noncompliance occurs. Should the 2016 Bonds bear interest that is not excludable from gross income for federal income tax purposes, the market value of the 2016 Bonds would be materially and adversely affected. It is not an event of default if interest on the 2016 Bonds is not excludable from gross income for federal income tax purposes pursuant to any provision of the Code, which is not in effect on the date of issuance of the 2016 Bonds.

The interest on the 2016 Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes. However, interest on the 2016 Bonds is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on certain corporations.

The Building Corporation has designated the 2016 Bonds as “qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the Code.

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

Although Bond Counsel will render an opinion that interest on the 2016 Bonds is excludable from gross income for federal income tax purposes and exempt from State income tax, the accrual or receipt of interest on the 2016 Bonds may otherwise affect an owner’s federal or state tax liability. The nature and extent of these other tax consequences will depend upon the owner’s particular tax status and the owner’s other items of income or deduction. Bond Counsel expresses no opinion regarding any other such tax consequences. Prospective purchasers of the 2016 Bonds should consult their own tax advisors with regard to the other tax consequences of owning the 2016 Bonds.

The foregoing does not purport to be a comprehensive description of all of the tax consequences of owning the 2016 Bonds. Prospective purchasers of the 2016 Bonds should consult their own tax advisors with respect to the foregoing and other tax consequences of owning the 2016 Bonds.

## ORIGINAL ISSUE DISCOUNT

The initial public offering prices of the 2016 Bonds maturing on \_\_\_\_\_ 15, 20\_\_, through and including \_\_\_\_\_ 15, 20\_\_ (collectively the “Discount Bonds”), are less than the principal amounts thereof 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 each maturity 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 its maturity, 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 public 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 prices of the 2016 Bonds maturing on \_\_\_\_\_ 15, 20\_\_, through and including \_\_\_\_\_ 15, 20\_\_ (collectively, the “Premium Bonds”), are greater than the principal amounts thereof payable at maturity. 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 for determining (i) the amount of amortizable Bond Premium and (ii) the amount amortizable in a particular year are set forth in 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 in 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 various legal opinions to be delivered concurrently with the delivery of the 2016 Bonds express the professional judgment of the attorneys rendering the opinions on the legal issues explicitly addressed therein. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or of the future performance of parties to such transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

The remedies available to the bondholders upon a default under the Indenture, or to the Building Corporation under the Lease, 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 remedies provided in the Indenture and the Lease may not be readily available or may be limited. Under federal and State environmental laws certain liens may be imposed on property of the Building Corporation from time to time, but the Building Corporation has no reason to believe, under existing law, that any such lien would have priority over the lien on the property taxes pledged to owners of the Bonds.

The various legal opinions to be delivered concurrently with the delivery of the 2016 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, moratorium 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 Library), in a manner consistent with the public health and welfare. Enforceability of the Indenture and the Lease in a situation where such enforcement may adversely affect public health and welfare may be subject to these police powers.

### **PURCHASE/UNDERWRITING**

If the purchaser of the 2016 Bonds is purchasing the 2016 Bonds for its own account and without any present intent to resell any of the 2016 Bonds or any interest therein, then the following paragraph will apply:

The 2016 Bonds are being purchased by \_\_\_\_\_ (the “Purchaser”) for the Purchaser’s own account and without any present intent to resell any of the 2016 Bonds or any interest therein, and the Purchaser will certify to the Building Corporation and the Library this intent at the time the 2016 Bonds are issued. The 2016 Bonds are being purchased for the amount equal to \$\_\_\_\_\_, which represents the principal amount of the 2016 Bonds less a discount of \$\_\_\_\_\_.

If the purchaser of the 2016 Bonds is purchasing the 2016 Bonds as an underwriter with the intent to resell all or any of the 2016 Bonds or any interest therein, then the following paragraphs will apply:

The 2016 Bonds are being purchased subject to certain conditions by \_\_\_\_\_ (the “Underwriter”), in the amount equal to \$\_\_\_\_\_ (which represents the principal amount of the 2016 Bonds of \$\_\_\_\_\_, plus/(less) net reoffering premium/(discount) of \$\_\_\_\_\_, less Underwriter’s discount of \$\_\_\_\_\_). The Underwriter intends to make a secondary market in the 2016 Bonds; however, no assurance can be given that such a market will develop or be maintained in the future.

The Underwriter may offer and sell the 2016 Bonds to certain dealers (including dealers depositing the Bonds into unit investment trusts, certain of which may be sponsored or managed by the Purchaser) at prices lower than the public offering prices stated on the inside cover of this Official Statement. The initial public offering prices of the 2016 Bonds may be changed, from time to time, by the Underwriter.

### **RATING**

There has **not** been a rating applied for in connection with issuance of the 2016 Bonds.

### **STATEMENT OF THE BUILDING CORPORATION AND LIBRARY**

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 Indenture and the 2016 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 2016 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 2016 Bonds, copies of the Lease and Indenture may be requested from the Municipal Advisor.

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

ORLEANS PUBLIC LIBRARY BUILDING CORPORATION

By: \_\_\_\_\_  
Michael H. Fields, President

ORLEANS PUBLIC LIBRARY

By: \_\_\_\_\_  
James Ellis, President

# APPENDIX A



**APPENDIX A**

**ORLEANS PUBLIC LIBRARY  
ORANGE COUNTY, INDIANA**

**General**

The Orleans Public Library, Orange County, Indiana (the “Library”), is located in south-central Indiana, in the northern portion of Orange County, Indiana (the “County”). The Library is located within Orleans Township and the Town of Orleans (the “Town”).

**Governance**

The Library is governed by the Orleans Public Library Board of Trustees (the “Board”), and the day to day operations are administered by the Liberty Director. The Board is made up of seven (7) board members appointed and are appointed by the following:

<u>Number Appointed</u>	<u>Appointed By</u>
1	Orange County Commissioners
1	Orange County Council
1	Orleans Township Trustee
3	Orleans School Board
1	Town of Orleans

**FINANCIAL AND DEBT INFORMATION**

**Property Tax Rates for the Library**

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
<u>Orleans Town Taxing District</u>					
Orleans Public Library	<u>\$0.0471</u>	<u>\$0.0469</u>	<u>\$0.0470</u>	<u>\$0.0460</u>	<u>\$0.0450</u>
Total Library Tax Rate	<u>0.0471</u>	<u>0.0469</u>	<u>0.0470</u>	<u>0.0460</u>	<u>0.0450</u>
Orange County	0.3501	0.3435	0.3451	0.3404	0.3416
Town of Orleans	0.7448	0.7302	0.7114	0.6837	0.6248
Orleans Township	0.0054	0.0056	0.0056	0.0056	0.0055
Orleans Community School Corporation	0.8396	0.7984	0.7295	0.7982	0.7514
Orange County Solid Waste Management District	<u>0.0336</u>	<u>0.0316</u>	<u>0.0323</u>	<u>0.0376</u>	<u>0.0417</u>
Total Tax Rate	<u>\$2.0206</u>	<u>\$1.9562</u>	<u>\$1.8709</u>	<u>\$1.9115</u>	<u>\$1.8100</u>

Source: DLGF Budget Order

**Net Assessed Valuation for the Library**

Collection

<u>Year</u>	<u>Amount</u>
2016	\$155,407,223
2015	151,909,348
2014	148,030,415
2013	146,127,075
2012	147,178,460

Source: DLGF Budget Order

**Record of Taxes Levied and Collected by the Library**

<u>Collection Year</u>	<u>Gross Levied</u>	<u>Circuit Breaker</u>	<u>Net Levied</u>	<u>Total Collected</u>	<u>Percent Collected</u>
2015	\$71,245	(\$77)	\$71,168	\$71,076	99.87%
2014	69,574	(82)	69,492	72,089	103.74%
2013	67,218	(162)	67,056	67,384	100.49%
2012	66,230	(59)	66,171	65,281	98.65%
2011	64,137	(45)	64,092	65,639	102.41%

Source: DLGF Budget Order and the Orange County Auditor's Office

**Largest Taxpayers in the Library**

<u>Taxpayers</u>	<u>Type of Business</u>	<u>2015 Pay 2016 Assessed Valuation</u>
PIA Inc.	Insurance	\$22,050,500
Riverview Farms Inc.	Agriculture	7,837,040
Lee W. Gerkin	Agriculture	5,857,840
Paoli LLC	Manufacturing	4,625,500
Layne Heavy Civil, Inc.	Manufacturing	3,567,550
Infrastructure Systems, Inc.	Construction	2,171,840
Reynolds, Inc.	Construction	2,123,000
Almana Limited Liability Co.	Reseturant	1,642,400
Duke Energy Indiana, Inc.	Utility	1,612,740
Orange County REMC	Utility	<u>1,591,440</u>
	Total	<u>\$53,079,850</u>

