

New Issue
Book-Entry-Only

Rating: Standard & Poor's Corporation "A+"

This Final Official Statement is dated September 1, 2006.

In the opinion of Ice Miller LLP, Indianapolis, Indiana, under existing laws, regulations, judicial decisions and rulings, interest on the Bonds (hereinafter defined) is excludable from gross income under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), for federal income tax purposes. Such exclusion is conditioned on continuing compliance with the Tax Covenants (hereinafter defined). In the opinion of Ice Miller LLP, Indianapolis, Indiana, under existing laws, regulations, judicial decisions and rulings, interest on the Bonds is exempt from income taxation in the State of Indiana. (See "TAX MATTERS", "ORIGINAL ISSUE DISCOUNT" and "AMORTIZABLE BOND PREMIUM" herein.) The Bonds are not bank qualified.

\$24,900,000

BARTHOLOMEW COUNTY BUILDING CORPORATION
Bartholomew County, Indiana
LEASE RENTAL BONDS OF 2006

Original Date: Date of Delivery (September 14, 2006)

Due: January 15th and July 15th as shown below

The Bartholomew County Building Corporation (the "Building Corporation") is issuing \$24,900,000 of Lease Rental Bonds of 2006 (the "Bonds") to finance the renovation of the existing Bartholomew County Jail and the construction and equipping of an addition to the existing Jail (collectively, the "Project") and to pay interest during construction and issuance expenses. The Bonds are secured by and payable from fixed, semiannual lease rental payments to be paid by Bartholomew County (the "County") to MainSource Bank, Portland, Indiana (the "Trustee") under a Trust Indenture between the Building Corporation and the Trustee dated as of August 1, 2006 (the "Trust Indenture") and a lease (hereinafter defined) between the County and the Building Corporation, and in accordance with IC 36-1-10. The lease rental payments are payable from ad valorem property taxes levied on all taxable property in the County in an amount sufficient to pay the semiannual lease rental payments as they become due. The levy of taxes by the County to pay the lease rental is mandatory under Indiana law. (See "Circuit Breaker Tax Credit" herein.)

The Bonds will be issued only as fully registered bonds, and when issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC"). Purchases of beneficial interests in the Bonds will be made in book-entry-only form in the denomination of \$5,000 or any integral multiples thereof. Purchasers of beneficial interests in the Bonds (the "Beneficial Owners") will not receive physical delivery of certificates representing their interests in the Bonds. Interest on the Bonds is payable on January 15th and July 15th of each year, beginning January 15, 2007 by wire transfer on the payment date to depositories for the benefit of registered owners or by check mailed one business day prior to each interest payment date to the registered owners. Principal of the Bonds is payable by wire transfer to depositories for the benefit of registered owners or at the principal corporate trust office of MainSource Bank, Portland, Indiana (the "Registrar and Paying Agent"). Interest on, together with the principal of, the Bonds will be paid directly to DTC by the Paying Agent so long as DTC or its nominee is the registered owner of the Bonds. The final disbursement of such payments to the Beneficial Owners of the Bonds will be the responsibility of the DTC Participants and the Indirect Participants. See "BOOK-ENTRY-ONLY SYSTEM". The Bonds will be subject to optional redemption prior to maturity, as more fully described herein. The Bonds issued as "Term Bonds" (hereinafter defined) are subject to mandatory sinking fund redemption as more fully described herein.

MATURITY SCHEDULE
(Base CUSIP* 069232)

<u>Maturity</u>	<u>Principal</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP</u>	<u>Maturity</u>	<u>Principal</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP</u>
January 15, 2009	\$445,000	4.250%	3.880%	AA4	July 15, 2013	\$540,000	4.250%	4.080%	AK2
July 15, 2009	455,000	4.250%	3.900%	AB2	January 15, 2014	550,000	4.250%	4.110%	AL0
January 15, 2010	465,000	4.250%	3.910%	AC0	July 15, 2014	565,000	4.250%	4.130%	AM8
July 15, 2010	475,000	4.250%	3.920%	AD8	January 15, 2015	575,000	4.250%	4.160%	AN6
January 15, 2011	485,000	4.250%	3.930%	AE6	July 15, 2015	585,000	4.250%	4.180%	API
July 15, 2011	495,000	4.250%	3.940%	AF3	January 15, 2016	600,000	4.250%	4.210%	AQ9
January 15, 2012	505,000	4.250%	4.010%	AG1	July 15, 2016	615,000	4.250%	4.230%	AR7
July 15, 2012	520,000	4.250%	4.030%	AH9	January 15, 2024	850,000	4.500%	4.650%	BG0
January 15, 2013	530,000	4.250%	4.060%	AJ5	July 15, 2024	870,000	4.500%	4.650%	BH8

Term Bonds

\$1,265,000 of Term Bonds at 4.375% due July 15, 2017, Yield 4.300%, CUSIP AT3
\$1,320,000 of Term Bonds at 4.375% due July 15, 2018, Yield 4.350%, CUSIP AV8
\$1,375,000 of Term Bonds at 4.375% due July 15, 2019, Yield 4.400%, CUSIP AX4
\$1,440,000 of Term Bonds at 4.500% due July 15, 2020, Yield 4.450%, CUSIP AZ9
\$1,505,000 of Term Bonds at 4.500% due July 15, 2021, Yield 4.500%, CUSIP BB1
\$1,575,000 of Term Bonds at 4.500% due July 15, 2022, Yield 4.550%, CUSIP BD7
\$1,645,000 of Term Bonds at 4.500% due July 15, 2023, Yield 4.600%, CUSIP BF2
\$4,650,000 of Term Bonds at 4.500% due January 15, 2027, Yield 4.700%, CUSIP BN5

GRIFFIN, KUBIK, STEPHENS & THOMPSON, INC.

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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.

The Bonds are being offered for delivery when, as and if issued and received by the Underwriter (hereinafter defined) and subject to the approval of legality by Ice Miller LLP, Indianapolis, Indiana, Bond Counsel. Certain legal matters will be passed on by Jones Patterson and Tucker, P.C., Columbus, Indiana, as Counsel for the County and Building Corporation. The Bonds are expected to be available for delivery to DTC in New York, New York, on or about September 14, 2006.

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

No dealer, broker, salesman or other person has been authorized by the Building Corporation 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. 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 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 since the date of delivery of the securities described herein to the initial purchaser thereof. However, upon delivery of the securities, the Building Corporation will provide a certificate stating that there have been no material changes in the information contained in the Final Official Statement since its delivery.

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PROJECT PERSONNEL

Names and positions of County personnel and professionals who have taken part in the planning of this project and bond issue are:

Building Corporation

James Paris, President
Marvin Burbrink, Secretary
Byron Carr
Jim Reed

County Commissioners

Larry S. Kleinhenz
Carl Lienhoop, Chair
Paul Franke

County Council

Evelyn S. Pence, President
Phyllis Apple
Keith Sells
Sue Paris
Judith Meyer
Jewell Arthur
Joe Whipker

Auditor

Nancy McKinney

Local Counsel

J. Grant Tucker
Jones Patterson & Tucker, P.C.
330 Franklin Street
Columbus, IN 47202

Bond Counsel

Lisa A. Lee
Ice Miller LLP
One American Square
Suite 3100
Indianapolis, IN 46282-0200

Architect

Gary Fisher
Reid Quebe Allison Wilcox & Associates
4755 Kingsway Drive, #400
Indianapolis, IN 46205

Construction Manager

Charles J. Budd
2552 North Boomer Court
Columbus, IN 47201

Financial Advisor

Colette J. Irwin-Knott
Jason G. Semler
H.J. Umbaugh & Associates
Certified Public Accountants, LLP
8365 Keystone Crossing
Suite 300
P.O. Box 40458
Indianapolis, IN 46240-0458

This introduction to the Official Statement contains certain information for quick reference only. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

FINAL OFFICIAL STATEMENT

\$24,900,000

BARTHOLOMEW COUNTY BUILDING CORPORATION LEASE RENTAL BONDS OF 2006

INTRODUCTION TO THE OFFICIAL STATEMENT

The Bartholomew County Building Corporation (the "Building Corporation") is issuing \$24,900,000 of Lease Rental Bonds of 2006 (the "Bonds"). The Building Corporation was organized to issue the Bonds pursuant to Indiana Code, Title 36, Article 1, Chapter 10 for the purpose of financing, acquiring, renovating, constructing and leasing to Bartholomew County (the "County") certain governmental buildings including an existing jail facility.

SECURITY

Pursuant to a lease executed on May 11, 2006 between the Building Corporation and the County (the "Lease"), the Bonds are payable from semiannual lease rental payments (the "Lease Rentals") to be paid by the County directly to MainSource Bank, Portland, Indiana. Such semiannual Lease Rental is payable from ad valorem taxes to be levied against all taxable property within the County. Interim Lease Rental payments will be made on July 1, 2007, January 1, 2008 and July 1, 2008. The first full Lease Rental will begin on the day the Project is completed and ready for occupancy or January 1, 2009, whichever is later. Interest will be capitalized through and including July 15, 2008.

CIRCUIT BREAKER TAX CREDIT

Description of Circuit Breaker

The Indiana General Assembly has enacted legislation (Sections 8 – 13 of HEA 1001-2006), which provides taxpayers with a tax credit for all property taxes in an amount that exceeds two percent (2%) of the gross assessed value of eligible property (the "Circuit Breaker Tax Credit"). For property taxes due and payable in 2008 and 2009, property eligible for the tax credit includes a taxpayer's qualified residential property, which includes homesteads, residential rental property and apartment complexes. Beginning with property taxes due and payable in 2010 and thereafter, the property eligible for the Circuit Breaker Tax Credit is expanded to include all personal and real property of every type. The Circuit Breaker Tax Credit will result in a reduction of property tax collections for each political subdivision in which the Circuit Breaker Tax Credit is applied. A political subdivision may not increase its property tax levy or borrow money to make up for any property tax revenue shortfall due to the application of the Circuit Breaker Tax Credit.

The Department of Local Government Finance ("DLGF") has taken an administrative position that existing law requires taxing units to fully fund any levies for the payment of outstanding debt service or lease rental obligations regardless of any reduction in property tax collections due to the application of the Circuit Breaker Tax Credit. The DLGF's position is that property taxes collected by a political subdivision must first be applied to pay debt service or lease rental obligations on all outstanding bonds or lease rental revenue bonds. If property tax collections are insufficient to fully fund debt service or lease rental levies due to the Circuit Breaker Tax Credit, the DLGF has indicated that taxing units must use non-property tax revenues or revenues from property tax levies for other funds (including operating) to offset revenue loss to the debt service fund. This application of property tax revenues may affect the ability of political subdivisions to provide existing levels of service and, in extreme cases, the ability to make lease rental payments.

There has been no judicial interpretation of the Circuit Breaker Tax Credit, or of the DLGF's position or authority to require application of property tax revenues as described above, and no assurance that the DLGF will continue this interpretation. In addition, there can be no assurance as to future events or legislation that may impact the Circuit Breaker Tax Credit or the collection of property taxes.

CIRCUIT BREAKER TAX CREDIT (cont'd)

Estimated Circuit Breaker Tax Credit for Bartholomew County

The County has estimated the Circuit Breaker Tax Credit at approximately \$117,000 (including the impact of the proposed Bonds), beginning with property taxes payable in 2010 and thereafter, when the credit is expanded to apply to both real and depreciable personal property of all taxpayers in Bartholomew County. This estimate of the potential reduction in property tax revenues for the County is based upon the Bartholomew County abstract and tax rates for property taxes payable in 2006 as certified by the DLGF. A parcel-by-parcel analysis is not available to estimate the Circuit Breaker Tax Credit. The Circuit Breaker Tax Credit has been estimated for all property taxpayers (Residential Real Property, Non-Residential Real Property, Business Personal Property, and Non-Business Personal Property) within the County. The estimated credit for all taxpayers was then allocated to the County based upon the relative percentage of the County's tax rate to the total effective tax rate. If a parcel-by-parcel analysis had been completed for the resulting Circuit Breaker Tax Credit estimate could vary and the variance could be material.

The Circuit Breaker Tax Credit estimate does not reflect the potential effect of other recent legislation on property tax rates, including the 100% deduction for inventory assessed value beginning with property taxes payable in 2007, the implementation of the three-year investment deduction beginning with first assessments after March 1, 2005 through March 2, 2009, annual trending of real property assessed value to market value beginning with property taxes payable in 2007, and recent changes in the amount of property tax replacement credit paid by the State of Indiana. This estimate also does not reflect any further changes in the property tax system or methods of funding local government that may be enacted by the Indiana General Assembly before 2010. Unforeseen events, such as the loss of a major taxpayer, reductions in assessed value, annexations, increases in property tax rates of overlapping taxing units, or a reduction in the amount of property tax replacement credit paid by the State of Indiana could increase effective property tax rates and the amount of the Circuit Breaker Tax Credit. These potential changes may affect the estimate of the Circuit Breaker Tax Credit and the resulting variances could be material.

Illustrative Impact of the Estimated Circuit Breaker Tax Credit for Bartholomew County

The following illustrates the potential budget reduction for the County by reducing the 2006 Budget, as adjusted to include the Bonds, by the estimated 2010 Circuit Breaker Tax Credit described above. The 2010 Debt Service Tax Levy is estimated to equal approximately \$0.0488. This schedule is presented for illustrative purposes only. The actual results achieved may vary from the illustration shown below and those variances may be material.

<u>Property Tax Supported Funds</u>	<u>Pro Forma Budget</u>	<u>Potential Circuit Breaker Tax Credit (1)</u>	<u>Illustrative Reduced Budget</u>	<u>Potential Percentage Reduction</u>
General	\$19,939,668	\$ (57,425)	\$19,882,243	-0.29%
Election/Registration	227,342	(1,473)	225,869	-0.65%
Reassessment	169,738	(949)	168,789	-0.56%
Cumulative Bridge	1,400,000	(12,134)	1,387,866	-0.87%
Debt Service (2) (3)	1,992,000	(12,184)	1,979,816	-0.61%
Health	1,435,150	(6,616)	1,428,534	-0.46%
Co. Welfare Family & Children	5,330,100	(25,192)	5,304,908	-0.47%
Children Psychiatric Residential Treatment	<u>212,000</u>	<u>(1,148)</u>	<u>210,852</u>	-0.54%
Totals	<u>\$30,705,998</u>	<u>\$ (117,121)</u>	<u>\$30,588,877</u>	-0.38%

- (1) Assumes the distribution of the Tax Credit is allocated based upon the percentage of the total tax rate for each fund.
- (2) The Department of Local Government Finance has issued a bulletin indicating that Debt Service obligations must be funded from other available revenues.
- (3) Adjusted to include the Bonds.

PURPOSE

The Bonds are being issued for the purpose of renovating the existing Bartholomew County Jail and the construction of an addition to the existing jail facility (the "Project"), to pay interest costs during construction and to pay issuance costs. Funding for the Project will be provided from the proceeds of the Bonds and interest earnings during construction.

REDEMPTION PROVISIONS

The Bonds are subject to optional redemption beginning July 15, 2016 as more fully described herein. The Bonds issued as term bonds are subject to mandatory sinking fund redemption as more fully described herein.