Source: Orange County Auditor's Office

**Cash Balances, Receipts and Disbursements for the Library**

<u>Fund</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
<u>Operating</u>					
Beginning Balance, January 1	\$77,542	\$68,861	\$62,502	\$64,998	\$67,389
Receipts	122,249	117,510	112,334	113,098	107,581
Less: Disbursements	<u>(119,443)</u>	<u>(108,829)</u>	<u>(105,975)</u>	<u>(115,594)</u>	<u>(109,972)</u>
Ending Balance, December 31	<u>\$80,348</u>	<u>\$77,542</u>	<u>\$68,861</u>	<u>\$62,502</u>	<u>\$64,998</u>
<u>LIRF</u>					
Beginning Balance, January 1	\$46,183	\$46,137	\$36,091	\$36,054	\$35,947
Receipts	3,046	46	10,046	37	107
Less: Disbursements	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Ending Balance, December 31	<u>\$49,229</u>	<u>\$46,183</u>	<u>\$46,137</u>	<u>\$36,091</u>	<u>\$36,054</u>
<u>Rainy Day</u>					
Beginning Balance, January 1	\$9,105	\$9,105	\$9,105	\$9,105	\$9,105
Receipts	0	0	0	0	0
Less: Disbursements	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Ending Balance, December 31	<u>\$9,105</u>	<u>\$9,105</u>	<u>\$9,105</u>	<u>\$9,105</u>	<u>\$9,105</u>
<u>All Other</u>					
Beginning Balance, January 1	\$16,098	\$13,975	\$32,087	\$14,939	\$12,542
Receipts	35,444	3,032	13,214	19,938	19,633
Less: Disbursements	<u>(22,176)</u>	<u>(909)</u>	<u>(31,326)</u>	<u>(2,790)</u>	<u>(17,236)</u>
Ending Balance, December 31	<u>\$29,366</u>	<u>\$16,098</u>	<u>\$13,975</u>	<u>\$32,087</u>	<u>\$14,939</u>
Grand Total Ending Balance, December 31	<u>\$168,048</u>	<u>\$148,928</u>	<u>\$138,078</u>	<u>\$139,785</u>	<u>\$125,096</u>

**General Obligation Debt Issuance Limitation**

The Library is limited to the issuance of general obligation debt based upon the assessed valuation (NAV) of property within the Library district. As of April 15, 2016, the limitation is:

Library Net Assessed Valuation - 2015 Pay 2016	\$155,407,223
Statutory Limitation	
2% of 1/3 of Net Assessed Valuation	1,036,048
Less: Debt Subject to Limitation	<u>0</u>
Issuance Margin	<u>\$1,036,048</u>

**Statement of Lease Obligations and Overlapping Debt as of April 15, 2016**

	<u>Principal Outstanding</u>	<u>Percent Applicable</u>	<u>Amount Applicable</u>
<u>Lease Obligations</u>			
First Mortgage Bonds, Series 2016 (1)	<u>\$1,115,000</u>	100.00%	<u>\$1,115,000</u>
<u>Overlapping Debt</u>			
Orleans Community School Corporation	<u>11,470,000</u>	67.49%	<u>7,741,103</u>
Total Overlapping Debt	<u>11,470,000</u>		<u>7,741,103</u>
Total Lease Obligations and Overlapping Debt	<u>\$12,585,000</u>		<u>\$8,856,103</u>

(1) Issued herein

**Per Capita and Debt Ratio Analysis**

2014 Library District Population Estimate:	3,525
Net Assessed Valuation - 2015 Pay 2016	\$155,407,223

<u>Description</u>	<u>Amount Applicable</u>	<u>Debt Per Capita</u>	<u>Debt/NAV</u>
Lease Obligations	\$0	\$0	0.00%
Overlapping Debt	<u>7,741,103</u>	<u>2,196</u>	<u>4.98%</u>
Total Lease Obligations and Overlapping Debt	<u>\$7,741,103</u>	<u>\$2,196</u>	<u>4.98%</u>

**ECONOMIC INFORMATION**

**Population for the Library**

<u>Year</u>	<u>Library District</u>
2014	3,525
2013	3,542
2012	3,536
2011	3,575
2010	3,553

*Note: The 2015 Population estimates were not available at the time of this report.*

*Source: STATS Indiana*

**Labor Force Estimates**

Employment statistics are for the County, the State of Indiana (“Indiana”), and the United States. Annual averages are shown for years ending 2012 through 2015; the statistics for 2016 are as of March.

<u>Year</u>	<u>County</u>			<u>Percent Unemployed</u>		
	<u>Labor Force</u>	<u>Employed</u>	<u>Unemployed</u>	<u>County</u>	<u>Indiana</u>	<u>United States</u>
2016	9,046	8,453	593	6.6%	5.5%	5.1%
2015	8,772	8,249	523	6.0%	4.8%	5.3%
2014	8,543	7,884	659	7.7%	5.9%	6.2%
2013	8,768	7,899	869	9.9%	7.5%	7.4%
2012	8,780	7,835	945	10.8%	8.3%	8.1%

*Source: Hoosiers By The Numbers*

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**Major Employers within the County**

<u>Employer</u>	<u>Industry</u>	<u>Estimated # of Employees</u>
French Lick Resort & West Baden Springs Hotel	Hotels and Motels	2,600
Paoli, LLC	Manufacturing	600
Layne Christensen Company	Well Drilling & Service	540
IU Health	Healthcare	441
Electricom LLC	Pole Line Contractors	400
Wildwood Association	Campgrounds	340
Paoli Peaks	Ski Resort	300
Paoli Community School Corporation	Education	260
Walmart Superstore	Retail	230
Pluto Corporation	Packaging	125

Source: Hoosiers By The Numbers

**Per Capita Income**

The table below indicates per capita income figures for the County, Indiana, and the United States:

<u>Year</u>	<u>County</u>	<u>Percent Change</u>	<u>Indiana</u>	<u>Percent Change</u>	<u>United States</u>	<u>Percent Change</u>
2015	N/A	N/A	\$40,998	3.59%	\$47,669	3.52%
2014	\$32,893	4.33%	39,578	3.36%	46,049	3.63%
2013	31,529	0.24%	38,291	0.80%	44,438	0.39%
2012	31,454	5.61%	37,987	4.48%	44,266	4.27%
2011	29,782	1.90%	36,357	5.72%	42,453	5.40%
2010	29,228	2.78%	34,390	2.39%	40,277	2.29%

Note: County Per Capita Income estimate for 2015 was not available at the time of this report.

Source: STATS Indiana

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# 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) Project Fund;
- (ii) Sinking Fund;
- (iii) Rebate Fund;
- (iv) Operation Fund; and
- (v) Redemption Fund.

### **Operation of Funds and Accounts**

Project Fund. The Project Fund will initially consist of a Construction Account. All net proceeds of the 2016 Bonds will be deposited in the Construction Account of the Project Fund. The Trustee will apply the Construction Account to the costs of the acquisition of the Existing Real Estate and the Existing Structure and the renovation, expansion and equipping of the Existing Structure, including, but not limited to, the following items: (i) obligations incurred for labor and to contractors, builders and materialmen in connection with the renovation and expansion of the Existing Structure; (ii) the cost of acquiring the Existing Real Estate and the Existing Structure; (iii) interest accruing on the 2016 Bonds during the period of construction to the extent that funds in the Sinking Fund are insufficient; (iv) the cost of equipment for the Existing Structure; (v) the cost of all indemnity and surety bonds required by the Indenture, the fees and expenses of the Trustee and the Registrar and Paying Agent during construction, and premiums on insurance during construction; (vi) expenses and fees of architects, engineers and construction managers; (vii) all costs and expenses incurred in connection with the issuance and sale of the 2016 Bonds; (viii) all other incidental costs incurred in connection with the cost of the acquisition of the Existing Real Estate and Existing Structure; and (ix) any amount required to be deposited in the Rebate Fund.

The Building Corporation will furnish to the Trustee at the time the Existing Structure is completely renovated and expanded and ready for occupancy, and the Lease is endorsed to that effect, an affidavit (the "Affidavit of Completion") of the Building Corporation, the architect or engineer, and an officer of the Public Library, to the effect that the New Structure has been completed and are ready for occupancy.

After the filing of the Affidavit of Completion, the Trustee will hold in the Construction



Account 150% of the amount of any disputed claims of contractors and work to be repaired, or if less will hold the entire balance of the Project Fund, and transfer the unobligated balance of the Project Fund, if any, to such fund or account as directed in writing by an Authorized Representative (as defined in the Indenture). Any balance remaining in the Project Fund after payment of all disputed claims, claims for repair work and obligations for additional improvements or equipment will be transferred to such fund or account as directed in writing by an Authorized Representative within ten days after the last payment of such obligations.

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. 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 2016 Bonds and all other Bonds issued 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 Lessee 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.

Use of Proceeds of 2016 Bonds. The Building Corporation covenants that the proceeds of the Bonds held in the Construction Account will be used for the following purposes:

(i) the payment of the balance, if any, of the purchase price of the Existing Real Estate and the Existing Structure;

(ii) the payment of the costs of the renovation, expansion and equipping of the Existing Structure;

(iii) any balance in excess of 150% of the amount of any disputed claims of contractors and work to be repaired remaining after completion of the renovation, expansion and equipping of the Existing Structure may be obligated within a period of one year thereafter for any one or more of the following purposes upon written request of the Lessee: (a) for the purchase of Future Real Estate; or (b) for the construction, expansion, renovation and/or equipping of Future Facilities;

(iv) any balance remaining after payment of all obligations authorized by clause (iii) above will be transferred to such fund or account as directed, in writing, by an Authorized Representative within ten days after the last payment of such obligations.

Lease; Renovation, Expansion and Equipping of the Existing Structure. The Building Corporation covenants that, upon the receipt by the Trustee of the proceeds of the 2016 Bonds, it will forthwith proceed to renovate, expand and equip the Existing Structure on the Existing Real Estate in accordance with the plans and specifications therefor, and will complete such construction, renovation and equipping with all expedition practicable in accordance with such plans and specifications, together with such changes therein as may be authorized by the Building Corporation pursuant to the Indenture.

Tax Covenants. In order to preserve the exclusion of interest on the 2016 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 2016 Bonds that would result in the loss of the exclusion from gross income for federal income tax purposes of interest on the 2016 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 2016 Bonds from gross income under federal income tax law.

## **Insurance**

Insurance Required During Construction, Renovation and Equipping. During the renovation, expansion and equipping of the Existing Structure, the Building Corporation is required to carry or cause other persons to carry for its benefit builder's risk insurance in the cumulative amount of 100% of the insurable value of the Existing Structure, physical loss or damage thereto, and bodily injury and property damage insurance. All contracts for the renovation, expansion and equipping of the Existing Structure will or do, require the contractor to carry such insurance as will protect the contractor from liability under Indiana Worker's Compensation and Worker's Occupations Diseases Acts.

Insurance Required After Completion of the New Structure. 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 One Million Dollars (\$1,000,000) 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 B. 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.

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.

Mortgage Subordinate to Indiana Office of Community and Rural Affairs for Five Years. Due to the fact that the renovation, expansion and equipping of the Existing Structure is funded in part by funds received from the Indiana Office of Community and Rural Affairs ("OCRA"), the lien on the Mortgaged Property to the Bondholders will be subordinate to any and all security interest of OCRA in the Mortgaged Property for a period that begins on the date of the issuance of the 2016 Bonds and end on the day that is five (5) years after the Building Corporation has received the certificate of completion regarding the project from OCRA. Once this period is lapsed, this superior lien position of OCRA will be removed by OCRA.

## 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 Existing Real Estate and the Existing Structure (collectively, the “Premises” or the “Leased Premises”). Except upon the occurrence and continuation of an event of default under the Lease, the term of the Lease commences on the date of issuance of the 2016 Bonds and will end on December 31, 2035. 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 lease 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 (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, commencing on June 30, 2017. 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 One Million Dollars (\$1,000,000) 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 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 Existing Structure or the Existing Real Estate, or its option to renew the Lease, then on June 30, 2010, and so long as there is no event of default under the Lease on the date thereof, the Existing Structure and the Existing Real Estate 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



## CONTINUING DISCLOSURE CONTRACT

This Continuing Disclosure Contract (this “Contract”) is made this \_\_\_ day of \_\_\_\_\_, 2016, from the Orleans Public Library, Orange County, Indiana (the “Promisor”), to each registered owner or holder of any Bond (as hereinafter defined) (each, a “Promisee”);

WITNESSETH THAT:

WHEREAS, the Orleans Public Library Building Corporation, an Indiana nonprofit corporation (the “Issuer”), is issuing its First Mortgage Bonds, Series 2016, issued on the date hereof (the “Bonds”), pursuant to a Trust Indenture, dated as of June 1, 2016 (the “Indenture”), by and between the Issuer and Springs Valley Bank & Trust Company, as trustee (the “Trustee”); and

WHEREAS, \_\_\_\_\_ (the “Underwriter”) is, in connection with an offering of the Bonds directly or indirectly by or on behalf of the Issuer, purchasing the Bonds from the Issuer and selling the Bonds to certain purchasers; and

WHEREAS, Rule 15c2-12 (the “Rule”), promulgated by the Securities and Exchange Commission (the “Commission”) under the Securities Exchange Act of 1934, as amended (the “Act”), provides that, except as otherwise provided in the Rule, a participating underwriter (as defined in the Rule) shall not purchase or sell municipal securities in connection with an offering (as defined in the Rule) unless the participating underwriter has reasonably determined that an issuer of municipal securities (as defined in the Rule) or an obligated person (as defined in the Rule) for whom financial or operating data is presented in the final official statement (as defined in the Rule) has undertaken, either individually or in combination with other issuers of such municipal securities or obligated persons, in a written agreement or contract for the benefit of holders of such securities, to provide certain information; and

WHEREAS, the Promisor desires to enter into this Contract in order to assist the Underwriter in complying with the Rule; and

WHEREAS, any registered owner or holder of any Bond shall, by its payment for and acceptance of such Bond, accept and assent to this Contract and the exchange of (i) such payment and acceptance for (ii) the promises of the Promisor contained herein;

NOW, THEREFORE, in consideration of the Underwriter’s and any Promisee’s payment for and acceptance of any Bonds, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Promisor hereby promises to each Promisee as follows:

Section 1. Definitions. The terms defined herein, including the terms defined above and in this Section 1, shall have the meanings herein specified unless the context or use clearly indicates another or different meaning or intent. Any terms defined in the Rule, but not otherwise defined herein, shall have the meanings specified in the Rule unless the context or use clearly indicates another or different meaning or intent.

- (a) “Bond” shall mean any of the Bonds.

- (b) “Bondholder” shall mean any registered or beneficial owner or holder of any Bond.
- (c) “Final Official Statement” shall mean the Official Statement, dated \_\_\_\_\_, 2016, relating to the Bonds, including any document included therein by specific reference which is available to the public on the MSRB’s Internet Web site or filed with the Commission.
- (d) “Fiscal Year” of any person shall mean any period from time to time adopted by such person as its fiscal year for accounting purposes.
- (e) “MSRB” shall mean the Municipal Securities Rulemaking Board.
- (f) “Obligated Person” shall mean any person who is either generally or through an enterprise, fund or account of such person committed by contract or other arrangement to support payment of all or part of the obligations on the Bonds (other than any providers of municipal bond insurance, letters of credit or liquidity facilities), for whom financial information or operating data is presented in the Final Official Statement.
- (g) “State” shall mean the State of Indiana.

Section 2. Term. The term of this Agreement shall commence on the date of delivery of the Bonds by the Issuer to the Underwriter and shall expire on the earlier of (a) the date of payment in full of principal of and premium, if any, and interest on the Bonds, whether upon scheduled maturity, redemption, acceleration or otherwise, or (b) the date of defeasance of the Bonds in accordance with the terms of the Indenture.

Section 3. Obligated Person(s). The Promisor hereby represents and warrants that, as of the date hereof:

- (a) The only Obligated Person with respect to the Bonds is the Promisor; and
- (b) There have been no instances in the previous five years in which the Obligated Person has failed to comply, in all material respects, with one or more of its previous undertakings in a written contract or agreement specified in paragraph (b)(5)(i) of Rule 15c2-12.

Section 4. Undertaking to Provide Information.