DENOMINATIONS

The Bonds are being issued in the denomination of \$5,000 or integral multiples thereof.

REGISTRATION AND EXCHANGE FEATURES

The Trustee shall keep at its principal corporate trust office, a record for the registration of the Bonds. Each registered bond shall be transferable only on such record at the principal corporate trust office of the Trustee at the written request of the registered owner thereof or his attorney duly authorized in writing upon surrender thereof, together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered owner or his duly authorized attorney.

DTC/BOOK ENTRY

The Bonds shall initially be issued and held in book-entry form on the books of the central depository system. The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered in the name of Cede & Co. (DTC's partnership nominee). One fully registered Bond certificate will be issued for the Bonds, in the aggregate principal amount of such issue, and will be deposited with DTC. The County and the Registrar and Paying Agent may deem and treat the Clearing Agency (Cede & Co.) as the absolute owner and holder of such Bond for all purposes including, without limitation, the receiving of payment of the principal of, premium, if any, and interest on such Bonds, the receiving of notice and the giving of consent. Interest payable January 15, 2007, and semiannually thereafter, will be paid by check mailed one business day prior to the interest payment date to the registered owner or by wire transfer on the interest payment date to the depository shown as the registered owner (Refer to "DTC" and "Book-Entry-Only System" herein).

NOTICES

If the office location at which principal is payable changes, the Trustee will give notice of such change by first-class mail to registered owners at least 15 days prior to the first principal payment date following the date of such change in location.

If the Trustee resigns, notice shall be given to the registered owners by mail at least 20 days prior to the date when such resignation shall take effect.

Notice of redemption shall be mailed by the Trustee to the registered owners of all Bonds, not less than 30 nor more than 60 days prior to the date fixed for redemption.

TAX MATTERS

In the opinion of Ice Miller LLP, Bond Counsel, interest on the Bonds is excludable from gross income for federal income tax purposes. Such exclusion is conditioned on continuing compliance with the Tax Covenants. In the opinion of Ice Miller LLP, interest on the Bonds is exempt from income taxation in the State of Indiana. The Bonds are not bank qualified. See Appendix E.

TERMS OF THE OFFERING

The Bonds are to be issued under the authority of Indiana law, including, without limitation, Indiana Code, Title 36, Article 1, Chapter 10, and all the laws amendatory thereof and supplemental thereto and pursuant to the Trust Indenture between the Building Corporation and the Trustee and the Lease.

MISCELLANEOUS

The references, excerpts and summaries of all documents referred to herein do not purport to be complete statements of the provisions of such documents, and reference is directed to all such documents for full and complete statements of all matters of fact relating to the Bonds, the security for the payment of the Bonds and the rights and obligations of the owners thereof. A complete text of the Trust Indenture will be provided upon request. Additional information may be requested from the Auditor, Bartholomew County, 440 3rd Street, Columbus, Indiana 47203, phone (812) 379-1510.

The information contained in this Official Statement has been compiled from County officials and other sources deemed to be reliable, and while not guaranteed as to completeness or accuracy, it is believed to be correct as of this date. However, the Official Statement speaks only as of its date, and the information contained herein is subject to change.

Any statements made in this Official Statement involving matters of opinion or of estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized. Neither this Official Statement nor any statement which may have been made verbally or in writing is to be construed as a contract with the owners of the Bonds.

SECURITIES BEING OFFERED

The Bonds are being issued under the authority of Indiana law, including without limitation, Indiana Code, Title 36, Article 1, Chapter 10, and all the laws amendatory thereof and supplemental thereto and pursuant to the Trust Indenture between the Building Corporation and the Trustee.

INTEREST PAYABLE

Interest shall be calculated on the basis of a 360-day year consisting of twelve 30-day months from the interest payment date next preceding the date of authentication.

PROJECT DESCRIPTION

The Project consists of the renovation of and construction of an addition to the existing Bartholomew County Jail.

The addition to the Bartholomew County Jail consists of a basement containing the kitchen, laundry and commissary for the jail and support spaces for the building and the Sheriff's Department. The first floor includes the work release offices, day reporting classrooms and the work release housing pods. The first floor of the existing building will be renovated to include intake and booking and a medical area. The second floor contains the inmate access to the two tier housing pod and vertically aligns with the existing housing pod. The third floor includes the mezzanine level cells and the control room.

Construction bids were received in May 2006. Construction of the Project will begin in September 2006 and is expected to be complete by June 2008.

ESTIMATED PROJECT COSTS AND FUNDING

<u>Estimated Project Costs:</u>	<u>Building Corporation</u>	<u>County</u>	<u>Total Costs</u>
Construction costs (1)	\$18,705,407	\$3,500,000	\$22,205,407
Contingency	952,651		952,651
Soils Testing	9,000		9,000
QC Testing	50,000		50,000
Architect fee		\$1,204,000	1,204,000
Owner's representative	256,000	96,000	352,000
Sub-total	19,973,058	4,800,000	24,773,058
Equipment	88,000		88,000
Purchase of Leased Premises	4,800,000	(4,800,000)(5)	0
Capitalized interest during construction:			
Interest expense (2)	2,009,692		2,009,692
Interest earnings (3)	(812,000)		(812,000)
Interim lease rental (4)	(1,650,000)		(1,650,000)
Underwriter's discount	311,250		311,250
Estimated issuance costs and contingencies	180,000		180,000
Total Estimated Project Costs	\$24,900,000	\$0	\$24,900,000
<u>Estimated Project Funding:</u>			
Lease Rental Bonds of 2006	\$24,900,000	\$0	\$24,900,000
Total Estimated Project Funding	\$24,900,000	\$0	\$24,900,000

(1) Based upon information provided by RQAW.

(2) Consists of interest through and including July 15, 2008.

(3) Assumes interest earnings of 4.0% for 20 months.

(4) Consists of Interim Lease Rental payments on July 1, 2007, January 1, 2008 and July 1, 2008.

(5) Estimated joint appraisal value.

SCHEDULE OF AMORTIZATION OF \$24,900,000 PRINCIPAL AMOUNT
OF LEASE RENTAL BONDS OF 2006

<u>Payment Date</u>	<u>Principal Outstanding</u> (-----In Thousands-----)	<u>Principal</u>	<u>Interest Rates</u> (%)	<u>Interest</u>	<u>Total</u>	<u>Budget Year Total</u>
1/15/07	\$24,900			\$367,886.22	\$367,886.22	\$367,886.22
7/15/07	24,900			547,268.75	547,268.75	
1/15/08	24,900			547,268.75	547,268.75	1,094,537.50
7/15/08	24,900			547,268.75	547,268.75	
1/15/09	24,900	\$445	4.250	547,268.75	992,268.75	1,539,537.50
7/15/09	24,455	455	4.250	537,812.50	992,812.50	
1/15/10	24,000	465	4.250	528,143.75	993,143.75	1,985,956.25
7/15/10	23,535	475	4.250	518,262.50	993,262.50	
1/15/11	23,060	485	4.250	508,168.75	993,168.75	1,986,431.25
7/15/11	22,575	495	4.250	497,862.50	992,862.50	
1/15/12	22,080	505	4.250	487,343.75	992,343.75	1,985,206.25
7/15/12	21,575	520	4.250	476,612.50	996,612.50	
1/15/13	21,055	530	4.250	465,562.50	995,562.50	1,992,175.00
7/15/13	20,525	540	4.250	454,300.00	994,300.00	
1/15/14	19,985	550	4.250	442,825.00	992,825.00	1,987,125.00
7/15/14	19,435	565	4.250	431,137.50	996,137.50	
1/15/15	18,870	575	4.250	419,131.25	994,131.25	1,990,268.75
7/15/15	18,295	585	4.250	406,912.50	991,912.50	
1/15/16	17,710	600	4.250	394,481.25	994,481.25	1,986,393.75
7/15/16	17,110	615	4.250	381,731.25	996,731.25	
1/15/17	16,495	625 (1)	4.375	368,662.50	993,662.50	1,990,393.75
7/15/17	15,870	640 (1)	4.375	354,990.62	994,990.62	
1/15/18	15,230	655 (2)	4.375	340,990.63	995,990.63	1,990,981.25
7/15/18	14,575	665 (2)	4.375	326,662.50	991,662.50	
1/15/19	13,910	680 (3)	4.375	312,115.62	992,115.62	1,983,778.12
7/15/19	13,230	695 (3)	4.375	297,240.63	992,240.63	
1/15/20	12,535	710 (4)	4.500	282,037.50	992,037.50	1,984,278.13
7/15/20	11,825	730 (4)	4.500	266,062.50	996,062.50	
1/15/21	11,095	745 (5)	4.500	249,637.50	994,637.50	1,990,700.00
7/15/21	10,350	760 (5)	4.500	232,875.00	992,875.00	
1/15/22	9,590	780 (6)	4.500	215,775.00	995,775.00	1,988,650.00
7/15/22	8,810	795 (6)	4.500	198,225.00	993,225.00	
1/15/23	8,015	815 (7)	4.500	180,337.50	995,337.50	1,988,562.50
7/15/23	7,200	830 (7)	4.500	162,000.00	992,000.00	
1/15/24	6,370	850	4.500	143,325.00	993,325.00	1,985,325.00
7/15/24	5,520	870	4.500	124,200.00	994,200.00	
1/15/25	4,650	890 (8)	4.500	104,625.00	994,625.00	1,988,825.00
7/15/25	3,760	910 (8)	4.500	84,600.00	994,600.00	
1/15/26	2,850	930 (8)	4.500	64,125.00	994,125.00	1,988,725.00
7/15/26	1,920	950 (8)	4.500	43,200.00	993,200.00	
1/15/27	970	970 (8)	4.500	21,825.00	991,825.00	1,985,025.00
Total		<u>\$24,900</u>		<u>\$13,880,761.22</u>	<u>\$38,780,761.22</u>	<u>\$38,780,761.22</u>

(1) \$1,265,000 of Term Bonds due July 15, 2017.

(2) \$1,320,000 of Term Bonds due July 15, 2018.

(3) \$1,375,000 of Term Bonds due July 15, 2019.

(4) \$1,440,000 of Term Bonds due July 15, 2020.

(5) \$1,505,000 of Term Bonds due July 15, 2021.

(6) \$1,575,000 of Term Bonds due July 15, 2022.

(7) \$1,645,000 of Term Bonds due July 15, 2023.

(8) \$4,650,000 of Term Bonds due January 15, 2027.

INVESTMENT OF FUNDS

Pursuant to the Trust Indenture, all funds of the Building Corporation shall be invested by the Trustee at the direction of the Building Corporation in "qualified investments". Qualified investments shall mean any of the following to the extent permitted by law: (i) Government Obligations; (ii) money market funds, which may be funds of the Trustee, the assets of which are obligations of or guaranteed by the United States of America and which funds are rated at the time of purchase "Am" or "Am-G" or higher by Standards & Poor's Ratings Service, Inc. and/or "Aaa" by Moody's Investors Service, Inc.; (iii) bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following federal agencies: Export-Import Bank, Farmers Home Administration, Federal Financing Bank, Federal Housing Administration, Government National Mortgage Association, Maritime Administration, Public Housing Authorities, Banks for Cooperatives and Farm Credit Banks, Federal Home Loan Mortgage Corp., Federal Home Loan Bank and Federal National Mortgage Association; (iv) bankers' acceptances or deposits of commercial banks or savings and loan associations, including the Trustee, which mature not more than one year after the date of purchase; provided the banks or savings and loan associations (as opposed to their holding companies) are rated for unsecured debt at the time of purchase of the investments in any of the three highest rating categories established by Moody's Investors Service, Inc. and Standard & Poor's Ratings Service, Inc.; (v) commercial paper rated "A-1" or higher by Standard and Poor's ratings group and "Prime-1" or higher by Moody's Investors Service and which matures not more than 270 days after the date of purchase; (vi) investment agreements fully and properly secured at all times by collateral security described in (i) and (iii) above; (vii) repurchase agreements with any bank or trust company organized under the laws of any state of the United States of America or any national banking association (including the Trustee) or government bond dealer reporting to, trading with, and recognized as a primary dealer by the Federal Reserve Bank of New York, which agreement is secured by any one or more of the securities described in clauses (i) and (iii) above; provided, underlying securities are required by the repurchase agreement to be continuously maintained at a market value not less than the amount so invested; and (viii) shares of an investment company, organized under the Investment Company Act of 1940, as amended, which invests its assets solely in the obligations described in (i) and (vii) above, which would be regarded by prudent businessmen as a safe investment (the fact that the Trustee, any affiliate of the Trustee is providing services to and receiving remuneration from the foregoing investment company or trust as investment advisor, custodian, transfer agent, registrar or otherwise shall not preclude the Trustee from investing in the securities of such investment company or investment trust); (ix) unsecured certificates of deposit, demand deposits, including interest bearing money market accounts, trust deposits, time deposits or bankers acceptances (in each case having maturities of not more than 360 days) of any domestic bank (including the Trustee and any bank affiliated with the Trustee) including a branch office of a foreign bank, which branch office is located in the United States, provided that such bank at the time of purchase, has a short-term "Bank Deposit" rating of "Prime-1" or better by Moody's and a rating of "A-1" or better by Standard & Poor's; (x) deposits of any bank or savings and loan association (including the Trustee and any bank affiliated with the Trustee) that has combined capital, surplus and undivided profits of not less than \$100,000,000, provided that such deposits are continuously and fully insured by the Bank Insurance Fund or the Savings Association Insurance Fund of the Federal Deposit Insurance Corporation ("FDIC"), or to the extent uninsured, otherwise fully secured by obligations described in (i), (ii) or (iii) above.

SECURITY AND SOURCES OF PAYMENT

The Bonds shall constitute an indebtedness of the Building Corporation payable in accordance with the terms of the Trust Indenture and secured by the pledge and assignment to the Trustee of the funds and accounts defined and described therein, including the Lease Rental and other funds as defined in the Trust Indenture. The Trust Indenture creates a continuing pledge by the Building Corporation to the bondholders to pay principal and interest on the Bonds, until the principal sum shall be fully paid.

Funds for the Lease Rental will be paid by the County directly to the Trustee (for the account of the Building Corporation) pursuant to the terms of the Lease. Capitalized interest will be available to pay interest due through and including July 15, 2008. Interim Lease Rental payments will be made on July 1, 2007, January 1, 2008 and July 1, 2008. The first full Lease Rental for the Bonds is to begin on the day the Project is completed and ready for occupancy or January 1, 2009, whichever is later. Thereafter, Lease Rental is payable semiannually on July 1st and January 1st. See the Summary of the Lease (Appendix C).

SECURITY AND SOURCES OF PAYMENT (cont'd)

If there is excessive delay in construction and the Project is not available for occupancy and use by December 31, 2008, sufficient funds may not be available to meet the principal and interest payment due on the Bonds on January 15, 2009, and subsequent interest and principal payments.