- (a) The Promisor hereby undertakes to provide the following to the MSRB in an electronic format as prescribed by the MSRB, either directly or indirectly through a registrar or designated agent, for the Promisor:
  - (i) Annual Financial Information. Within one hundred eighty (180) days after the close of each Fiscal Year of such Obligated Person beginning with the Fiscal Year ending in the year after the year in which the Bonds are issued, financial information and operating

data of the Obligated Person of the type provided under the following headings in Appendices of the Final Official Statement, as applicable:

- (A) “Property Tax Rates for the Library;”
- (B) “Net Assessed Valuation for the Library;”
- (C) “Record of Taxes Levied and Collected by the Library;”
- (D) “Largest Taxpayers in the Library;” and
- (E) “Statement of Lease Obligations and Overlapping Debt;”

(the financial information and operating data set forth in Section 4(a)(i) hereof, collectively, the “Annual Financial Information”);

- (ii) If not submitted as part of the Annual Financial Information, then when and if available, audited financial statements for such Obligated Person;
- (iii) Within 10 business days of the occurrence of any of the following events with respect to the Bonds, if material (which determination of materiality shall be made by the Promisor in accordance with the standards established by federal securities laws):
  - (A) Non-payment related defaults;
  - (B) Modifications to rights of Bondholders;
  - (C) 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 the Final Official Statement);
  - (D) Release, substitution or sale of property securing repayment of the Bonds;
  - (E) The consummation of a merger, consolidation, or acquisition, or certain asset sales, involving the obligated person, or entry into or termination of a definitive agreement relating to the foregoing; and
  - (F) Appointment of a successor or additional trustee or the change of name of a trustee.
- (iv) Within 10 business days of the occurrence of any of the following events with respect to the Bonds, regardless of materiality:

- (A) Principal and interest payment delinquencies;
  - (B) Unscheduled draws on debt service reserves reflecting financial difficulties;
  - (C) Unscheduled draws on credit enhancements reflecting financial difficulties;
  - (D) Substitution of credit or liquidity providers, or their failure to perform;
  - (E) Adverse tax opinions or events affecting the tax-exempt status of the security;
  - (F) Defeasances;
  - (G) Rating changes;
  - (H) The issuance by the IRS of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security;
  - (I) Tender offers; and
  - (J) Bankruptcy, insolvency, receivership or similar events of the Obligated Person; and
- (v) In a timely manner, notice of a failure of such Obligated Person to provide required Annual Financial Information or audited financial statements, on or before the date specified in this Contract.
- (b) Any financial statements of any Obligated Person provided pursuant to subsection (a)(i) of this Section 4 shall be prepared in accordance with any accounting principles mandated by the laws of the State, as in effect from time to time, or any other consistent accounting principles that enable market participants to evaluate results and perform year to year comparisons, but need not be audited.
  - (c) Any Annual Financial Information or audited financial statements may be set forth in a document or set of documents, or may be included by specific reference to available to the public on the MRSB's Internet Web site or filed with the Commission.
  - (d) If any Annual Financial Information otherwise required by subsection (a)(i) of this Section 4 no longer can be generated because the operations to which it relates have been materially changed or discontinued, a

statement to that effect shall be deemed to satisfy the requirements of such subsection.

- (e) All documents provided to the MSRB under this Contract shall be accompanied by identifying information as prescribed by the MSRB.

Section 5. Termination of Obligation. The obligation to provide Annual Financial Information, audited financial statements and notices of events under Section 4(a) hereof shall terminate with respect to any Obligated Person, if and when such Obligated Person no longer remains an obligated person (as defined in the Rule) with respect to the Bonds.

Section 6. Bondholders. Each Bondholder is an intended beneficiary of the obligations of the Promisor under this Contract, such obligations create a duty in the Promisor to each Bondholder to perform such obligations, and each Bondholder shall have the right to enforce such duty.

Section 7. Limitation of Rights. Nothing expressed or implied in this Contract is intended to give, or shall give, to the Issuer, the Underwriter, the Commission or any Obligated Person, or any underwriters, brokers or dealers, or any other person, other than the Promisor, each Promisee and each Bondholder, any legal or equitable right, remedy or claim under or with respect to this Contract or any rights or obligations hereunder. This Contract and the rights and obligations hereunder are intended to be, and shall be, for the sole and exclusive benefit of the Promisor, each Promisee and each Bondholder.

Section 8. Remedies.

- (a) The sole and exclusive remedy for any breach or violation by the Promisor of any obligation of the Promisor under this Contract shall be the remedy of specific performance by the Promisor of such obligation. Neither any Promisee nor any Bondholder shall have any right to monetary damages or any other remedy for any breach or violation by the Promisor of any obligation of the Promisor under this Contract, except the remedy of specific performance by the Promisor of such obligation.
- (b) No breach or violation by the Promisor of any obligation of the Promisor under this Contract shall constitute a breach or violation of or default under the Bonds or the Indenture.
- (c) Any action, suit or other proceeding for any breach or violation by the Promisor of any obligation of the Promisor under this Contract shall be instituted, prosecuted and maintained only in a court of competent jurisdiction in Orange County, Indiana.
- (d) No action, suit or other proceeding for any breach or violation by the Promisor of any obligation of the Promisor under this Contract shall be instituted, prosecuted or maintained by any Promisee or any Bondholder unless, prior to instituting such action, suit or other proceeding: (i) such Promisee or such Bondholder has given the Promisor notice of such

breach or violation and demand for performance; and (ii) the Promisor has failed to cure such breach or violation within sixty (60) days after such notice.

Section 9. Waiver. Any failure by any Promisee or any Bondholder to institute any suit, action or other proceeding for any breach or violation by the Promisor of any obligation of the Promisor under this Contract, within three hundred sixty (360) days after the date such Promisee or such Bondholder first has knowledge of such breach or violation, shall constitute a waiver by such Promisee or such Bondholder of such breach or violation and, after such waiver, no remedy shall be available to such Promisee or such Bondholder for such breach or violation.

Section 10. Annual Appropriations. This Contract and the obligations of the Promisor hereunder are subject to annual appropriation by the fiscal body of the Promisor.

Section 11. Limitation of Liability. The obligations of the Promisor under this Contract are special and limited obligations of the Promisor, payable solely from the trust estate under the Indenture. The obligations of the Promisor under this Contract are not and shall never constitute a general obligation, debt or liability of the Promisor 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 Promisor or the State, or any political subdivision thereof, and do not and shall never constitute or give rise to any pecuniary liability or charge against the general credit or taxing power of the Promisor or the State, or any political subdivision thereof.

Section 12. Immunity of Officers, Directors, Members, Employees and Agents. No recourse shall be had for any claim based upon any obligation in this Contract against any past, present or future officer, director, member, employee or agent of the Promisor, as such, either directly or through the Promisor, under any rule of law or equity, statute or constitution.

Section 13. Amendment of Obligations. The Promisor may, from time to time, amend any obligation of the Promisor under this Contract, without notice to or consent from any Promisee or any Bondholder, 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 any Obligated Person, or type of business conducted, (ii) this Contract, after giving effect to such amendment, would have complied with the requirements of the Rule on the date hereof, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances, and (iii) such amendment does not materially impair the interests of any Bondholders, as determined either by (A) any person selected by the Promisor that is unaffiliated with the Promisor, the Issuer or any Obligated Person (such as any trustee under the Indenture) or (B) an approving vote of the Bondholders pursuant to the terms of the Indenture at the time of such amendment; or (b) such amendment is otherwise permitted by the Rule.

Section 14. Assignment and Delegation. Neither any Promisee nor any Bondholder may, without the prior written consent of the Promisor, assign any of its rights under this Contract to any other person. The Promisor may not assign any of its rights or delegate any of its obligations under this Contract to any other person, except that the Promisor may assign any of its rights or delegate any of such obligations to any entity (a) into which the Promisor merges,

with which the Promisor consolidates or to which the Promisor transfers all or substantially all of its assets or (b) which agrees in writing for the benefit of Bondholders to assume such rights or obligations.

Section 15. Communications. Any information, datum, statement, notice, certificate or other communication required or permitted to be provided, delivered or otherwise given hereunder by any person to any other person shall be in writing and, if such other person is the Promisor, shall be provided, delivered or otherwise given to the Promisor at the following address:

Orleans Public Library,  
Orange County, Indiana  
174 North Maple Street  
Orleans, Indiana 47452  
Attention: Library Director

(or at such other address as the Promisor may, by notice to the MSRB, provide), or, if such other person is not the Promisor, shall be provided, delivered or otherwise given to such other person at any address that the person providing, delivering or otherwise giving such information, datum, statement, notice, certificate or other communication believes, in good faith but without any investigation, to be an address for receipt by such other person of such information, datum, statement, notice, certificate or other communication. For purposes of this Contract, any such information, datum, statement, notice, certificate or other communication shall be deemed to be provided, delivered or otherwise given on the date that such information, datum, notice, certificate or other communication is (a) delivered by hand to such other person, (b) deposited with the United States Postal Service for mailing by registered or certified mail, (c) deposited with Express Mail, Federal Express or any other courier service for delivery on the following business day, or (d) sent by facsimile transmission, telecopy or telegram.

Section 16. Knowledge. For purposes of this Contract, each Promisee and each Bondholder shall be deemed to have knowledge of the provision and content of any information, datum, statement or notice provided by the Promisor to the MSRB on the date such information, datum, statement or notice is so provided, regardless of whether such Promisee or such Bondholder was a registered or beneficial owner or holder of any Bond at the time such information, datum, statement or notice was so provided.

Section 17. Performance Due on other than Business Days. If the last day for taking any action under this Contract is a day other than a business day, such action may be taken on the next succeeding business day and, if so taken, shall have the same effect as if taken on the day required by this Contract.

Section 18. Waiver of Assent. Notice of acceptance of or other assent to this Contract is hereby waived.

Section 19. Governing Law. This Contract and the rights and obligations hereunder shall be governed by and construed and enforced in accordance with the internal laws of the State, without reference to any choice of law principles.

Section 20. Severability. If any portion of this Contract is held or deemed to be, or is, invalid, illegal, inoperable or unenforceable, the validity, legality, operability and enforceability of the remaining portions of this Contract shall not be affected, and this Contract shall be construed as if it did not contain such invalid, illegal, inoperable or unenforceable portion.

Section 21. Rule. This Contract is intended to be an agreement or contract in which the Promisor has undertaken to provide that which is required by paragraph (b)(5) of the Rule. If and to the extent this Contract is not such an agreement or contract, this Contract shall be deemed to include such terms not otherwise included herein, and to exclude such terms not otherwise excluded herefrom, as are necessary to cause this Contract to be such an agreement or contract.

Section 22. Interpretation. The use herein of the singular shall be construed to include the plural, and vice versa, and the use herein of the neuter shall be construed to include the masculine and feminine. Unless otherwise indicated, the words “hereof,” “herein,” “hereby” and “hereunder,” or words of similar import, refer to this Contract as a whole and not to any particular section, subsection, clause or other portion of this Contract.

Section 23. Captions. The captions appearing in this Contract are included herein for convenience of reference only, and shall not be deemed to define, limit or extend the scope of intent of any rights or obligations under this Contract.



IN WITNESS WHEREOF, the Promisor has caused this Contract to be executed on the date first above written.

ORLEANS PUBLIC LIBRARY, ORANGE  
COUNTY, INDIANA

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James Ellis, President of the Board of  
Trustees

[Signature Page to the Continuing Disclosure Contract]

# APPENDIX E

\_\_\_\_\_, 2016

Orleans Public Library Building Corporation  
Orleans, Indiana

Re: Orleans Public Library Building Corporation First Mortgage Bonds, Series 2016

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by the Orleans Public Library Building Corporation (the "Issuer") of \$x,xxx,xxx aggregate principal amount of its First Mortgage Bonds, Series 2016, dated as of the date hereof (the "Bonds"), pursuant to Indiana Code 36-1-10, as amended, and a Trust Indenture, dated as of June 1, 2016 (the "Indenture"), by and between the Issuer and Springs Valley Bank & Trust Company, as trustee (the "Trustee"). 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 Orleans Public Library, Orange County, Indiana (the "Public Library"), contained in the Indenture, the Lease, dated as of April 20, 2015, as amended by the Addendum to Lease, dated as of June 1, 2016 (collectively, the "Lease"), between the Public Library, as lessee, and the Issuer, as lessor, 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 opinion of Tucker and Tucker, PC, Paoli, Indiana, counsel to the Issuer and the Public Library, dated the date hereof, as to the matters stated therein.

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

1. The Issuer is a 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 Bonds.
2. The Bonds have been duly authorized, executed and delivered, and are valid and binding limited obligations of the Issuer, enforceable in accordance with their terms. The 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 in the territory 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 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 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 Bonds to become included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds.

6. Interest on the 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 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 \_\_\_\_\_, 2016, or any other offering material relating to the Bonds, and we express no opinion relating thereto.

We express no opinion regarding any tax consequences arising with respect to the 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 F

**APPENDIX F**  
**SCHEDULE OF DEBT SERVICE REQUIREMENTS AND LEASE RENTAL PAYMENTS**

<u>Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Debt Service</u>	<u>Annual Fees (1)</u>	<u>Lease Rental Payments (2)</u>		<u>Cashflow</u>	
					<u>Annual</u>	<u>Semi-Annual</u>	<u>Annual</u>	<u>Cumulative</u>
7/15/2017								
1/15/2018								
7/15/2018								
1/15/2019								
7/15/2019								
1/15/2020								
7/15/2020								
1/15/2021								
7/15/2021								
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1/15/2034								
7/15/2034								
1/15/2035								
7/15/2035								
1/15/2036								

(1) The annual fee, which includes the trustee fee and administrative costs.  
(2) Lease rental payments will be made on the immediately preceding June 30 and January 1.

# APPENDIX G



## OFFICIAL NOTICE OF INTENT TO SELL BONDS

### **\$1,115,000 (Preliminary, Subject to Change)** **ORLEANS PUBLIC LIBRARY BUILDING CORPORATION** **FIRST MORTGAGE BONDS, SERIES 2016**

**NOTICE IS HEREBY GIVEN** that upon not less than twenty-four (24) hours notice given by telephone, facsimile, electronically or otherwise on behalf of the Orleans Public Library Building Corporation, an Indiana nonprofit corporation (the "Corporation"), prior to ninety (90) days from the date of the second publication of this notice, separate electronic and sealed bids will be received on behalf of the Corporation in care of the Corporation's financial advisor, London Witte Group, LLC (the "Financial Advisor"), 1776 North Meridian Street, Suite 500, Indianapolis, Indiana 46202, (317) 634-4747 (telephone), (317) 632-2727 (facsimile), [Bob.Swintz@LWGcpa.com](mailto:Bob.Swintz@LWGcpa.com) or [Robert.Reynolds@LWGcpa.com](mailto:Robert.Reynolds@LWGcpa.com) (e-mail), in the manner as set forth herein for the purchase of the First Mortgage Bonds of the Corporation designated as "Orleans Public Library Building Corporation First Mortgage Bonds, Series 2016" (the "2016 Bonds") in the aggregate principal amount of One Million One Hundred Fifteen Thousand Dollars (\$1,115,000) (preliminary, subject to change), bearing interest at a coupon rate not exceeding six percent (6.00%) per annum.

**TYPES OF BIDS ALLOWED.** Bidders must submit a bid for all of the 2016 Bonds and not just a portion of the 2016 Bonds. Bids may be submitted via the **PARITY**<sup>®</sup> web site ("**PARITY**<sup>®</sup>"). Bidders may access the sale at the **PARITY**<sup>®</sup> website via the sale link at Internet Address [www.newissuehome.i-deal.com](http://www.newissuehome.i-deal.com) between 10:00 a.m. and 11:30 a.m. (Eastern Daylight Savings Time) on the date identified in the notice given by, or on behalf of the Corporation, twenty-four hours prior to the sale of the 2016 Bonds. To bid via **PARITY**<sup>®</sup>, bidders must have both (1) completed the registration form on **PARITY**<sup>®</sup>, if not previously registered, and (2) requested and received admission to the Corporation's sale, as described in the Registration and Admission to Bid and details set forth below. As an alternative to **PARITY**<sup>®</sup>, bidders may submit individual, sealed bids to the Financial Advisor at the address described above until 11:30 a.m. (Eastern Daylight Savings Time) on the date identified in the notice given by, or on behalf of the Corporation, twenty-four hours prior to the sale of the 2016 Bonds. It is currently anticipated that sealed bids will be requested to be submitted on June 16, 2016.