If, for any reason, the Leased Property is partially or totally destroyed or unfit for occupancy, the fixed annual rental shall be proportionately abated. The Building Corporation is required by the Lease to maintain rental value insurance, in an amount equal to the full rental value for a period of up to two years. In addition, the proceeds of any property or casualty insurance would be used either to repair and reconstruct the Leased Property or retire obligations issued to finance the Leased Property. To the extent the damaged or destroyed Leased Property is not restored or repaired or is unfit for occupancy and use beyond the period covered by rental value insurance, the Building Corporation could have insufficient funds to pay debt service on the Bonds.

The Lease Rental to be paid by the County during the term of the Lease is required to be in amounts sufficient to pay the principal of and interest on the Bonds. The Lease Rental is secured by a pledge of ad valorem property taxes levied on all taxable property in the County. (See "Circuit Breaker Tax Credit".)

The Building Corporation will acquire ownership of the real estate as described within the Lease. The ownership shall be for a term no less than the term of the Lease (23 years). (See the Summary of the Lease.)

REDEMPTION PROVISIONS

Optional Redemption:

The Bonds maturing on or after January 15, 2017 are redeemable prior to maturity at the option of the Building Corporation, on thirty (30) days' notice, in whole or in part in any order of maturity as determined by the Building Corporation and by lot within maturity, on July 15, 2016, or any date thereafter, at face value, plus accrued interest to the date fixed for redemption, without premium.

Mandatory Sinking Fund Redemption:

The Bonds maturing July 15, in the years 2017 through 2023 and on January 15, 2027 (collectively, the "Term Bonds") are subject to mandatory sinking fund redemption prior to maturity at a redemption price equal to the principal amount thereof plus accrued interest on the dates and in the amounts in accordance with the following schedules:

<u>Term Bond due July 15, 2017</u>		<u>Term Bond due July 15, 2018</u>	
<u>Date</u>	<u>Amount</u>	<u>Date</u>	<u>Amount</u>
01/15/17	\$625,000	01/15/18	\$655,000
07/15/17 Final maturity	<u>640,000</u>	07/15/18 Final maturity	<u>665,000</u>
Total	<u>\$1,265,000</u>	Total	<u>\$1,320,000</u>
 <u>Term Bond due July 15, 2019</u>		 <u>Term Bond due July 15, 2020</u>	
<u>Date</u>	<u>Amount</u>	<u>Date</u>	<u>Amount</u>
01/15/19	\$680,000	01/15/20	\$710,000
07/15/19 Final maturity	<u>695,000</u>	07/15/20 Final maturity	<u>730,000</u>
Total	<u>\$1,375,000</u>	Total	<u>\$1,440,000</u>

REDEMPTION PROVISIONS (cont'd)

<u>Term Bond due July 15, 2021</u>		<u>Term Bond due July 15, 2022</u>	
<u>Date</u>	<u>Amount</u>	<u>Date</u>	<u>Amount</u>
01/15/21	\$745,000	01/15/22	\$780,000
07/15/21 Final maturity	<u>760,000</u>	07/15/22 Final maturity	<u>795,000</u>
Total	<u>\$1,505,000</u>	Total	<u>\$1,575,000</u>

<u>Term Bond due July 15, 2023</u>		<u>Term Bond due January 15, 2027</u>	
<u>Date</u>	<u>Amount</u>	<u>Date</u>	<u>Amount</u>
01/15/23	\$815,000	01/15/25	\$890,000
07/15/23 Final maturity	<u>830,000</u>	07/15/25	910,000
Total	<u>\$1,645,000</u>	01/15/26	930,000
		07/15/26	950,000
		01/15/27 Final maturity	<u>970,000</u>
		Total	<u>\$4,650,000</u>

The Trustee shall credit against the mandatory sinking fund requirement for the Term Bonds, and corresponding mandatory redemption obligation, in the order determined by the Building Corporation, any Term Bonds 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 therefore 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 redemption date, and any excess of such amount shall be credited on future redemption 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 Bond to the extent received on or before 45 days preceding the applicable mandatory redemption date.

Notice of Redemption:

Notice of redemption shall be mailed to the registered owners of all Bonds to be redeemed at least 30 days but not more than 60 days prior to the date fixed for such redemption. If any of the Bonds are so called for redemption, and payment therefore is made to the Trustee in accordance with the terms of the Trust Indenture, then such Bonds shall cease to bear interest from and after the date fixed for redemption in the call.

BOOK-ENTRY-ONLY SYSTEM

The Bonds will be available only in book-entry form in the principal amount of \$5,000 or any integral multiple thereof. DTC will act as the initial securities depository for the Bonds. The ownership of one fully registered Bond will be registered in the name of Cede & Co., as nominee for DTC.

SO LONG AS CEDE & CO, AS NOMINEE OF DTC, IS THE REGISTERED OWNER OF THE BONDS, REFERENCES IN THIS OFFICIAL STATEMENT TO THE REGISTERED OWNERS (OR THE OWNERS) WILL MEAN CEDE & CO. AND WILL NOT MEAN THE BENEFICIAL OWNERS.

BOOK-ENTRY-ONLY SYSTEM (cont'd)

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds. The 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 Bond will be issued for the Bonds, in the aggregate principal amount of such issue, and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 2.2 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues and money market instruments from over 100 countries and territories that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Fixed Income Clearing Corporation and Emerging Markets Clearing Corporation (NSCC, FICC and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange, LLC, and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has Standard & Poor's highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

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

To facilitate subsequent transfers, all 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 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 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.

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

BOOK-ENTRY-ONLY SYSTEM (cont'd)

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

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

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

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

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

In the event that the book-entry system for the Bonds is discontinued, the Paying Agent will provide for the registration of the Bonds in the name of the Beneficial Owners thereof. The County, the Trustee, the Paying Agent and any other Fiduciary would treat the person in whose name any Bond is registered as the absolute owner of such Bond for the purposes of making and receiving payment of the principal thereof and interest thereon, and for all other purposes, and none of these parties would be bound by any notice or knowledge to the contrary.

REVISION OF BOOK-ENTRY-ONLY SYSTEM

In the event that either (1) the County receives notice from DTC to the effect that DTC is unable or unwilling to discharge its responsibilities as a clearing agency for the Bonds or (2) the County elects to discontinue its use of DTC as a clearing agency for the Bonds, then the County and the Paying Agent will do or perform or cause to be done or performed all acts or things, not adverse to the rights of the holders of the Bonds, as are necessary or appropriate to discontinue use of DTC as a clearing agency for the Bonds and to transfer the ownership of each of the Bonds to such person or persons, including any other clearing agency, as the holder of such Bonds may direct in accordance with the Trust Indenture. Any expenses of such a discontinuation and transfer, including any expenses of printing new certificates to evidence the Bonds will be paid by the County.

PROCEDURES FOR PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION

The Lease Rental payments are payable from ad valorem property taxes required by law to be levied by or on behalf of the County. The Indiana General Assembly has enacted legislation (Sections 8-13 of HEA 1001-2006), which prohibits counties from collecting property taxes from a taxpayer in an amount that exceeds two percent (2%) of the gross assessed value of eligible property ("Legislation"). 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 March 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 March 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 Township Assessors in Marion County and the County Assessor in all other counties 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 the last meeting of the fiscal body in September for Marion County; no later than September 30th for all other cities and towns; and no later than September 20th for most other units. The budget, tax levy and tax rate are subject to review and revision by the Department of Local Government Finance (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 County is not sufficient to make its lease rental payments. The DLGF must complete its actions on or before February 15; however, taxing units have until March 1st to file a shortfall appeal, which may delay the DLGF's actions.

On or before March 1, 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 taxes is not completely paid on or before the due date, a penalty of 10% of the amount delinquent is added to the amount due; provided, that, effective January 1, 2007, so long as 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 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 2002 Real Property Assessment Manual ("Manual"), as incorporated into 50 IAC 2.3, and the 2002 Real Property Assessment Guidelines, Version A ("Guidelines"), as adopted by the DLGF. The Manual defines "true tax value" as "the market value in use of property for its current use, as reflected by the utility received by the owner or a similar user from that property". The Manual permits assessing officials in each county to choose any acceptable mass appraisal method to determine true tax value, taking into consideration the ease of administration and the uniformity of the assessments produced by that method. The Guidelines were adopted to provide assessing officials with an acceptable appraisal 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.

PROCEDURES FOR PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION (cont'd)

"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, coal conservation systems, hydroelectric systems, geothermal devices, inventory in enterprise zone 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 due to new construction demolition of improvements. The next reassessment is scheduled to be effective as of the March 1, 2011 assessment date and affects taxes payable beginning in 2012, and reassessments are scheduled to occur every four years thereafter. Beginning in 2006 tax year payable 2007, all real property assessments will be 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.

A State property tax replacement credit (PTRC) is applied to the property tax liability of a taxpayer. The maximum amount of the State PTRC is: (a) sixty percent (60%) of a taxpayer's real and personal property tax liability for the general fund levy imposed by the County; and (b) approximately twenty percent (20%) of a taxpayer's real property tax liability for the general fund levies imposed by the taxing units in the taxing district (less sixty percent (60%) of a taxpayer's property tax liability for the general fund levy imposed by the County); and (c) approximately twenty percent (20%) of taxpayer's personal property that is not business personal property tax liability for the general fund levies imposed by the taxing units in the taxing district (less sixty percent (60%) of the taxpayer's property tax liability for the general fund levy imposed by the County). However, in calculating the PTRC, the tax liability of a taxpayer does not include the amount of any property tax owed by the taxpayer attributable to certain specified components of the tax levy. Among the tax levy components not receiving the PTRC are the property taxes that will be used to pay for the principal and interest due on debt entered into after December 1983. Legislation enacted in 2005 may have the effect of reducing the amount of future State PTRC payments.

A state homestead credit is also applied to the property tax liability of an owner of a primary residence in the state. The amount of the state homestead credit is equal to approximately 20% of the taxpayer's property tax liability for the general fund levies imposed by all of the taxing units in the taxing district (less the State PTRC). For taxes payable in 2006, the state homestead credit is increased to 28% then reverts back to 20% for taxes payable in 2007 and thereafter.

LEASED PROPERTY

The leased property consists of the real estate and the Project to be constructed with proceeds of the Bonds (the "Leased Property") pursuant to the Lease.

CONTINUING DISCLOSURE

Pursuant to continuing disclosure requirements promulgated by the Securities and Exchange Commission in S.E.C. Rule 15c2-12, as amended (the "Rule"), the County will enter into a Continuing Disclosure Undertaking (the "Undertaking"), to be dated the date of the sale of the Bonds. Pursuant to the terms of the Undertaking, the County will agree to provide the following information while any of the Bonds are outstanding:

- Audited Financial Statements. To each nationally recognized municipal securities information repository ("NRMSIR") then in existence and to the Indiana state information repository then in existence, if any ("SID"), when and if available, the audited financial statements of the County as prepared and examined by the State Board of Accounts for each twelve (12) month period ending December 31, together with the opinion of such accountants and all notes thereto, within sixty (60) days of receipt from the State Board of Accounts; and

CONTINUING DISCLOSURE (cont'd)

- Financial Information in this Official Statement. To each NRMSIR then in existence and to the SID, within 180 days of each December 31, unaudited annual financial information for the County for such calendar year including (i) unaudited financial information of the County, if audited financial statements are not available and (ii) operating data of the type provided under the following headings in Appendix A to this Official Statement (collectively, the “Annual Information”).

APPENDIX A

GENERAL ECONOMIC AND FINANCIAL INFORMATION

- Historical Schedule of Net Assessed Valuation of Bartholomew County
 - Detail of Net Assessed Valuation of Bartholomew County
 - Comparative Schedule of Tax Rates
 - Schedule of Net Tax Rates
 - Property Taxes Assessed and Collected
 - Large Taxpayers
 - Statement of Receipts and Disbursements
- Event Notices. In a timely manner, to each NRMSIR or to the Municipal Securities Rulemaking Board (MSRB), and to the SID notice of the eleven events listed in the Rule, if material with respect to the Bonds (which determination of materiality shall be made by the County).
 - Failure to Disclose. In a timely manner, to each NRMSIR or to the MSRB, and to the SID notice of the County failing to provide the annual financial information as described above.

The County may, from time to time, amend or modify the Undertaking without the consent of or notice to the owners of the Bonds if either (a)(i) such amendment or modification is made in connection with a change in circumstances that arises from a change in legal requirements, change in law or change in the identity, nature or status of the County, or type of business conducted; (ii) the Undertaking, as so amended or modified, would have complied with the requirements of the Rule on the date of execution of the Undertaking, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and (iii) such amendment or modification does not materially impair the interests of the holders of the Bonds, as determined either by (A) nationally recognized bond counsel or (B) an approving vote of the bondholders pursuant to the terms of the Trust Indenture at the time of such amendment or modification; or (b) such amendment or modification (including an amendment or modification which rescinds the Undertaking) is permitted by the SEC Rule, as then in effect.

The County may, at its sole discretion, use an agent in connection with the dissemination of any annual financial information required to be provided by the County pursuant to the terms of the Undertaking.

The purpose of the Undertaking is to enable the Underwriter to purchase the Bonds by providing for an undertaking by the County in satisfaction of the Rule. The Undertaking is solely for the benefit of the owners of the Bonds and creates no new contractual or other rights for the SEC, underwriters, brokers, dealers, municipal securities dealers, potential customers, other obligated persons or any other third party. The sole remedy against the County for any failure to carry out any provision of the Undertaking shall be for specific performance of the County's disclosure obligations under the Undertaking and not for money damages of any kind or in any amount or any other remedy. The County's failure to honor its covenants under the Undertaking shall not constitute a breach or default of the Bonds, the Trust Indenture, the Lease or any other agreement.

As required by the Rule, in the previous five years, the County has not failed to comply, in all material respects, with any previous undertakings.

ADDITIONAL BONDS

Additional bonds may be issued on a parity with the Bonds subject to the terms and limitations of the Trust Indenture. Except as permitted by the Trust Indenture, the Building Corporation covenants that it will not incur any indebtedness other than the Bonds unless such additional indebtedness is payable solely from income of the Building Corporation other than the rental payments provided for in the Lease.

RELATIONSHIP OF ANNUAL LEASE RENTAL PAYMENTS TO ANNUAL DEBT SERVICE REQUIREMENTS

The Building Corporation has established in the Lease that the semiannual Lease Rental payments to be paid by the County on each July 1st and January 1st for the use and occupancy of the Leased Property will be sufficient to pay unpaid principal and interest on the Bonds which is due on or before the July 15th and January 15th following such July 1st and January 1st plus an amount sufficient to provide for the fees of the Trustee and incidental expenses of the Building Corporation.

All Lease Rentals shall be paid by or on behalf of the County to the Trustee under the Trust Indenture or to such other bank or trust company as may from time to time succeed the Trustee as provided thereunder. All payments so made by or on behalf of the County shall be considered as payment to the Building Corporation of rentals payable under the Lease.

BOND RATING

Standard & Poor's Corporation (Standard & Poor's) has assigned a bond rating of "A+" to the Bonds. Such rating reflects only the view of Standard & Poor's and any explanation of the significance of such rating may only be obtained from Standard & Poor's.

The rating is not a recommendation to buy, sell or hold the Bonds, and such rating may be subject to revision or withdrawal at any time by Standard & Poor's. Any downward revision or withdrawal of the rating may have an adverse effect upon the market price of the Bonds.