**FORM, MATURITY AND PAYMENT OF BONDS.** Interest on the 2016 Bonds shall be calculated on the basis of twelve (12) thirty (30)-day months for a three hundred and sixty (360)-day year and shall be payable semiannually on January 15 and July 15 in each year, commencing July 15, 2017. The 2016 Bonds will be issued as fully registered bonds in either certificated form or in book-entry-only form (as selected by the successful bidder for the 2016 Bonds) in denominations of \$5,000 each or any integral multiples thereof, not exceeding the aggregate principal amount of such 2016 Bonds maturing in any one year, and when issued, will be registered in the name of the successful bidder of the 2016 Bonds or if the successful bidder of the 2016 Bonds determines to have such bonds issued in book-entry-only form, then in the name of CEDE & Co., as nominee for The Depository Trust Company ("DTC"), New York, New York. If book-entry-only form is selected by the successful bidder for the 2016 Bonds, the purchasers of beneficial interests in the 2016 Bonds will not receive physical delivery of bond certificates and ownership by the Beneficial Owners of the 2016 Bonds will be evidenced by book-entry only. As long as Cede & Co. is the registered owner of the 2016 Bonds as nominee of DTC, payments of principal and interest will be made directly to such registered owner, which will in turn, remit such payments to the DTC Participants for subsequent disbursement to the Beneficial Owners. None of the Corporation, the Orleans Public Library, Orange County, Indiana (the "Public Library"), and Springs Valley Bank & Trust Company, French Lick, Indiana, as the trustee (the "Trustee"), under the Trust Indenture, dated as of June 1, 2016 (the "Indenture"), which is by and between the Corporation and the Trustee, shall have any liability for

the failure of DTC or any DTC Participant to remit the payment or provide any notice to any Beneficial Owner of the 2016 Bonds.

The 2016 Bonds shall be numbered consecutively from 2016R-1 upward, shall bear an original issue date which shall be the date the 2016 Bonds are issued and shall mature on January 15 and July 15 in the years and amounts as follows:

<b><u>Maturity Date</u></b>	<b><u>Principal Amount*</u></b>	<b><u>Maturity Date</u></b>	<b><u>Principal Amount*</u></b>
January 15, 2018	\$20,000	July 15, 2027	\$30,000
July 15, 2018	20,000	January 15, 2028	30,000
January 15, 2019	20,000	July 15, 2028	30,000
July 15, 2019	20,000	January 15, 2029	30,000
January 15, 2020	25,000	July 15, 2029	30,000
July 15, 2020	25,000	January 15, 2030	35,000
January 15, 2021	25,000	July 15, 2030	35,000
July 15, 2021	25,000	January 15, 2031	35,000
January 15, 2022	25,000	July 15, 2031	35,000
July 15, 2022	25,000	January 15, 2032	35,000
January 15, 2023	25,000	July 15, 2032	35,000
July 15, 2023	25,000	January 15, 2033	35,000
January 15, 2024	25,000	July 15, 2033	40,000
July 15, 2024	25,000	January 15, 2034	40,000
January 15, 2025	30,000	July 15, 2034	40,000
July 15, 2025	30,000	January 15, 2035	40,000
January 15, 2026	30,000	July 15, 2035	40,000
July 15, 2026	30,000	January 15, 2036	40,000
January 15, 2027	30,000		

\*estimated, subject to change.

The Corporation reserves the right to adjust principal amounts within maturities of the 2016 Bonds to achieve the financial objectives of the Public Library. If the maximum principal amount of the 2016 Bonds issued decreases, the Corporation reserves the right to adjust principal amounts within maturities based on the parameters set forth in this paragraph.

All payments of interest on the 2016 Bonds will be paid by check or draft mailed one business day prior to each interest payment date, to the registered owners of the 2016 Bonds as of the first (1st) day of the month in which such interest is payable at the address as it appears on the registration books kept by the Trustee as of the first (1<sup>st</sup>) day of the month of the interest payment date or at such other address as is provided to the Trustee in writing by such registered owner. Principal on the 2016 Bonds will be payable at the principal corporate trust office of the Trustee. Notwithstanding the foregoing, so long as DTC or its nominee is the registered owner of the 2016 Bonds, principal of and interest on the 2016 Bonds will be paid directly by the Trustee to DTC as provided hereinabove.

The 2016 Bonds may be transferred or exchanged at the office of the Trustee, subject to the terms and conditions of the Indenture.

The Corporation has designated the 2016 Bonds as “qualified tax-exempt obligations” pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

**REDEMPTION PROVISIONS.** The Corporation shall have the right, at its option, to redeem, according to the procedure provided in the Indenture, all or any part of the 2016 Bonds maturing on

or after July 15, 2026, in any order of maturity selected by the Corporation and by lot within maturities, on any date not earlier than January 15, 2026, at face value plus interest accrued to the date fixed for redemption, and without any redemption premium.

Upon the election of the successful bidder of the 2016 Bonds, any of the 2016 Bonds may be issued as term bonds subject to mandatory sinking fund redemption on January 15 and July 15 of the year set forth above at 100% of the face value in accordance with the schedule set forth above. If any of the 2016 Bonds are subject to mandatory sinking fund redemption, the Paying Agent shall credit against the mandatory sinking fund requirement for any term bonds and corresponding mandatory sinking fund redemption obligation, in the order determined by the Corporation, any term bonds maturing on the same date which have previously been redeemed (otherwise than as a result of a previous mandatory redemption requirement) or delivered to the Trustee for cancellation or purchased for cancellation by the Trustee and not theretofore applied as a credit against any redemption obligation. Each term bond so delivered or canceled shall be credited by the Trustee at 100% of the principal amount thereof against the mandatory sinking fund obligation on such mandatory obligations and the principal amount of that term bond to be redeemed by operation of the mandatory sinking fund requirement shall be accordingly reduced; provided, however, the Trustee shall only credit such term bonds to the extent received on or before forty-five days preceding the applicable mandatory redemption date.

Notice of any redemption will be mailed by first class mail by the Trustee not less than 30 days prior to the date selected for redemption to the registered owners of all of the 2016 Bonds to be redeemed at the address shown on the registration books of the Trustee; provided, however, that failure to give such notice by mailing or a defect in the notice or the mailing as to such 2016 Bonds will not affect the validity of any proceedings for redemption as to any other of such 2016 Bonds for which notice is adequately given. Notice having been mailed, such 2016 Bonds designated for redemption will, on the date specified in such notice, become due and payable at the then applicable redemption price. On presentation and surrender of such 2016 Bonds in accordance with such notice at the place at which the same are expressed in such notice to be redeemable, such 2016 Bonds will be redeemed by the Trustee for that purpose. From and after the date of redemption so designated, unless default is made in the redemption of such 2016 Bonds upon presentation, interest on such 2016 Bonds designated for redemption will cease.

With respect to any optional redemption of the 2016 Bonds, unless moneys sufficient to pay the principal of, and premium, if any, and interest on the 2016 Bonds to be redeemed has been received by the Trustee prior to the giving of such notice of redemption, such notice will state that said redemption is conditional upon the receipt of such moneys by the Trustee on or prior to the date fixed for redemption. If such moneys are not received by the redemption date, such notice will be of no force and effect, the Trustee will not redeem such 2016 Bonds, the redemption price will not be due and payable and the Trustee will give notice, in the same manner in which the notice of redemption was given, that such moneys were not so received and that such 2016 Bonds will not be redeemed and that the failure to redeem such 2016 Bonds will not constitute an event of default under the Indenture. Moneys need not be on deposit with the Trustee prior to the mailing of the notice of redemption of the 2016 Bonds pursuant to the Indenture.

**INTEREST RATES.** Each bid must be for all of the 2016 Bonds and must state the rate or rates of interest therefor, not exceeding the maximum per annum interest rate hereinbefore specified. Such interest rate or rates must be in multiples of one-eighth (1/8) or one-one hundredth (1/100) of one percent (1.00%). Bids specifying more than one interest rate must also specify the amount and maturities of the 2016 Bonds bearing each rate. All 2016 Bonds maturing on the same date shall bear the same rate of interest, and the rate of interest bid for each maturity of the 2016 Bonds must be equal to or greater than the rate bid on the immediately preceding maturity of the 2016 Bonds.

Although not a term of sale, it is requested that each bid show the total dollar cost to final maturity and the true interest cost on the entire issue to which such bid relates.