The County did not apply to any other rating service for a rating on the Bonds.

UNDERWRITING

The Bonds are being purchased by Griffin, Kubik, Stephens & Thompson, Inc. (the "Underwriter") at a purchase price of \$24,588,750. The Notice of Intent to Sell Bonds provides that all of the Bonds will be purchased by the Underwriter if any of such Bonds are purchased.

The Underwriter intends to offer the Bonds to the public at the offering prices set forth on the cover page of this Official Statement. The Underwriter may allow concessions to certain dealers (including dealers in a selling group of the Underwriter and other dealers depositing the Bonds into investment trusts), who may reallow concessions to other dealers. After the initial public offering, the public offering price may be varied from time to time by the Underwriter.

LITIGATION

To the knowledge of the officers and counsel for the Building Corporation, there is no litigation pending, or threatened, against the Building Corporation or the County, which in any way questions or affects the validity of the Bonds, or any proceedings or transactions relating to the issuance, sale or delivery thereof.

The counsel for the Building Corporation has stated that no litigation has been instituted, nor to its knowledge is there any litigation pending, which individually or in the aggregate will have a materially adverse effect upon the financial position of the Building Corporation or County.

CERTAIN LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the Bonds are subject to the unqualified approving opinion of Ice Miller LLP, Indianapolis, Indiana, Bond Counsel, whose approving opinion will be available at the time of delivery of the Bonds. Ice Miller LLP has not been asked nor has it undertaken to review the accuracy or sufficiency of this Official Statement, and will express no opinion thereon. The form of opinion of Bond Counsel is included as Appendix E of this Official Statement.

LEGAL OPINIONS AND ENFORCEABILITY OF REMEDIES

The various legal opinions to be delivered concurrently with the delivery of the Bonds express the professional judgment of the attorneys rendering the opinion as to 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 Trust Indenture, or to the Building Corporation under the Lease, are in many respects dependent upon judicial action(s) 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 Trust Indenture and 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 the Building Corporation to pay Lease Rentals or the Lease Rentals pledged to owners of the Bonds.

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

These exceptions would encompass any exercise of the federal, State or local police powers (including the police powers of the County), in a manner consistent with the public health and welfare. Enforceability of the Trust Indenture or the Lease in a situation where such enforcement may adversely affect public health and welfare may be subject to such police powers.

The execution of this Official Statement is duly authorized.

BARTHOLOMEW COUNTY BUILDING CORPORATION

By: /s/ James Paris
President

Attest:

/s/ Marvin Burbrink
Secretary

BARTHOLOMEW COUNTY, INDIANA
BOARD OF COMMISSIONERS

By: /s/ Carl Lienhoop
President

Attest:

/s/ Nancy McKinney
Auditor

APPENDIX A

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PROJECT DESCRIPTION

The Project consists of the renovation of and construction of an addition to the existing Bartholomew County Jail. The addition to the Bartholomew County Jail consists of a basement containing the kitchen, laundry and commissary for the jail and support spaces for the building and the Sheriff's Department. The first floor includes the work release offices, day reporting classrooms and the work release housing pods. The first floor of the existing building will be renovated to include intake and booking and a medical area. The second floor contains the inmate access to the two tier housing pod and vertically aligns with the existing housing pod. The third floor includes the mezzanine level cells and the control room.

GENERAL PHYSICAL AND DEMOGRAPHIC INFORMATION

LOCATION

Bartholomew County, Indiana is located in South Central Indiana approximately 43 miles south of Indianapolis, 70 miles north of Louisville, Kentucky and 90 miles west of Cincinnati, Ohio.

GENERAL CHARACTERISTICS

Bartholomew County was formed in 1821. The City of Columbus, the County seat, is located in the center of a triangle formed by Indianapolis, Louisville and Cincinnati. Columbus has earned worldwide recognition for its modern architecture. In 1991, the American Institute of Architects ranked Columbus sixth among U.S. cities in architectural quality and innovation. In addition, Columbus is home to two "Fortune 500" companies, Cummins Engineering Company and Arvin Industries which brings a national and international perspective that is unique to a community its size.

POPULATION

According to the U.S. Bureau of Census, the population for Bartholomew County is reported as follows:

<u>Year</u>	<u>Bartholomew County</u>	
	<u>Percentage Population</u>	<u>Change</u>
1970	57,022	18.31%
1980	65,088	14.15%
1990	63,657	(2.20%)
2000	71,435	12.22%
2005, est.	73,540	2.95%

TRANSPORTATION

Bartholomew County is served by Interstate 65, which provides direct routes to Chicago and Louisville, U.S. Highway 31 and State Roads 7, 9, 46 and 58. Charter Air Service is available at the Columbus Municipal Airport. Commercial airline service is available at the nearby Indianapolis International Airport.

POLICE AND FIRE PROTECTION

Police protection is provided by the Bartholomew County Sheriff's Department. Municipal police departments provide law enforcement in the incorporated areas of the County. Fire protection is also provided by several municipal departments, as well as many volunteer fire departments throughout the County.

EDUCATION

Public education is provided to residents by the Bartholomew Consolidated School Corporation and the Flat Rock-Hawcreek School Corporation. Edinburgh Community School Corporation provides services to residents living in the Town of Edinburgh. Each of the school systems offers a comprehensive curriculum and a variety of extra-curricular activities.

Enrollment and employment information are reported by school administrators as follows:

	2005/06 School Year <u>Enrollment</u>	Certified <u>Employees</u>	Non-Certified <u>Employees</u>
Bartholomew Consolidated School Corporation	10,919	743	766
Flat Rock -- Hawcreek School Corporation	1,131	63	82
Edinburgh Community School Corporation	870	73	67

Several institutions for higher education are located within 50 miles of the County including Butler University, University of Indianapolis and Indiana University-Purdue University Indianapolis all located in nearby Indianapolis. Indiana University is located 35 miles from Columbus in Bloomington, Indiana. In addition, Indiana University/Purdue University also has a campus located in Columbus.

MEDICAL FACILITIES

Columbus Regional Hospital provides acute care services to residents of Bartholomew County. The hospital offers services such as intensive care, radiology, in and outpatient surgery and emergency care. The hospital is licensed for 325 beds and employs 1,678.

UTILITIES

PSI/Cinergy and Bartholomew County REMC provide electrical service to residents of Bartholomew County, Indiana Gas Company provides natural gas services and SBC provides a full range of telephone services. Water and sewage treatment services are provided by the municipalities within the County.

LIBRARY/RECREATION/CULTURAL ACTIVITIES

The Bartholomew County Public Library provides library services to the majority of residents of Bartholomew County. The Library opened in 1899 and provides services such as computer classes, a bookmobile, meeting rooms and various programs for adults and children. The Edinburgh Public Library provides services to residents living in the Town of Edinburgh.

Bartholomew County boasts multiple parks which offer residents recreational opportunities such as baseball diamonds, picnic areas, basketball courts, playgrounds and walking trails. In addition, the Atterbury Fish and Wildlife Area, located in Edinburgh, encompasses 6,400 acres and offers bird watching, hunting, fishing and hiking.

LIBRARY/RECREATION/CULTURAL ACTIVITIES (cont'd)

Bartholomew County is home to many museums such as the Atterbury-Bakalar Air Museum, Bartholomew County Historical Society Museum and a Children's Museum. The Columbus Symphony Orchestra is also located in Bartholomew County.

GENERAL ECONOMIC AND FINANCIAL INFORMATION

FINANCIAL INSTITUTIONS

The following is a summary of the financial institutions serving Bartholomew County.

Fifth Third Bank	Main Source Bank
First Financial Bank, National Association	National City Bank of Indiana
Home Federal Bank	Somerville National Bank
Irwin Union Bank	The Farmers State Bank
Jackson County Bank	

EMPLOYMENT

Unemployment percentages for Bartholomew County are reported as provided by the Indiana Department of Employment and Training Services.

<u>Year</u>	<u>Unemployment Rate</u>		<u>Bartholomew County Labor Force</u>
	<u>Bartholomew County</u>	<u>Indiana</u>	
1997	2.1%	3.3%	39,792
1998	2.0%	2.9%	40,081
1999	2.0%	2.9%	39,843
2000	2.5%	2.9%	37,491
2001	4.0%	4.2%	36,493
2002	4.8%	5.2%	35,729
2003	4.8%	5.3%	35,567
2004	4.4%	5.3%	36,213
2005	4.8%	5.4%	37,400
2006, Feb.*	5.3%	5.8%	37,791

*These statistics have not been seasonally adjusted.

INDUSTRY

The largest employers in Bartholomew County are located in the City of Columbus and manufacture a wide variety of items such as automobile parts, furniture and bakery products.

Cummins Engine Co., Inc. opened in Columbus in 1919 and manufactures diesel engines and components. According to the Columbus Economic Development Corporation, the Company currently employs 6,365.

Dorel Juvenile Group manufactures furniture, housewares and juvenile products. According to company personnel, the company recently experienced layoffs during the off-season, but expects to hire additional employees during the next few months. Current employment is at 1,500.

INDUSTRY (cont'd)

Arvin Industries opened in Columbus in 1919 and manufactures automobile parts and accessories. According to the Columbus Economic Development Corporation, the Company currently employs 1,637.

NTN Driveshaft, Inc. manufactures automobile and propeller shafts and opened in Columbus in 1989. According to Company personnel, employment is expected to increase by 100 to 200 in the next six months due to an increase in business. Employment is currently at 1,190.

LARGE EMPLOYERS

Below is a list of the largest employers located in Bartholomew County.

<u>Name</u>	<u>Year Established</u>	<u>Type of Business</u>	<u>Reported Employment</u>
Cummins Engine Company, Inc.	1919	Mfg. diesel engines and components	6,365 (1)
Columbus Regional Hospital	1917	Acute health care	1,678
Arvin Industries	1919	Mfg. automobile parts and accessories	1,637
Bartholomew Consolidated School Corporation		Public education	1,509 (2)
Dorel Juvenile Group	1935	Mfg. furniture, housewares and juvenile products	1,500
NTN Driveshaft, Inc.	1989	Mfg. automobile and propeller shafts	1,190
Toyota Industrial Equipment	1988	Mfg. fork lift trucks	716 (1)
Enkei America, Inc.	1985	Mfg. cast aluminum wheels	665
City of Columbus		Municipal government	425
Bartholomew County		County government	415
Interstate Brands Corp.	1980	Wholesale and retail bakery products	305

(1) Information obtained from the Columbus Economic Development Corporation.

(2) Includes 743 certified and 766 non-certified employees.

MISCELLANEOUS ECONOMIC INFORMATION

The following information concerning Bartholomew County and the State of Indiana has been obtained from the Bureau of Census Reports and the Indiana Business Research Center.

	<u>Bartholomew County</u>	<u>Indiana</u>
Per capita personal income in 2004	\$32,930	\$30,204
Median household income in 2003	\$45,550	\$43,323
Average weekly earnings in manufacturing (3rd qtr. of 2005)	\$971	\$925
Population per square mile	180.8	172.7
Retail sales in 2002:		
Total retail sales	\$731,933,000	\$67,261,298,000
Sales per capita	\$10,188	\$10,922
Sales per establishment	\$2,266,046	\$2,765,451

Total adjusted gross income for Bartholomew County as provided by the Indiana Department of Revenue was \$1,564,137,453 in 2004 up from \$1,445,360,055 in 2003.

The Bartholomew County earnings and distribution of labor force by major employment divisions in 2004 are reported as follows:

	<u>Earnings (In 1,000's)</u>	<u>Percent of Earnings</u>	<u>Distribution of Labor Force</u>
Manufacturing	\$1,044,555	47.75%	30.00%
Services	392,053	17.92%	25.25%
Government	247,671	11.32%	12.60%
Wholesale & retail trade	164,647	7.53%	14.37%
Finance, insurance and real estate	123,645	5.65%	5.83%
Construction	93,313	4.27%	5.13%
Transportation and warehousing	72,184	3.30%	3.95%
Information	18,274	0.84%	1.11%
Farming	16,122	0.73%	1.40%
Utilities	13,228	0.60%	0.27%
Mining	2,023	0.09%	0.09%
Totals	<u>\$2,187,715</u>	<u>100.00%</u>	<u>100.00%</u>

SCHEDULE OF BONDED INDEBTEDNESS

The following schedule shows the outstanding bonded indebtedness of Bartholomew County and the taxing units within and overlapping its jurisdiction as of August 9, 2006, as reported by the respective taxing units.

<u>Issuer</u>	<u>Total Debt</u>	<u>Percent Allocable to County*</u>	<u>Amount Allocable to County</u>
Property Tax Supported:			
Bartholomew County	\$24,900,000 (1)	100.00%	\$24,900,000
City of Columbus	3,415,000 (2)	100.00%	3,415,000
Bartholomew Consolidated School Corporation	85,637,498 (3)	100.00%	85,637,498
Flat Rock-Hawcreek School Corporation	3,785,048 (4)	100.00%	3,785,048
Edinburgh Community School Corporation	5,920,000 (5)	6.01%	355,792
Edinburgh Redevelopment Authority	5,125,000 (6)	6.01%	<u>308,013</u>
Total Property Tax Supported Debt			<u><u>\$118,401,351</u></u>
Revenue Supported:			
City of Columbus	\$7,930,000 (7)	100.00%	\$7,930,000
Town of Edinburgh	8,023,000 (8)	6.01%	482,182
Town of Elizabethtown	240,000 (9)	100.00%	240,000
Town of Hope	685,000 (10)	100.00%	685,000
Town of Hartsville	3,200 (11)	100.00%	<u>3,200</u>
Total Revenue Supported Debt			<u><u>\$9,340,382</u></u>

*Based upon the 2005 payable 2006 net assessed valuation of the respective taxing units.

NOTES TO BONDED INDEBTEDNESS

(1)	Lease Rental Bonds of 2006	<u>\$24,900,000</u>
(2)	Park District Bonds of 2005	\$3,225,000
	Park District Bonds of 1997	<u>190,000</u>
	Total	<u>\$3,415,000</u>
(3)	Columbus Four Star School Building Corporation	
	First Mortgage Bonds, Series 1995	\$6,465,000
	Bartholomew Consolidated School Corporation	
	General Obligation Pension Bonds of 2002	10,290,000
	Columbus Repair and Renovation School Building Corporation	
	First Mortgage Bonds, Series 2005	32,350,000
	Columbus Repair and Renovation School Building Corporation	
	First Mortgage Bonds, Series 2003	18,570,000
	Columbus Multi-School Building Corporation	
	First Mortgage Refunding Bonds, Series 2002	11,450,000
	Columbus Multi-School Building Corporation	
	First Mortgage Bonds, Series 1992 (unrefunded portion)	1,577,498
	Qualified Zone Academy Bonds	1,700,000
	General Obligation Pension Bonds of 2006	<u>3,235,000</u>
	Total	<u>\$85,637,498</u>
(4)	Flat Rock-Hawcreek Elementary School Building Corporation	
	First Mortgage Refunding Bonds, Series 2000	\$1,460,000
	Common School Loans	1,075,048
	General Obligation Bonds of 1991	195,000
	General Obligation Pension Bonds of 2003	<u>1,055,000</u>
	Total	<u>\$3,785,048</u>
Note: In addition, the School Corporation has outstanding Tax Anticipation Warrants in the amount of \$240,366, which will be repaid by December 31, 2006.		
(5)	First Mortgage Bonds, Series 2005	\$1,320,000
	First Mortgage Refunding Bonds, Series 2005	1,720,000
	First Mortgage Bonds, Series 2003	<u>2,880,000</u>
	Total	<u>\$5,920,000</u>
(6)	Edinburgh Redevelopment Authority Bonds of 1997	<u>\$5,125,000</u>
(7)	Waterworks Refunding Revenue Bonds of 2005	\$3,380,000
	Sewage Works Refunding Revenue Bonds of 2005	3,895,000
	Sewage Works Revenue Bonds of 2001	340,000
	Sewage Works Refunding Revenue Bonds of 2002	<u>315,000</u>
	Total	<u>\$7,930,000</u>
(8)	Waterworks Revenue Bonds of 1997	\$540,000
	SRF Loan of 2003	5,835,000
	Sewage Works Revenue Bonds of 2001	1,188,000
	Sewage Works Refunding Revenue Bonds of 1993	345,000
	Waterworks Refunding Revenue Bonds of 1993	<u>115,000</u>
	Total	<u>\$8,023,000</u>
(9)	SRF Loan - 2000	<u>\$240,000</u>
(10)	Sewage Works Bonds of 1992	\$185,000
	SRF Loan of 2006	<u>500,000</u>
	Total	<u>\$685,000</u>
(11)	Sewage Bonds	<u>\$3,200</u>

DEBT RATIOS

The following presents the ratios relative to the property tax supported indebtedness of the taxing units within and overlapping Bartholomew County as of August 9, 2006.

	Direct Property Tax Supported Debt \$24,900,000	Allocable Portion of All Other Property Tax Supported Debt \$93,501,351	Total Direct, Overlapping and Underlying Property Tax Supported Debt \$118,401,351
Per capita (1)	\$338.59	\$1,271.44	\$1,610.03
Percent of net assessed valuation (2)	0.66%	2.49%	3.15%

(1) According to the U.S. Bureau of Census, the population of Bartholomew County is 73,540.

(2) The net assessed valuation of Bartholomew County for taxes payable in 2006 is \$3,751,742,506 according to the Bartholomew County Auditor's office.

HISTORICAL SCHEDULE OF NET ASSESSED VALUATION OF BARTHOLOMEW COUNTY
(As Provided by the Bartholomew County Auditor's Office)

<u>Year</u> <u>Payable</u>	<u>Real Estate</u>	<u>Utilities</u>	<u>Personal</u> <u>Property</u>	<u>Total</u>	<u>True Tax</u> <u>Value</u>
1997	\$534,913,975	\$22,701,470	\$218,872,490	\$776,487,935	\$2,329,463,805
1998	552,980,745	22,995,900	219,606,205	795,582,850	2,386,748,550
1999	576,776,285	23,480,690	230,416,090	830,673,065	2,492,019,195
2000	594,758,425	24,023,670	255,112,321	873,894,416	2,621,683,248
2001	616,035,803	25,332,610	258,358,830	899,727,243	2,699,181,729
2002 (1)	1,874,386,700	79,574,030	648,539,290	2,602,500,020	2,602,500,020
2003 (1)	2,995,187,145	74,902,100	817,284,767	3,887,374,012	3,887,374,012
2004 (1)	3,007,964,967	78,858,860	619,699,633 (2)	3,706,523,460	3,706,523,460
2005 (1)	3,072,640,921	80,310,060	520,964,280 (2)	3,673,915,261	3,673,915,261
2006 (1)	3,121,792,667	66,503,570 (3)	563,446,269	3,751,742,506	3,751,742,506

- (1) Represents true tax value. Previously, net assessed value was at 33 1/3% of true tax value.
- (2) Net assessed valuation decreased in years payable 2004 and 2005 because of the expansion of the Interstate Commerce Exemption for inventory assessments.
- (3) Net assessed value of utilities decreased in year payable 2006 due to appeals filed by Indiana Bell.

NOTE: The real property reassessment effective March 1, 1995, is based upon 1991 costs of land, material and labor, and applies to 1995 taxes payable in 1996 through 2001 taxes payable in 2002. Net assessed valuations represent the assessed value less certain deductions for mortgages, veterans, the aged and the blind, as well as tax-exempt property.

Beginning with 2002 taxes payable in 2003, 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 2002 Real Property Assessment Manual ("Manual"), as incorporated into 50 IAC 2.3, and the 2002 Real Property Assessment Guidelines, Version A ("Guidelines"), as adopted by the DLGF. The Manual defines "true tax value" as "the market value in use of property for its current use, as reflected by the utility received by the owner or a similar user from that property". The Manual permits assessing officials in each county to choose any acceptable mass appraisal method to determine true tax value, taking into consideration the ease of administration and the uniformity of the assessments produced by that method. The Guidelines were adopted to provide assessing officials with an acceptable appraisal 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 that the DLGF uses to determine the acceptability of any alternative appraisal method.

DETAIL OF NET ASSESSED VALUATION OF BARTHOLOMEW COUNTY

As of 2005 for Taxes Payable in 2006

(As Provided by the Bartholomew County Auditor's Office)

Value of Land	\$977,523,580
Value of Improvements	<u>3,274,056,950</u>
Total Value of Real Estate	4,251,580,530
Less: Mortgage Exemptions, Veterans, Blind	
Age 65 & Other Exemptions	(719,402,943)
Nontaxable Property	(402,677,410)
TIF	<u>(7,707,510)</u>
Net Assessed Value of Real Estate	<u>3,121,792,667</u>
Personal Property Other than Business Personal Property	11,055,285
Business Personal Property	659,737,524
Less: Deductions	<u>(107,346,540)</u>
Net Assessed Value of Personal Property	<u>563,446,269</u>
Net Assessed Value of Utility Property	<u>66,503,570</u>
Total Net Assessed Value	<u><u>\$3,751,742,506</u></u>

COMPARATIVE SCHEDULE OF TAX RATES
Per \$100 of Net Assessed Valuation
(As Provided by the Bartholomew County Auditor's Office)

	Year Taxes Payable						
	1997	1998	1999	2000	2001	2002	2003
					(1)	(1)	(1)
Detail of Tax Rate:							
General	\$0.8500	\$0.8000	\$0.7350	\$0.7125	\$0.7408	\$0.2449	\$0.2082
County Welfare	0.0050	0.0046					
Welfare Admin	0.0447	0.0507	0.0490				
Welfare HCl	0.0364	0.0387	0.0376	0.0378	0.0380		
Election	0.0100	0.0100	0.0090	0.0155	0.0099	0.0031	0.0019
Reassessment	0.0200	0.0200	0.0165	0.0157	0.0159	0.0057	0.0042
Bond Redemption	0.1770	0.1450	0.1405	0.1332	0.0990	0.0332	0.0269
Cumulative Bridge	0.1500	0.1500	0.1500	0.1500	0.1500	0.0500	0.0405
County Health	0.0800	0.0800	0.0858	0.0850	0.0877	0.0309	0.0227
Regional Mental Health	0.0400	0.0400	0.0400	0.0400	0.0400	0.0133	0.0133
C.S.H.C.N.	0.0118	0.0124	0.0117	0.0117	0.0117		
Co. Med. Asst. Wards	0.0099	0.0105	0.0102	0.0102	0.0103		
Family & Child Services	0.2461	0.2487	0.2405	0.2312	0.2371		
Totals	\$1.6809	\$1.6106	\$1.5427	\$1.4428	\$1.4404	\$0.3811	\$0.3533
							\$0.3365
							\$0.3148

Total Tax Rate*							
Clay Twp.	\$7.4882	\$7.3949	\$6.8200	\$6.5963	\$6.7091	\$2.2654	\$1.8176
Clifty Twp.	\$7.3482	\$7.3849	\$6.7379	\$6.5502	\$6.9550	\$2.2563	\$1.8274
Columbus Twp.	\$7.5982	\$7.5039	\$6.9759	\$6.6785	\$6.9509	\$2.3851	\$1.8982
Flatrock Twp.	\$7.6004	\$7.8384	\$7.3389	\$7.3532	\$7.3423	\$2.5397	\$1.8652
German Twp.	\$7.4382	\$7.3449	\$6.8298	\$6.6425	\$6.7333	\$2.2807	\$1.8328
Harrison Twp.	\$7.4622	\$7.5069	\$6.8926	\$6.5885	\$6.8695	\$2.3186	\$1.8552
Hawcreek Twp.	\$7.8804	\$8.1184	\$7.6372	\$7.6632	\$7.6430	\$2.6405	\$1.7043
Jackson Twp.	\$7.4132	\$7.3399	\$6.7924	\$6.5802	\$6.7031	\$2.2603	\$1.8190
Ohio Twp.	\$7.3162	\$7.2319	\$6.7118	\$6.5102	\$6.6374	\$2.2553	\$1.8026
Rockcreek Twp.	\$7.5082	\$7.4249	\$6.8774	\$6.6652	\$6.7484	\$2.2802	\$1.8271
Sandcreek Twp.	\$7.4982	\$7.4249	\$6.8512	\$6.6285	\$6.7154	\$2.2761	\$1.8331
Wayne Twp.	\$7.3382	\$7.4149	\$6.8684	\$6.6542	\$6.7734	\$2.2819	\$1.8291
Clifford	\$8.3289	\$8.7084	\$8.2389	\$8.1929	\$8.2307	\$2.9728	\$1.8610
Edinburgh	\$14.5067	\$14.4001	\$12.1683	\$11.8734	\$12.5783	\$4.2287	\$3.3466
Elizabethtown	\$8.4782	\$8.6407	\$7.1810	\$6.4804	\$7.2491	\$2.5121	\$1.9657
Hartsville	\$8.6004	\$8.5584	\$8.1377	\$8.0782	\$8.2952	\$2.9447	\$1.8349
Hope	\$9.5604	\$9.6084	\$9.0203	\$8.9870	\$9.0070	\$3.1487	\$2.0266
Jonesville	\$8.2982	\$8.2549	\$7.5098	\$7.2852	\$7.3270	\$2.4682	\$1.9359
City of Columbus	\$10.2538	\$10.0735	\$9.3344	\$9.1225	\$9.2671	\$3.1243	\$2.6467
German Annex	\$10.2138	\$10.0570	\$9.3384	\$9.1557	\$9.2750	\$3.1202	\$2.6420
Clay Annex	\$10.2938	\$10.1270	\$9.3766	\$9.1507	\$9.2682	\$3.1166	\$2.6389
Flatrock Annex	\$10.3360	\$10.4905	\$9.8394	\$9.8637	\$9.8761	\$3.3775	\$2.4673
Wayne Annex	\$10.2138	\$10.0570	\$9.3284	\$9.1157	\$9.2372	\$3.1068	\$2.6346
Edinburgh Annex	\$13.4369	\$13.2815	\$12.1704	\$11.6967	\$12.4889	\$3.4300	\$2.7997
Harrison Annex	\$10.2048	\$10.0480	\$9.3193	\$9.1058	\$9.2390	\$3.1270	\$2.6445
							\$2.8726
							\$2.9419
							\$2.7895

*Includes tax rates of overlapping taxing units.

(1) Rates represented on a true tax value basis.

SCHEDULE OF NET TAX RATES
As of 2005 for taxes payable in 2006
(According to the Bartholomew County Auditor's Office)

	2006 Gross Tax Rate	2006 Net Tax Rates		
		Real Property Homestead (1)	Real Property Non Homestead (1)	Business Personal Property (1)
Clay Township	\$1.9861	\$1.1607	\$1.3774	\$1.5709
Columbus City - Clay Township	\$2.7848	\$1.5929	\$2.0032	\$2.3699
Clifty Township	\$1.9167	\$1.0848	\$1.3050	\$1.5016
Columbus Township	\$1.9905	\$1.1381	\$1.3691	\$1.5753
Columbus City - Columbus Township	\$2.7918	\$1.5989	\$2.0098	\$2.3766
Flatrock Township	\$2.3014	\$1.4489	\$1.6945	\$1.9137
Columbus City - Flatrock Township	\$3.1791	\$1.9649	\$2.4016	\$3.1791
Clifford Town	\$2.5098	\$1.5568	\$1.8555	\$2.5098
German Township	\$1.9142	\$1.0942	\$1.3081	\$1.4990
Edinburgh Town	\$3.9999	\$2.3097	\$2.9367	\$3.4966
Harrison Township	\$1.9514	\$1.1297	\$1.3445	\$1.5363
Hawcreek Township	\$2.3645	\$1.4926	\$1.7484	\$1.9768
Hartsville Town	\$2.5066	\$1.5549	\$1.8529	\$2.1184
Hope Town	\$2.7420	\$1.7053	\$2.0482	\$2.3543
Jackson Township	\$1.8993	\$1.0736	\$1.2905	\$1.4842
Ohio Township	\$1.9658	\$1.1495	\$1.3614	\$1.5506
Rockcreek Township	\$1.8995	\$1.0792	\$1.2932	\$1.4843
Sandcreek Township	\$1.9131	\$1.0898	\$1.3054	\$1.4979
Elizabethtown Town	\$2.0081	\$1.1297	\$1.3745	\$1.5931
Wayne Township	\$1.9218	\$1.1019	\$1.3157	\$1.5066
Columbus City - Wayne Township	\$2.7794	\$1.5905	\$1.9993	\$2.3642
Jonesville Town	\$2.0463	\$1.1504	\$1.4043	\$1.6311
Edinburgh Town-Bartholomew Sch.	\$3.7532	\$2.1557	\$2.7803	\$3.3380
Columbus City - Harrison Township	\$2.7895	\$1.5965	\$2.0075	\$2.3754

(1) Net of Property Tax Replacement Credit paid by the State of Indiana.

Note: The General Assembly recently enacted legislation providing for a reduction in property tax bills to an amount not to exceed two percent (2%) of a taxpayer's gross assessed valuation (the "Circuit Breaker"). For taxes payable in 2008 and 2009, this limitation will apply to qualified residential taxpayers, which includes residences, residential rental properties and apartments, and will apply to all taxpayers beginning with taxes payable in 2010. Property tax bills are based upon the assessed value, less any exemptions, and the total property tax rate, adjusted for homestead credits funded by the County and property tax replacement credits funded by the State of Indiana.

PROPERTY TAXES ASSESSED AND COLLECTED

The amount of property taxes collected within Bartholomew County for collection years 1996 through 2005 is shown below, including the ratio of total property taxes collected to total property taxes assessed, as reported by the Bartholomew County Auditor's Office.