**BIDDING DETAILS.** Any person interested in submitting a bid for the 2016 Bonds must furnish written notice of such intent along with such person's name, address and telephone number, on or before 11:30 a.m. (Eastern Daylight Time), June 15, 2016, to the Financial Advisor at 1776 North Meridian Street, Suite 500, Indianapolis, Indiana 46202, (317) 634-4747 (telephone), (317) 632-2727 (facsimile), [Bob.Swintz@LWGcpa.com](mailto:Bob.Swintz@LWGcpa.com) or [Robert.Reynolds@LWGcpa.com](mailto:Robert.Reynolds@LWGcpa.com) (e-mail). The person may also furnish a telex or facsimile number or e-mail address. The Corporation will cause each person so registered to be notified of the date and time bids will be received for the 2016 Bonds, not less than twenty-four (24) hours before the date and time of sale. The notification shall be made by telephone at the number furnished by such person and also by telex or facsimile and electronically if a telex or facsimile number or e-mail address has been furnished. No conditional bid or bids for less than ninety-nine and one-half percent (99.50%) of the par value of the 2016 Bonds will be considered. The Corporation reserves the right to reject any and all bids and to waive any informality in any bid. If no acceptable bid is received on the date fixed for sale of 2016 Bonds, the sale may be continued from day to day thereafter without further advertisement for a period not to exceed thirty (30) days, but if so continued, no bid will be accepted which offers an interest cost which is equal to or higher than the best bid received at the time fixed for the sale.

A bidder for the 2016 Bonds may purchase bond insurance to guarantee the repayment of the debt service of the 2016 Bonds from a bond insurance company; provided, however, the payment of any premium for any such bond insurance will be paid by the successful bidder from its discount bid, and will not be paid by the Corporation.

If not using **PARITY**<sup>®</sup>, each of the bids for the 2016 Bonds shall be sealed in an envelope or have a cover page if sent electronically or by facsimile transmission marked "Orleans Public Library Building Corporation First Mortgage Bonds, Series 2016"; (ii) must be on the form approved by the Corporation, without additions, alterations or erasures, which form may be obtained from the Financial Advisor at the address set forth herein; and (iii) delivered to the Financial Advisor on behalf of the Corporation at the address set forth above.

While it is not a requirement for the successful bidder, the Corporation encourages the successful bidder to make a good faith effort to offer the 2016 Bonds to be purchased by residents of the Public Library.

**INTERNET BIDS.** If using **PARITY**<sup>®</sup>, bidders must first visit the **PARITY**<sup>®</sup> web site where, if they have never registered with **PARITY**<sup>®</sup>, they can register and then request admission to bid on the 2016 Bonds. Only NASD registered broker dealers and dealer banks with DTC clearing arrangements will be eligible to bid. Any questions pertaining to the **PARITY**<sup>®</sup> web site may be directed to **PARITY**<sup>®</sup> at (212) 849-5021.

**RULES OF ELECTRONIC BIDDING.** The "Rules" of **PARITY**<sup>®</sup> can be viewed on its website and are incorporated herein by reference. Bidders must comply with the requirements of **PARITY**<sup>®</sup> in addition to requirements of this Official Notice of Intent to Sell Bonds if the bidder is using **PARITY**<sup>®</sup>. To the extent there is a conflict between the Rules of **PARITY**<sup>®</sup> and this Official Notice of Intent to Sell Bonds, this Official Notice of Intent to Sell Bonds shall control.

**CLOSED AUCTION.** Bidders may change and submit bids as many times as they wish during the sale period for the 2016 Bonds, but they may not withdraw a submitted bid. The last bid submitted by a bidder prior to the deadline for the receipt of bids will be compared to all other final bids to

determine the winning bid. During the sale, no bidder will see any other bidder's bid, nor will they see the status of their bid relative to other bids (e.g. whether their bid is a leading bid).

**AMENDMENTS.** The Corporation reserves the right to amend any information contained in this Official Notice of Intent to Sell Bonds. The Corporation also reserves the right to postpone, from time to time, the date established for the receipt of bids on the 2016 Bonds. Any such amendment or postponement will be announced in the same manner as the notice of the sale from the Financial Advisor as described in "BIDDING DETAILS." If any date fixed for the sale is postponed, any alternative sale date will be announced at least 24 hours prior to such alternative sale date.

**BASIS FOR AWARD.** The sale of the 2016 Bonds will be awarded to the bidder for the 2016 Bonds making a bid that conforms to the specifications herein and which produces the lowest True Interest Cost to the Corporation. The True Interest Cost is that rate which, when used to compute the total present value as of the date of delivery of the 2016 Bonds of all debt service payments on the 2016 Bonds on the basis of semiannual compounding, produces an amount equal to the sum of the par value of the 2016 Bonds minus any premium bid plus any discount. In the event of a bidder's error in interest cost rate calculations, the interest rates and premium, if any, set forth or incorporated by reference in the Official Bid Form will be considered as the intended bid.

**GOOD FAITH DEPOSIT.** The successful bidder for the 2016 Bonds will be required to provide to the Corporation a good faith deposit (the "Deposit") in the form of cash, a certified check or a cashier's check or a wire transfer in the amount of one percent (1.00%) of the aggregate principal amount of the 2016 Bonds to be sold to the successful bidder (the amount of such wire transfer being referred to hereinafter as the "Deposit") within twenty-four (24) hours after being notified of being the successful bidder. The Deposit must be provided to the Corporation no later than 3:30 p.m. Eastern Daylight Savings Time on the business day immediately following the award of the 2016 Bonds. All checks shall be made payable to "Orleans Public Library, Orange County, Indiana", against default by such successful bidder in complying with the terms of this Notice and of its bid. No interest on the Deposit will accrue to the successful bidder of the 2016 Bonds. The Deposit will be applied to the purchase price of the 2016 Bonds awarded to the successful bidder.

In the event the bidder to whom the 2016 Bonds is awarded shall fail or refuse to comply with the provisions of the bid and this notice, such Deposit shall become the property of the Corporation and the Public Library and shall be taken and considered as liquidated damages of the Corporation and the Public Library on account of such failure or refusal.

The successful bidder for the 2016 Bonds will be required to make payment for the 2016 Bonds in Federal Reserve or other immediately available funds and accept delivery of the 2016 Bonds within five (5) days after being notified that such 2016 Bonds are ready for delivery, at a bank designated by the Corporation. Any premium bid must be paid in cash at the time of delivery as a part of the purchase price of such 2016 Bonds. The 2016 Bonds will be ready for delivery within sixty (60) days after the date on which the award is made, if not deliverable within that period, the successful bidder for the 2016 Bonds will be entitled to rescind the sale and the good faith check will be returned. Any notice of rescission must be in writing. At the request of the Corporation, the successful bidder shall furnish to the Corporation, simultaneously with or before delivery of the 2016 Bonds, a certificate in form satisfactory to the Corporation regarding the price at which a substantial amount of the 2016 Bonds of each maturity was reoffered to the public.

It is anticipated that CUSIP identification numbers will be printed on the 2016 Bonds, but neither the failure to print such numbers on any 2016 Bonds nor any error with respect thereto shall constitute cause for a failure or refusal by the successful bidder to accept delivery of and pay for the 2016 Bonds in accordance with the terms of its bid. No CUSIP identification number shall be deemed to

be a part of any 2016 Bond or the contract evidenced thereby and no liability shall hereafter attach to the Corporation or the Public Library or any of its officers or agents because of or on account of such numbers. All expenses in relation to the printing or typing of CUSIP numbers on the 2016 Bonds shall be paid by the Corporation; provided, however, it shall be responsibility of the successful bidder for the 2016 Bonds to timely obtain the numbers and to pay the CUSIP Service Bureau charge for the assignment of the numbers. The successful bidder will also be responsible for any other fees or expenses it incurs in connection with the resale of the 2016 Bonds.

**AUTHORITY AND PURPOSE.** The 2016 Bonds are issued under the provisions of the Indiana Code to provide funding for the costs of the Project, as described and defined in the resolutions adopted by the Board of Trustees of the Public Library on March 24, 2015, as more fully described in the Preliminary Official Statement (as hereinafter defined), together with the expenses necessarily incurred in connection therewith, including the expenses incurred in connection with the issuance of the 2016 Bonds.

The principal of and interest on the 2016 Bonds are payable solely from the mortgaged property described under the Indenture and as described in more detail in the Preliminary Official Statement.

**BOND DELIVERY.** At the time of delivery of the 2016 Bonds, the approving opinion of Barnes & Thornburg LLP, Indianapolis, Indiana, Bond Counsel, as to the validity of the 2016 Bonds, together with a transcript of the proceedings for the 2016 Bonds, the printed 2016 Bonds and closing certificates in the customary form showing no litigation, will be furnished to the successful bidder for the 2016 Bonds at the expense of the Corporation. In addition, unless bond counsel is able, on the date of delivery, to render an opinion to the effect that (1) under existing laws, regulations, judicial decisions and rulings, interest on the 2016 Bonds is excludable from gross income under Section 103 of the Internal Revenue Code of 1986, as amended, for federal income tax purposes, and (2) the interest on the 2016 Bonds is exempt from income taxation in the state of Indiana for all purposes except the state financial institutions tax, the successful bidder for the 2016 Bonds shall have the right to rescind the sale, and in such event the good faith deposit will be returned.

**PRELIMINARY OFFICIAL STATEMENT.** A copy of the Preliminary Official Statement prepared at the direction of the Corporation in connection with the 2016 Bonds (the "Preliminary Official Statement") may be obtained in limited quantities prior to submission of a bid by request from the Financial Advisor at 1776 North Meridian Street, Suite 500, Indianapolis, Indiana 46202, (317) 634-4747 (telephone), (317) 632-2727 (facsimile), [Bob.Swintz@LWGcpa.com](mailto:Bob.Swintz@LWGcpa.com) or [Robert.Reynolds@LWGcpa.com](mailto:Robert.Reynolds@LWGcpa.com) (e-mail), Attention: Bob Swintz or Robert Reynolds. The Preliminary Official Statement will be in a form deemed final by the Corporation, pursuant to Rule 15c2-12 of the Securities and Exchange Commission (the "Rule"), subject to completion as permitted by the Rule.

The Preliminary Official Statement when further supplemented by an addendum or addenda specifying the interest rates of the 2016 Bonds, and any other information referred to in paragraph (b)(1) of the Rule, shall constitute a "Final Official Statement" of the Corporation with respect to the 2016 Bonds, as that term is defined in the Rule. By awarding the 2016 Bonds to a successful bidder, the Corporation agrees that, no more than seven (7) business days after the date of such award, it shall provide to the senior managing underwriter of the syndicate to which the 2016 Bonds are awarded up to ten (10) copies of the Official Statement at the Corporation's expense, any additional copies to be at the expense of the underwriting syndicate. The Corporation designates the senior managing underwriter of the syndicate to which the 2016 Bonds are awarded as its agent for purposes of distributing copies of the Final Official Statement to each participating underwriter. Any underwriter executing and delivering an Official Bid Form with respect to the 2016 Bonds agrees thereby that if its bid is accepted by the Corporation (i) it shall accept such designation and (ii) it

shall enter into a contractual relationship with all participating underwriters of the 2016 Bonds for purposes of assuring the receipt of each such participating underwriter of the Final Official Statement. The successful bidder for the 2016 Bonds shall be responsible for providing (i) in writing the initial reoffering prices and other terms, if any, to the Financial Advisor as and at the time requested and (ii) a certification verifying information as to the bona fide initial offering prices of the 2016 Bonds to the public and sales of the 2016 Bonds appropriate for determination of the issue price of, and the yield on, the 2016 Bonds under Internal Revenue Code of 1986, as amended, as and at the time requested by the Corporation's bond counsel.

In order to assist bidders in complying with paragraph (b)(5) of the Rule, the Public Library will undertake, if necessary, pursuant to the Continuing Disclosure Contract which shall be delivered to the successful bidder of the 2016 Bonds at the closing on the 2016 Bonds, to provide annual reports, certain financial information, and notices of certain events as required by Section (b)(5) of the Rule. A description of this undertaking is set forth in the Preliminary Official Statement and will also be set forth in the Final Official Statement.

If bids for the 2016 Bonds are submitted by mail, they should be addressed to Corporation in care of the Financial Advisor at the address listed above.

Dated this 3<sup>rd</sup> day of June, 2016.

ORLEANS PUBLIC LIBRARY BUILDING CORPORATION

**[TO BE PUBLISHED TWO TIMES, ONCE ON JUNE 3, 2016, AND ONCE ON JUNE 10, 2016, IN THE NEWSPAPER THAT IS PUBLISHED, OR OF GENERAL CIRCULATION, IN THE PUBLIC LIBRARY AND IN *THE COURT AND COMMERCIAL RECORD*]**

# APPENDIX H



**OFFICIAL BID FORM**

**PROPOSAL FOR PURCHASE OF  
ORLEANS PUBLIC LIBRARY BUILDING CORPORATION  
FIRST MORTGAGE BONDS, SERIES 2016**

To: Robert Swintz  
London Witte Group, LLC  
1776 North Meridian Street, Suite 500  
Indianapolis, Indiana 46202  
Phone: (317) 634-4747  
Fax: (317) 632-2727  
Email: [Bob.Swintz@LWGcpa.com](mailto:Bob.Swintz@LWGcpa.com)

The undersigned herewith submits its sealed proposal for the purchase of the following:

Designation of Issue: Orleans Public Library Building Corporation  
First Mortgage Bonds, Series 2016 (the “2016 Bonds”)

Amount of Issue: \$1,115,000 (Preliminary, subject to change)

Bids Due By: Thursday, June 16, 2016, 11:30 a.m. EDT

Dated: Date of Delivery (Tentatively, Wednesday, July 6, 2016)

Interest: Payable semiannually on January 15 and July 15, commencing July 15, 2017

Denomination: \$5,000 and integral multiples thereof

Other: A bid may designate that a given maturity or maturities shall constitute a term bond, and the annual amounts set forth below shall constitute the mandatory sinking fund redemption requirements for such term bond or bonds. For purposes of computing net interest cost, the mandatory redemption amounts shall be treated as maturing on the dates set forth in the schedule set forth on the following page.

Each bid must be for all of said 2016 Bonds and must state the rate or rates of interest in multiples of one-eighth (1/8) or one-hundredth (1/100) of one percent (1%) and not exceed six percent (6.0%). Any bids specifying two (2) or more interest rates shall also specify the amount and maturities of the 2016 Bonds bearing each rate, but all 2016 Bonds maturing on the same date shall bear the same single interest rate. The rate on any maturity shall be equal to or greater than the rate on the immediately preceding maturity.

Maturity Schedule\*

<u>Date</u>	<u>Amount</u>	<u>Rate</u>	<u>Yield</u>	<u>Date</u>	<u>Amount</u>	<u>Rate</u>	<u>Yield</u>
1/15/2018	\$20,000			7/15/2027	\$30,000		
7/15/2018	20,000			1/15/2028	30,000		
1/15/2019	20,000			7/15/2028	30,000		
7/15/2019	20,000			1/15/2029	30,000		
1/15/2020	25,000			7/15/2029	30,000		
7/15/2020	25,000			1/15/2030	35,000		
1/15/2021	25,000			7/15/2030	35,000		
7/15/2021	25,000			1/15/2031	35,000		
1/15/2022	25,000			7/15/2031	35,000		
7/15/2022	25,000			1/15/2032	35,000		
1/15/2023	25,000			7/15/2032	35,000		
7/15/2023	25,000			1/15/2033	35,000		
1/15/2024	25,000			7/15/2033	40,000		
7/15/2024	25,000			1/15/2034	40,000		
1/15/2025	30,000			7/15/2034	40,000		
7/15/2025	30,000			1/15/2035	40,000		
1/15/2026	30,000			7/15/2035	40,000		
7/15/2026	30,000			1/15/2036	40,000		

\*Preliminary, subject to change.

The Library reserves the right to: (i) restructure the transaction maturities and (ii) reject all bids without cause.

The transcript of proceedings, closing certificates showing no litigation, an approving opinion of nationally recognized bond counsel, and the 2016 Bonds will be furnished to the purchaser by the Library at closing.

For all the above-described 2016 Bonds, bearing interest at the rates set forth above, the undersigned will pay the sum of \_\_\_\_\_ Dollars (\$\_\_\_\_\_), computed at the rate or rates herein named, and a (premium/(discount)) of \_\_\_\_\_ Dollars (\$\_\_\_\_\_). No bid for less than 99.5% of the par value of the 2016 Bonds will be considered.

The successful bidder will submit cash, certified check, cashier's check, or wire transfer payable to the Library in an amount equal to Eleven Thousand One Hundred and Fifty Dollars (\$11,150) one percent (1%) of the aggregate principal amount of the 2016 Bonds) by 3:30 PM EDT the next business day after being notified of being the successful bidder, to be drawn upon by the Library, as a guaranty of the performance of this bid.

Dated this \_\_\_\_ day of \_\_\_\_\_, 2016.

\_\_\_\_\_  
Name or Names of Bidder

By: \_\_\_\_\_  
Authorized Officer or Agent

\_\_\_\_\_  
Address of Authorized Officer or Agent

(Net Dollar Interest Cost \$\_\_\_\_\_)

(Net Interest Rate \_\_\_\_\_%)