Year of Collection	Total Taxes, Penalties & Interest Collected					Total Assessed	Percent Collected	Total Financial Institutions and License Excise Taxes Collected (4)
	Local Portion	Replacement Tax Credit (1)	Homestead Tax Credit (2)	Personal Property Tax Reduction Credit (3)	Total Collections			
1996	\$53,286,525	\$10,253,138	\$1,719,405		\$65,259,068	\$65,081,106	100.27%	\$6,997,020
1997	54,910,688	10,337,915	1,246,815		66,495,418	66,061,174	100.66%	7,385,624
1998	59,008,434	10,652,636	2,282,054		71,943,124	70,776,503	101.65%	7,576,636
1999	58,155,913	11,643,500	2,151,472		71,950,885	71,741,686	100.29%	7,534,363
2000	57,814,693	11,477,426	2,249,284	\$2,192,926	73,734,329	70,714,121	104.27%	7,675,038
2001	59,361,559	12,423,266	2,392,348	2,073,353	76,250,526	74,618,997	102.19%	7,832,359
2002	62,382,261	12,673,465	2,529,854		77,585,580	77,064,632	100.68%	7,969,278
2003	63,547,162	25,017,015	2,963,353		91,527,530	92,380,858	99.08%	8,137,999
2004	66,619,935	26,223,403	3,417,168		96,260,506	95,745,170	100.54%	8,234,566
2005	69,328,842	25,129,747	3,374,675		97,833,264	97,649,087	100.19%	8,225,538

(1) Total taxes collected include property tax replacement funds distributed by the State of Indiana to each county in an amount up to approximately 20% of the tax levy. House Bill 1001(SS) adopted by the Indiana General Assembly during its 2002 Special Session increases the replacement credit for taxes payable in 2003 and thereafter, to replace 60% of the general fund levies for school corporations within the County and eliminates all other replacement credits for depreciable personal property.

(2) Homestead Tax Credit paid by the State of Indiana.

(3) Personal Property Tax Credit paid by the State of Indiana for property assessments under \$12,500.

(4) A franchise tax is imposed on all corporations which are transacting the business of a financial institution.

Note: The Indiana General Assembly has enacted legislation, which provides taxpayers with a tax credit for all property taxes in an amount that exceeds two percent (2%) of the gross assessed value of eligible property ("Legislation"). For property taxes due and payable in 2008 and 2009, property eligible for the tax credit ("Circuit Breaker Tax Credit") includes a taxpayer's qualified residential property which includes homesteads, residential rental property and apartment complexes. Beginning with property taxes due and payable in 2010 and thereafter, the property eligible for the Circuit Breaker Tax Credit is expanded to include all personal and real property of every type. The Circuit Breaker Tax Credit will result in a reduction of property tax collections for each political subdivision in which the Circuit Breaker Tax Credit is applied. A political subdivision may not increase its property tax levy or borrow money to make up for any property tax revenue shortfall due to the application of the Circuit Breaker Tax Credit.

LARGE TAXPAYERS

The following is a list of the ten largest taxpayers located within Bartholomew County as provided by the Bartholomew County Treasurer's office and the Department of Local Government Finance.

<u>Name</u>	<u>Type of Business</u>	<u>2005/2006 Net Assessed Valuation</u>	<u>Percent of Total Net Assessed Valuation (1)</u>
Cummins Engine Company, Inc.	Mfg. diesel engines and components	\$227,519,850	6.06%
NTN Driveshaft, Inc.	Mfg. automobile and propeller shafts	100,682,860	2.68%
Arvin Industries	Mfg. automobile parts and accessories	46,054,560	1.23%
Toyota Industrial Equipment	Mfg. fork lift trucks	44,917,816	1.20%
Enkei America, Inc.	Mfg. cast aluminum wheels	32,780,590	0.87%
Indiana Bell	Telephone utility	27,706,270	0.74%
PSI Energy	Electric utility	16,787,600	0.45%
Indiana Gas	Gas utility	12,764,290	0.34%
Wal-Mart	Retail	12,713,390	0.34%
Diamet Corp.	Mfg. powdered metal automotive products	<u>11,598,970</u>	<u>0.31%</u>
Totals		<u>\$533,526,196</u>	<u>14.22%</u>

- (1) The total net assessed valuation of Bartholomew County is \$3,751,742,506 for taxes payable in 2006, according to Bartholomew County Auditor's office.

Note: The following financial statements on pages A-16 through A-17 are excerpts from Bartholomew County's 2002 and 2003 audit reports of the Indiana State Board of Accounts. Complete audits will be furnished upon request.

BARTHOLOMEW COUNTY
COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL, PROPRIETARY AND FIDUCIARY FUND TYPES
As of and for the Year Ended December 31, 2002

	Governmental Fund Types			Proprietary Fund Type		Fiduciary Fund Types		Totals
	General	Special Revenue	Debt Service	Capital Projects	Internal Service	Trust Funds	Agency Funds	
Cash and Investments - January 1	\$5,807,530	\$6,034,376	\$138,294	\$1,407,420	\$207,911	\$4,654,839	\$8,097,224	\$26,347,594
Operating Receipts:								
Taxes	13,451,284	5,950,425	1,049,180	1,432,961				21,883,850
Special Assessments		63,164		84				63,248
Licenses and Permits	141,313	67,830						209,143
Intergovernmental	676,123	4,823,017		159,533				5,658,673
Charges for Services	767,445	1,480,492						2,247,937
Fines and Forfeits	464,284	685,337						1,149,621
Other	6,480,713	233,324	3,550	18,738	2,329,644	369,263		9,435,232
Total Operating Receipts	21,981,162	13,303,589	1,052,730	1,611,316	2,329,644	369,263		40,647,704
Transfers in	50,142	101,347		39,511				191,000
Agency Fund Additions							229,009,031	229,009,031
Total Receipts	22,031,304	13,404,936	1,052,730	1,650,827	2,329,644	369,263	229,009,031	269,847,735
Operating Disbursements:								
General Government	11,031,990	1,660,455			2,319,748	13,226		15,012,193
Public Safety	7,301,778	2,620,710						9,935,714
Highways and Streets		2,714,311						2,714,311
Health and Welfare	386,487	5,774,240						6,160,727
Culture and Recreation	122,970	27,929						150,899
Retirement and Pensions						14,784		14,784
Capital Outlay				1,693,221				1,693,221
Debt Service:								
Principal								960,304
Interest and Paying Agent Fees			960,304					203,696
Net Realized Losses on Investments			203,696					326,407
Total Operating Disbursements	18,843,225	12,797,645	1,164,000	1,693,221	2,319,748	326,407		37,172,256
Transfers Out	32,054	91,986		66,960				191,000
Agency Fund Deductions							221,711,614	221,711,614
Total Disbursements	18,875,279	12,889,631	1,164,000	1,760,181	2,319,748	354,417	221,711,614	259,074,870
Excess (Deficiency) of Total Receipts Over (Under) Total Disbursements	3,156,025	515,305	(111,270)	(109,354)	9,896	14,846	7,297,417	10,772,865
Cash and Investments, December 31	\$8,963,555	\$6,549,681	\$27,024	\$1,298,066	\$217,807	\$4,669,685	\$15,394,641	\$37,120,459

BARTHOLOMEW COUNTY

COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL, PROPRIETARY AND FIDUCIARY FUND TYPES

As of and for the Year Ended December 31, 2003

	Governmental Fund Types			Proprietary Fund Type	Fiduciary Fund Types		Totals
	General	Special Revenue	Debt Service	Capital Projects	Internal Service	Trust Funds	Agency Funds
Cash and Investments - January 1	\$8,963,555	\$6,549,681	\$27,024	\$1,298,066	\$217,807	\$4,669,685	\$15,394,641
Operating Receipts:							
Taxes	15,275,273	7,204,845	1,163,901	1,900,671			25,544,690
Special Assessments		64,721					64,721
Licenses and Permits	146,626	34,170					180,796
Intergovernmental	601,172	6,187,576		48,090			6,836,838
Charges for Services	807,441	1,475,452					2,282,893
Fines and Forfeits	377,100	646,586					1,023,686
Other	2,438,060	317,665	296	17,044	2,749,633	416,620	5,939,318
Total Operating Receipts	19,645,672	15,931,015	1,164,197	1,965,805	2,749,633	416,620	41,872,942
Other Receipts		64,770					64,770
Interfund Loan Proceeds			517,117				517,117
Interfund Loan Payments Received	517,117						517,117
Transfers in		11,947		18,933			30,880
Agency Fund Additions						276,069,014	276,069,014
Total Receipts	20,162,789	16,007,732	1,681,314	1,984,738	2,749,633	416,620	319,071,840
Operating Disbursements:							
General Government	9,011,625	1,703,653			2,730,898		13,446,176
Public Safety	8,053,972	2,562,941			274,716	67,396	10,959,025
Highways and Streets		3,316,484					3,316,484
Health and Welfare	147,200	6,946,045					7,093,245
Culture and Recreation	218,950	3,128					222,078
Retirement and Pensions						14,784	14,784
Capital Outlay				245,267			245,267
Debt Service:							
Principal			1,038,388				1,038,388
Interest and Paying Agent Fees			125,612				125,612
Total Operating Disbursements	17,431,747	14,532,251	1,164,000	245,267	3,005,614	82,180	36,461,059
Other Disbursements		335,212					335,212
Interfund Loan Payments	517,117		517,117				517,117
Interfund Loans Made	3,000	20,155		7,725			517,117
Transfers Out							30,880
Agency Fund Deductions						287,306,457	287,306,457
Total Disbursements	17,951,864	14,887,618	1,681,117	252,992	3,005,614	82,180	325,167,842
Excess (Deficiency) of Total Receipts Over (Under) Total Disbursements	2,210,925	1,120,114	197	1,731,746	(255,981)	334,440	(6,096,002)
Cash and Investments, December 31	\$11,174,480	\$7,669,795	\$27,221	\$3,029,812	(\$38,174)	\$5,004,125	\$31,024,457

The following schedules on pages A-18 through A-23 contain limited and unaudited financial information which is presented solely for the purpose of conveying a statement of cash and investment balances for Bartholomew County. Consequently, these schedules do not include all disclosures required by generally accepted accounting principles.

BARTHOLOMEW COUNTY

STATEMENT OF RECEIPTS AND DISBURSEMENTS - 2004

(Unaudited)

	Beginning Balance <u>1/1/2004</u>	<u>Receipts</u>	<u>Disbursements</u>	Ending Balance <u>12/31/2004</u>
General Fund	\$11,174,480	\$18,495,115	\$19,874,197	\$9,795,398
Adult Probation Services	248,252	260,467	300,155	208,564
Children with Special Health Needs		216,753		216,753
Clerk's Perpetuation		102,966	11,793	91,173
Comm Corr Project Income	191,359	473,320	464,147	200,532
Comm Corrections - Home Detention	78,537	233,925	195,564	116,898
Drug Free Community	111,026	60,104	59,586	111,544
Election Board	168,225	87,759	138,830	117,154
Emergency Telephone System	473,258	965,656	980,801	458,113
Family and Children	1,676,583	4,450,090	3,954,875	2,171,798
General Drain	300,676	19,102	111,138	208,640
Health	404,370	1,372,235	1,220,946	555,659
Health Maintenance	44,144	30,000	24,926	49,218
Highway	765,638	2,606,003	2,627,822	743,819
Homeland Security		367,735	264,872	102,863
Local Road and Street	856,200	613,044	645,646	823,598
Misdemeanant Fund	131,842	46,791	41,098	137,535
Property Reassessment	342,705	456,151	40,803	758,053
Recorder's Records Perpetuation	79,532	104,092	93,142	90,482
Riverboat Wagering Tax	181,264	450,451	505,936	125,779
Telecomm Non-Revert	546,690	67,567	354,144	260,113
User Fee	365,755	184,880	152,457	398,178
Visitor Promotion	131,610	801,348	790,000	142,958
Debt Service Fund	27,221	1,550,506	1,027,519	550,208
Cumulative Bridge	2,722,031	1,939,660	2,055,588	2,606,103
Inheritance Tax	317,385	1,485,183	1,548,151	254,417
Surplus Tax	132,903	141,046	152,454	121,495
Surplus Tax Sale	32,460	1,101,882	344,051	790,291
Other	1,432,584	1,212,422	1,476,124	1,168,882
Totals	<u>\$22,936,730</u>	<u>\$39,896,253</u>	<u>\$39,456,765</u>	<u>\$23,376,218</u>

BARTHOLOMEW COUNTY

DETAIL OF GENERAL FUND RECEIPTS AND DISBURSEMENTS - 2004

(Unaudited)

Receipts:

Taxes:

General Property Taxes	\$10,037,945
Property Tax Replacement Credit	599,534
Commercial Vehicle Excise Tax	53,743
Financial Institution Tax	19,899
Inheritance Tax	125,704
County Option Income Tax	4,102,116

Intergovernmental Revenue:

Liquor Excise Tax	3,907
Fed. Disaster Grants	54,189
Fed Grants - IVD Program	344,744
State Grants - Other	52,642

Charges for Services:

County Home Care of Residents	437,307
County Recorder	265,860
County Sheriff	120,212
Planning Commission	11,597
Other	129,723

Fines and Forfeits:

Court Costs	365,326
Other	11,688

Miscellaneous Revenue:

Interest Earned	245,963
Rental of Property	5,325
Miscellaneous Revenue	46,095
Insurance Reimbursements	65,253
Refunds	681,979
Reimbursements	76,294
Telephone Collections	17,946
Other	620,124

Total Receipts	<u>\$18,495,115</u>
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(Continued on next page)

BARTHOLOMEW COUNTY

(Cont'd)

DETAIL OF GENERAL FUND RECEIPTS AND DISBURSEMENTS - 2004

Disbursements:		
Auditor	\$	338,642
Treasurer		230,151
Recorder		133,335
Surveyor		303,303
Coroner		58,776
Assessor		168,170
Registration of Voters		91,414
County Coop Extension Service		203,169
Clerk		506,745
Police Department		2,810,632
Law Department		2,096,050
Jail		1,773,873
County Council		71,087
Board of County Commissioners		6,646,173
Youth Center		1,254,198
Emergency Services		108,451
Building Maintenance		920,702
Enhanced 911		145,323
Parks Department		151,095
Other		<u>1,862,908</u>
Total Disbursements		<u>19,874,197</u>
Net increase/(decrease)		(1,379,082)
Beginning balance		<u>11,174,480</u>
Ending balance		<u>\$9,795,398</u>

BARTHOLOMEW COUNTY

STATEMENT OF RECEIPTS AND DISBURSEMENTS - 2005

(Unaudited)

	Beginning Balance <u>1/1/2005</u>	<u>Receipts</u>	<u>Disbursements</u>	Ending Balance <u>12/31/2005</u>
General Fund	\$9,795,398	\$18,572,751	\$18,826,215	\$9,541,934
Adult Probation Services	208,564	362,702	374,639	196,627
Children with Special Health Needs	216,753	222,366	261,595	177,524
Clerk's Perpetuation	91,173	27,631	37,845	80,959
Comm Corr Project Income	200,532	387,805	467,864	120,473
Comm Corrections - Home Detention	116,898	310,674	284,369	143,203
Drug Free Community	111,544	44,330	70,735	85,139
Election Board	117,154	234,256	10,787	340,623
Emergency Telephone System	458,113	986,230	1,031,235	413,108
Family and Children	2,171,798	4,374,057	4,812,418	1,733,437
HAVA/Title III		285,293		285,293
General Drain	208,640	39,012	27,950	219,702
Health	555,659	1,409,502	1,320,563	644,598
Health Maintenance	49,218	39,630	29,966	58,882
Highway	743,819	2,636,970	2,880,221	500,568
Homeland Security	102,863		102,863	
Local Road and Street	823,598	545,605	642,263	726,940
Misdemeanant Fund	137,535		44,250	93,285
Property Reassessment	758,053	221,035	229,414	749,674
Recorder's Records Perpetuation	90,482	97,693	86,395	101,780
Riverboat Wagering Tax	125,779	450,451	269,691	306,539
Telecomm Non-Revert	260,113	80,525	10,756	329,882
User Fee	398,178	185,062	159,373	423,867
Visitor Promotion	142,958	881,416	790,000	234,374
Debt Service Fund	550,208	11,228		561,436
Cumulative Bridge	2,606,103	2,022,555	1,973,955	2,654,703
Inheritance Tax	254,417	1,911,731	1,577,930	588,218
Surplus Tax	121,495	147,026	100,678	167,843
Surplus Tax Sale	790,291	119,645	599,833	310,103
Other	1,168,882	828,594	865,896	1,131,580
Totals	<u>\$23,376,218</u>	<u>\$37,435,775</u>	<u>\$37,889,699</u>	<u>\$22,922,294</u>

BARTHOLOMEW COUNTY

DETAIL OF GENERAL FUND RECEIPTS AND DISBURSEMENTS - 2005

(Unaudited)

Receipts:

Taxes:

General Property Taxes	\$10,372,258
Commercial Vehicle Excise Tax	66,448
Financial Institution Tax	17,751
Inheritance Tax	126,094
County Option Income Tax	4,504,418

Licenses and Permits:

Building and Planning Permits	142,873
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Intergovernmental Revenue:

Liquor Excise Tax	5,073
Fed. Disaster Grants	12,944
Fed Grants - IVD Program	411,978

Charges for Services:

Planning Commission	11,137
Other	262,482

Fines and Forfeits:

Fines and Fees	35,140
Court Costs	355,743
Other	80,691

Miscellaneous Revenue:

Interest Earned	682,347
Rental of Property	6,665
Insurance Reimbursements	49,586
Refunds	547,478
Reimbursements	117,225
Other	764,420

Total Receipts	<u>\$18,572,751</u>
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(Continued on next page)

BARTHOLOMEW COUNTY

(Cont'd)

DETAIL OF GENERAL FUND RECEIPTS AND DISBURSEMENTS - 2005

Disbursements:

Auditor	\$325,659
Treasurer	261,403
Recorder	137,900
Surveyor	298,225
Coroner	54,553
Assessor	167,480
Registration of Voters	122,653
County Coop Extension Service	220,432
Clerk	462,053
Police Department	2,637,047
Law Department	2,179,165
Jail	3,134,593
County Council	84,049
Board of County Commissioners	6,252,303
Emergency Services	92,595
Building Maintenance	1,028,565
Enhanced 911	124,006
Parks Department	220,448
Other	<u>1,023,086</u>
Total Disbursements	<u>18,826,215</u>
Net increase/(decrease)	(253,464)
Beginning balance	<u>9,795,398</u>
Ending balance	<u><u>\$9,541,934</u></u>

PENSION LIABILITIES

Employees of Bartholomew County have pensions funded under the Public Employees Retirement Fund (PERF) of the State of Indiana. Provided below is a statement of funded accrued liabilities as reported by PERF computed on the basis of amortized cost. At July 1, 2005, the County had 273 employees covered by PERF. The employer contribution for the twelve months ended December 31, 2005 was \$443,325.

	<u>Pension Liabilities</u>	<u>2006 Employer Percent of Contribution</u>
Bartholomew County	\$668,060	5.00%

The execution of this Official Statement is duly authorized.

BARTHOLOMEW COUNTY BUILDING CORPORATION

By: /s/ James Paris
President

Attest:

 /s/ Marvin Burbrink
Secretary

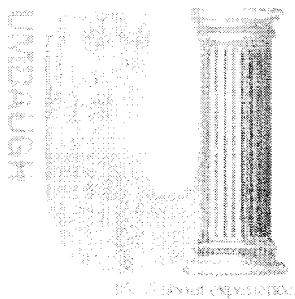
BARTHOLOMEW COUNTY, INDIANA
BOARD OF COMMISSIONERS

By: /s/ Carl Lienhoop
President

Attest:

 /s/ Nancy McKinney
Auditor

APPENDIX B



H. L. T. B. B. & A. B. B.
8000 Corporate Drive, Suite 300
Columbus, IN 47201-6798
Phone: (317) 466-1500
Fax: (317) 466-1500
Website: www.bcb.com

September 1, 2006

Bartholomew County Commissioners
Government Office Building
440 3rd Street
Columbus, IN 47201-6798

In connection with the issuance of \$24,900,000 principal amount of Lease Rental Bonds of 2006 by the Bartholomew County Building Corporation to finance an addition and renovation to the existing County Jail, we have, at your request, compiled this special purpose report including the following schedules:

Page(s)

B-2 - B-3	General Comments
B-4	Summary of Estimated Project Costs and Funding
B-5	Schedule of Amortization of \$24,900,000 Principal Amount of Lease Rental Bonds of 2006
B-6	Estimated Annual Lease Rental Tax Rates

In the preparation of these schedules, assumptions were made as noted regarding certain future events. As is the case with such assumptions regarding future events and transactions, some or all may not occur as expected and the resulting differences could be material. We have not examined the underlying assumptions nor have we audited or reviewed the historical data. Consequently, we express no opinion thereon nor do we have a responsibility to prepare subsequent reports.

BARTHOLOMEW COUNTY BUILDING CORPORATION
Bartholomew County, Indiana

GENERAL COMMENTS

The Bartholomew County Building Corporation (the “Building Corporation”) is issuing \$24,900,000 of Lease Rental Bonds of 2006 (the “Bonds”) for the purposes of financing the renovation and the construction and equipping of an addition to the existing Bartholomew County Jail, to pay interest during construction and to pay issuance expenses (the “Project”).

Semiannual lease rental payments (the “Lease Rental”), paid under a lease (the “Lease”) entered into between the Building Corporation and Bartholomew County, Indiana (the “County”), will be paid in amounts that will enable the Building Corporation to pay the principal, interest and fiscal agency fees on the Bonds over a period of approximately twenty years and four months. The Lease Rental will be paid directly to the trustee bank pursuant to a Trust Indenture dated as of September 1, 2006 (the “Trust Indenture”).

The Bonds are payable solely from Lease Rental payments. The Lease Rental payments are payable from ad valorem property taxes levied on all taxable property in the County in an amount sufficient to pay the semiannual lease rental payments as they become due. *For additional information concerning the security and the Bonds, refer to the Lease and the Trust Indenture. Summaries of these documents are provided in Appendices C and D of this Official Statement.*

Summary of Estimated Project Costs and Funding - Page B-4

The Project costs are presented in this schedule, including the construction costs, equipment, bond issuance expense, contingency, interest expense, interest earnings and allowance for Underwriter’s discount.

Interest on the Bonds is to be capitalized through the July 15, 2008, payment date. Lease Rental is scheduled to begin on the date that the Project is completed and ready for occupancy, or January 1, 2009, whichever is later. Interim Lease Rental payments are scheduled to begin on July 1, 2007, and will continue through and including July 1, 2008.

The proceeds of \$24,900,000 of Lease Rental Bonds of 2006, and interest earnings are the major sources of funding.

Schedule of Amortization of \$24,900,000 Principal Amount of Lease Rental Bonds of 2006 - Page B-5

The amortization of \$24,900,000 of Lease Rental Bonds of 2006 is presented in this schedule. The Bonds are to be dated September 14, 2006, and mature over a period of twenty years and four months with the final bonds due January 15, 2027. The Bonds are amortized based on actual interest rates determined through competitive bidding.

(Continued on next page)

BARTHOLOMEW COUNTY BUILDING CORPORATION
Bartholomew County, Indiana

(Cont'd)

GENERAL COMMENTS

Schedule of Amortization of \$24,900,000 Principal Amount of Lease Rental Bond of 2006 - Page B-5 (cont'd)

The Lease provides for a maximum annual lease rental amount of \$2,183,000. However, the Lease Rental amounts have been reduced to the amount of principal and interest due in each twelve-month period ending on January 15th rounded upward to the next \$1,000, plus \$5,000 for payment of fiscal agency charges.

Estimated Annual Lease Rental Tax Rates - Page B-6

This schedule presents the annual lease rental amounts and resulting estimated debt service tax rates based upon interest rates shown on page B-5. The estimated debt service tax rate is based upon the County's net assessed valuation for 2005 taxes payable in 2006.

The Indiana General Assembly has enacted legislation, which provides taxpayers with a tax credit for all property taxes in an amount that exceeds two percent (2%) of the gross assessed value of eligible property ("Circuit Breaker Tax Credit"). For property taxes due and payable in 2008 and 2009, property eligible for the Circuit Breaker Tax Credit includes a taxpayer's qualified residential property which includes homesteads, residential rental property and apartment complexes. Beginning with property taxes due and payable in 2010 and thereafter, the property eligible for the Circuit Breaker Tax Credit is expanded to include all personal and real property of every type. The Circuit Breaker Tax Credit will result in a reduction of property tax collections for each political subdivision in which the Circuit Breaker Tax Credit is applied. A political subdivision may not increase its property tax levy or borrow money to make up for any property tax revenue shortfall due to the application of the Circuit Breaker Tax Credit.

The Department of Local Government Finance ("DLGF") has taken an administrative position that existing law requires taxing units to fully fund any levies for the payment of outstanding debt service or lease rental obligations regardless of any reduction in property tax collections due to the application of the Circuit Breaker Tax Credit. The DLGF's position is that property taxes collected by a political subdivision must first be applied to pay debt service or lease rental obligations on all outstanding bonds or lease rental revenue bonds. If property tax collections are insufficient to fully fund debt service or lease rental levies due to the Circuit Breaker Tax Credit, the DLGF has indicated that taxing units must use non-property tax revenues or revenues from property tax levies for other funds (including operating) to offset revenue loss to the debt service fund.

BARTHOLOMEW COUNTY, INDIANA

County Jail Project

SUMMARY OF ESTIMATED PROJECT COSTS AND FUNDING

<u>Estimated Project Costs:</u>	<u>Building Corporation</u>	<u>County</u>	<u>Total Costs</u>
Construction costs (1)	\$18,705,407	\$3,500,000	\$22,205,407
Contingency	952,651		952,651
Soils Testing	9,000		9,000
QC Testing	50,000		50,000
Architect fee		1,204,000	1,204,000
Owner's representative	256,000	96,000	352,000
Sub-total	19,973,058	4,800,000	24,773,058
Equipment	88,000		88,000
Purchase of Leased Premises	4,800,000	(4,800,000) (5)	0
Capitalized interest during construction:			
Interest expense (2)	2,009,692		2,009,692
Interest earnings (3)	(812,000)		(812,000)
Interim lease rental (4)	(1,650,000)		(1,650,000)
Underwriter's discount	311,250		311,250
Estimated issuance costs and contingencies	180,000		180,000
Total Estimated Project Costs	<u>\$24,900,000</u>	<u>\$0</u>	<u>\$24,900,000</u>
<u>Estimated Project Funding:</u>			
Lease Rental Bonds of 2006	<u>\$24,900,000</u>	<u>\$0</u>	<u>\$24,900,000</u>
Total Estimated Project Funding	<u>\$24,900,000</u>	<u>\$0</u>	<u>\$24,900,000</u>

(1) Based upon information provided by RQAW.

(2) Consists of interest through and including July 15, 2008.

(3) Assumes interest earnings of 4.0% for 20 months.

(4) Consists of Interim Lease Rental payments on July 1, 2007, January 1, 2008 and July 1, 2008.

(Subject to the comments in the attached letter
dated September 1, 2006, of Umbaugh)

BARTHOLOMEW COUNTY, INDIANA

County Jail Project

**SCHEDULE OF AMORTIZATION OF \$24,900,000 PRINCIPAL AMOUNT OF
LEASE RENTAL BONDS OF 2006**
Bonds dated September 14, 2006

Payment Date	Principal Balance	Principal	Interest Rate	Interest	Total Principal & Interest	Capitalized Interest	Net Debt Service	Annual Debt Service	Annual Lease Rental
1/15/2007	\$24,900,000			\$367,886.22	\$367,886.22	(\$367,886.22)	\$0.00	\$0.00	
7/15/2007	24,900,000			547,268.75	547,268.75	(547,268.75)	0.00		
1/15/2008	24,900,000			547,268.75	547,268.75	(547,268.75)	0.00	0.00	\$1,100,000
7/15/2008	24,900,000			547,268.75	547,268.75	(547,268.75)	0.00		
1/15/2009	24,900,000	\$445,000	4.250%	547,268.75	992,268.75		992,268.75	992,268.75	1,545,000
7/15/2009	24,455,000	455,000	4.250%	537,812.50	992,812.50		992,812.50		
1/15/2010	24,000,000	465,000	4.250%	528,143.75	993,143.75		993,143.75	1,985,956.25	1,991,000
7/15/2010	23,535,000	475,000	4.250%	518,262.50	993,262.50		993,262.50		
1/15/2011	23,060,000	485,000	4.250%	508,168.75	993,168.75		993,168.75	1,986,431.25	1,992,000
7/15/2011	22,575,000	495,000	4.250%	497,862.50	992,862.50		992,862.50		
1/15/2012	22,080,000	505,000	4.250%	487,343.75	992,343.75		992,343.75	1,985,206.25	1,991,000
7/15/2012	21,575,000	520,000	4.250%	476,612.50	996,612.50		996,612.50		
1/15/2013	21,055,000	530,000	4.250%	465,562.50	995,562.50		995,562.50	1,992,175.00	1,998,000
7/15/2013	20,525,000	540,000	4.250%	454,300.00	994,300.00		994,300.00		
1/15/2014	19,985,000	550,000	4.250%	442,825.00	992,825.00		992,825.00	1,987,125.00	1,993,000
7/15/2014	19,435,000	565,000	4.250%	431,137.50	996,137.50		996,137.50		
1/15/2015	18,870,000	575,000	4.250%	419,131.25	994,131.25		994,131.25	1,990,268.75	1,996,000
7/15/2015	18,295,000	585,000	4.250%	406,912.50	991,912.50		991,912.50		
1/15/2016	17,710,000	600,000	4.250%	394,481.25	994,481.25		994,481.25	1,986,393.75	1,992,000
7/15/2016	17,110,000	615,000	4.250%	381,731.25	996,731.25		996,731.25		
1/15/2017	16,495,000	625,000 (1)	4.375%	368,662.50	993,662.50		993,662.50	1,990,393.75	1,996,000
7/15/2017	15,870,000	640,000 (1)	4.375%	354,990.63	994,990.62		994,990.62		
1/15/2018	15,230,000	655,000 (2)	4.375%	340,990.63	995,990.63		995,990.63	1,990,981.25	1,996,000
7/15/2018	14,575,000	665,000 (2)	4.375%	326,662.50	991,662.50		991,662.50		
1/15/2019	13,910,000	680,000 (3)	4.375%	312,115.63	992,115.62		992,115.62	1,983,778.12	1,989,000
7/15/2019	13,230,000	695,000 (3)	4.375%	297,240.63	992,240.63		992,240.63		
1/15/2020	12,535,000	710,000 (4)	4.500%	282,037.50	992,037.50		992,037.50	1,984,278.13	1,990,000
7/15/2020	11,825,000	730,000 (4)	4.500%	266,062.50	996,062.50		996,062.50		
1/15/2021	11,095,000	745,000 (5)	4.500%	249,637.50	994,637.50		994,637.50	1,990,700.00	1,996,000
7/15/2021	10,350,000	760,000 (5)	4.500%	232,875.00	992,875.00		992,875.00		
1/15/2022	9,590,000	780,000 (6)	4.500%	215,775.00	995,775.00		995,775.00	1,988,650.00	1,994,000
7/15/2022	8,810,000	795,000 (6)	4.500%	198,225.00	993,225.00		993,225.00		
1/15/2023	8,015,000	815,000 (7)	4.500%	180,337.50	995,337.50		995,337.50	1,988,562.50	1,994,000
7/15/2023	7,200,000	830,000 (7)	4.500%	162,000.00	992,000.00		992,000.00		
1/15/2024	6,370,000	850,000	4.500%	143,325.00	993,325.00		993,325.00	1,985,325.00	1,991,000
7/15/2024	5,520,000	870,000	4.500%	124,200.00	994,200.00		994,200.00		
1/15/2025	4,650,000	890,000 (8)	4.500%	104,625.00	994,625.00		994,625.00	1,988,825.00	1,994,000
7/15/2025	3,760,000	910,000 (8)	4.500%	84,600.00	994,600.00		994,600.00		
1/15/2026	2,850,000	930,000 (8)	4.500%	64,125.00	994,125.00		994,125.00	1,988,725.00	1,994,000
7/15/2026	1,920,000	950,000 (8)	4.500%	43,200.00	993,200.00		993,200.00		
1/15/2027	970,000	970,000 (8)	4.500%	21,825.00	991,825.00		991,825.00	1,985,025.00	1,991,000
Totals		<u>\$24,900,000</u>		<u>\$13,880,761.22</u>	<u>\$38,780,761.22</u>	<u>(\$2,009,692.47)</u>	<u>\$36,771,068.75</u>	<u>\$36,771,068.75</u>	<u>\$38,523,000</u>

(1) \$1,265,000 of Term Bonds due July 15, 2017.

(2) \$1,320,000 of Term Bonds due July 15, 2018.

(3) \$1,375,000 of Term Bonds due July 15, 2019.

(4) \$1,440,000 of Term Bonds due July 15, 2020.

(5) \$1,505,000 of Term Bonds due July 15, 2021.

(6) \$1,575,000 of Term Bonds due July 15, 2022.

(7) \$1,645,000 of Term Bonds due July 15, 2023.

(8) \$4,650,000 of Term Bonds due January 15, 2027.

(Subject to the comments in the attached letter
dated September 1, 2006, of Umbaugh)

BARTHOLOMEW COUNTY, INDIANA

County Jail Project

ESTIMATED ANNUAL LEASE RENTAL TAX RATES

<u>Budget Year</u>	<u>Annual Lease Rental</u>	<u>Tax Levy</u>	<u>Estimated Assessed Value</u>	<u>Estimated Tax Rate</u>
	(1)	(2)	(3)	
2007	\$1,100,000	\$1,012,000	\$3,751,742,506	\$0.0270
2008	1,545,000	1,421,400	3,751,742,506	0.0379
2009	1,991,000	1,831,720	3,751,742,506	0.0488
2010	1,992,000	1,832,640	3,751,742,506	0.0488
2011	1,991,000	1,831,720	3,751,742,506	0.0488
2012	1,998,000	1,838,160	3,751,742,506	0.0490
2013	1,993,000	1,833,560	3,751,742,506	0.0489
2014	1,996,000	1,836,320	3,751,742,506	0.0489
2015	1,992,000	1,832,640	3,751,742,506	0.0488
2016	1,996,000	1,836,320	3,751,742,506	0.0489
2017	1,996,000	1,836,320	3,751,742,506	0.0489
2018	1,989,000	1,829,880	3,751,742,506	0.0488
2019	1,990,000	1,830,800	3,751,742,506	0.0488
2020	1,996,000	1,836,320	3,751,742,506	0.0489
2021	1,994,000	1,834,480	3,751,742,506	0.0489
2022	1,994,000	1,834,480	3,751,742,506	0.0489
2023	1,991,000	1,831,720	3,751,742,506	0.0488
2024	1,994,000	1,834,480	3,751,742,506	0.0489
2025	1,994,000	1,834,480	3,751,742,506	0.0489
2026	<u>1,991,000</u>	<u>1,831,720</u>	3,751,742,506	0.0488
Totals	<u>\$38,523,000</u>	<u>\$35,441,160</u>		

- (1) Lease Rentals will be payable July 1st and January 1st,
beginning with interim Lease Rentals July 1, 2007. See page B-5.
- (2) Assumes financial institutions/license excise factor of 8%.
- (3) The Net Assessed Value per the 2005 pay 2006 abstract.

(Subject to the comments in the attached letter
dated September 1, 2006, of Umbaugh)

APPENDIX C

SUMMARY OF THE LEASE

The following is a summary of certain provisions of the Lease and does not purport to comprehensively describe that document in its entirety.

Construction and Equipping of the Lease Premises

The Corporation is to cause the Leased Premises to be completed in accordance with the contract documents and the plans and specifications which have been prepared by or at the direction of the Corporation and approved by the County and applicable agencies. The plans and specifications may be changed at any time prior to the completion of the Leased Premises by mutual agreement of the Corporation and the County, except that such changes may not alter the character of the building or reduce the value thereof.

Lease Term and Rental Payments

The Lease is for a twenty-three (23) year term which commences on the date on which the Project is ready for use and occupancy, and expires on the date which is twenty-three (23) years later. The Lessee agrees to pay interim lease rentals, by each rental payment date, for that portion of the Leased Premises currently occupied by the Lessee at a rate of \$672,500 semiannually on each January 1 and July 1 ("Interim Rentals") commencing on July 1, 2007 and ending on the day that all Leased Premises are complete and ready for occupancy or January 1, 2009, whichever is later ("Interim Period"). At the end of the Interim Period, by each rent payment date, the County will pay rental for the Leased Premises at the rate of \$2,183,000 in semiannual installments of \$1,091,500 on each January 1 and July 1, commencing at the end of the Interim Period. The date all of the Leased Premises are substantially completed and ready for occupancy shall be endorsed on the end of the Lease by the parties thereto as soon as can be done after such completion. The endorsement shall be recorded as an addendum to the Lease. The lease rental shall be reduced following the sale of the Corporation's Bonds to an amount not less than the multiple of \$1,000 next higher than the sum of principal and interest due on such bonds in each bond year ending on a bond payment date plus \$5,000, payable in equal semiannual installments. Such amount of reduced annual rental shall be endorsed at the end of the Lease by the parties thereto as soon as can be done after the sale of the bonds. The endorsement shall be recorded as an addendum to the Lease.

Rent Abatement and Rental Value Insurance

If the Leased Premises or a portion thereof are damaged or destroyed whether by fire or any other casualty, or is taken under the exercise of the power of eminent domain, the rent payable by the County shall be abated or reduced, provided there is rental value insurance in force as required by the Lease. The rent shall be totally abated during that portion of the Lease term that the Leased Premises is unfit or unavailable for occupancy. Such abatement shall be in proportion to the percentage of floor area which is unfit or unavailable for occupancy.

Maintenance, Leasehold Improvements, Alterations and Repairs

The County assumes all responsibility for maintenance, repairs and alterations to the Leased Premises. The County reserves the right to make leasehold improvements to the Leased Premises in the form of equipment. Upon full discharge and performance by the County of its obligations under the Lease, the leasehold improvements shall become the absolute property of the County pursuant to the provisions of the Lease. The County shall deliver the Leased Premises to the Corporation in as good condition as at the beginning of the term, reasonable wear and tear only excepted. Equipment or other personal property which becomes worn out or obsolete may be discarded or sold by the County. The proceeds of the sale of any personal property shall be paid to the Trustee. The County may trade in any obsolete or worn out personal property on replacement property which replacement property will belong to the County upon payment to the Trustee of an amount equal to the trade-in value of such property. The County need not replace worn out or obsolete personal property, but may replace such property at its own expense, and the replacement property shall belong to the County.

Insurance

The County is required to carry at its own expense, property insurance on the Leased Premises against physical loss or damage to the Leased Premises, however caused, with such exceptions as are ordinarily required by insurers of buildings or facilities of a similar type, in an amount equal to 100% of the full replacement cost of the Leased Premises. Any property insurance policy shall be so written or endorsed as to make any losses payable to the Corporation or to such other person or persons as the Corporation under the Lease may designate.

During the full term of the Lease, the County is required to 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. The insurance will protect against physical losses or damages similar to those covered under the property insurance policy held by the County.

Additional Rental Payments

The County is to pay, as further rent, taxes and assessments lawfully assessed or levied against or with respect to the Leased Premises. The County may, at its own expense, in good faith contest any such taxes and assessments. The County shall also pay as additional rent, any amount required by the Corporation to rebate to the United States Government to prevent the Corporation's bonds from becoming arbitrage bonds.

General Covenants

The County shall not assign the Lease or sublet the Leased Premises without the written consent of the Corporation. In the Lease, the County has covenanted to use and maintain the Leased Premises in accordance with the laws and ordinances of the United States of America, the State of Indiana, and all other proper governmental authorities. The County covenants that in any contracts entered into by the County providing for the use of the Leased Premises which involve the conduct of a separate trade or business, (a) the Leased Premises would be used only (i) by a Governmental Unit within the meaning of Section 141 of the Internal Revenue Code of 1986, as amended, or (ii) by non-Governmental Units on the same basis as other members of the

general public or (b) would not in the aggregate result in payments to the County in an amount in excess of 5% of the principal of and interest on the bonds issued under the Indenture.

Option to Renew

The County has an option to renew the Lease for a further like or lesser term upon the same terms and conditions provided in the Lease.

Option to Purchase

The County has the option to purchase the Leased Premises on any rental payment date at a price which is sufficient to allow the Corporation to liquidate by paying or providing for the payment in full of the then outstanding bonds pursuant to the redemption provisions.

Defaults

The Lease provides that either of the following constitutes an "event of default" under the Lease:

(a) Failure to pay any rentals or other sums payable to the Corporation under the Lease, or failure to pay any other sum therein required to be paid to the Corporation; or

(b) Failure to observe any other covenant, agreement or condition under the Lease, and such default shall continue for sixty (60) days after written notice to correct the same.

Remedies

On the occurrence of an event of default under the Lease, the Corporation may proceed to protect and enforce its rights by suit or suits in equity or at law in any court of competent jurisdiction, whether for specific performance or any covenant or agreement contained therein, or for the enforcement of any other appropriate legal or equitable remedy; or the Corporation, at its option, without further notice, may terminate the estate and interest of the County thereunder, and it shall be lawful for the Corporation forthwith to resume possession of the Leased Premises and the County covenants to surrender the same forthwith upon demand. The exercise by the Corporation of the right to terminate the Lease shall not release the County from the performance of any obligation thereof maturing prior to the Corporation's actual entry into possession. No waiver by the Corporation of any right to terminate this Lease upon any default shall operate to waive such right upon the same or other default subsequently occurring.

APPENDIX D

SUMMARY OF CERTAIN PROVISIONS OF THE TRUST INDENTURE

The following is a brief summary of certain provisions of the Trust Indenture, dated as of August 1, 2006 and does not purport to comprehensively describe that document in its entirety.

Application of Bond Proceeds

Proceeds in an amount equal to capitalized interest on the Bonds through and including July 15, 2008 shall be deposited in the Bond Interest Account of the Construction Fund. Proceeds in an amount equal to costs of issuance shall be deposited in the Bond Issuance Expense Account of the Construction Fund. The remaining proceeds of the Bonds shall be deposited in the Construction Account of the Construction Fund and used to pay costs of construction.

Construction Fund, Sinking Fund, Operation and Reserve Fund and Rebate Fund

There are created under the Trust Indenture the following funds: (1) the Bartholomew County Building Corporation Construction Fund ("Construction Fund"); (2) the Bartholomew County Building Corporation Sinking Fund ("Sinking Fund"); (3) the Bartholomew County Building Corporation Operation and Reserve Fund ("Operation and Reserve Fund"); and (4) the Bartholomew County Building Corporation Rebate Fund ("Rebate Fund").

The Construction Fund will be used to finance the Project, to pay costs of issuance of the Bonds and to pay interest on the Bonds during construction. Any moneys remaining in the Construction Fund one year after completion of the Project will be transferred to the Sinking Fund and used to pay the next succeeding interest payments on the Bonds.

The Trustee shall deposit in the Sinking Fund created pursuant to the Trust Indenture, from each rental payment received, the lesser of (1) all of such payment or (2) an amount which, when added to the amount already on deposit, equals the unpaid interest on the Bonds due within twenty (20) days after the due date of such rental payment and the unpaid principal and mandatory sinking fund redemption payment of the Bonds due within twenty (20) days after the due date of such rental payment. Any portion of a rental payment remaining after such deposit shall be deposited by the Trustee in the Operation and Reserve Fund. The Trustee shall from time to time pay from the Sinking Fund the principal of the Bonds at maturity or upon mandatory sinking fund redemption and the interest as it falls due.

The Operation and Reserve Fund shall be used only: (a) to pay necessary incidental expenses of the Corporation, including Trustee's fees; (b) if the amount in the Sinking Fund at any time is less than the required amount, to transfer funds to the Sinking Fund in an amount sufficient to raise the amount in the Sinking Fund to the required amount; (c) if the Bonds are called for redemption, to pay the principal, interest, and redemption premium, if any, on the Bonds; (d) to purchase Bonds in the open market; (e) the cost of the County complying with any Continuing Disclosure Undertaking Agreement with respect to the Bonds; and (f) if the amount in the Rebate Fund is less than the rebate amount, to transfer funds to the Rebate Fund. The incidental expenses may be paid by the Trustee upon the presentation of an affidavit executed by two executive officers of the Corporation or the Lessor Representative together with the creditor's statement as to the amount owing.

The Rebate Fund shall be used to make any rebate to the United States of America required to prevent the Bonds from becoming "arbitrage bonds" under the Code. The Corporation shall be required to calculate or cause to be calculated the amount of such rebate ("Rebate Amount") at the end of the construction period and every five (5) years thereafter. In the alternative, the Corporation may elect to pay the penalty required by Section 148(f)(4)(C)(vii) of the Code. In that event, the Corporation shall compute or cause to be computed each six months, the amount of such penalty and provide the Trustee a copy of such calculation. In either event, the Trustee is to deposit the amount so calculated to the credit of the Rebate Fund from the Construction Fund, the Operation and Reserve Fund or investment earnings on the Sinking Fund. The Trustee is further required to pay the Rebate Amount or penalties in lieu of rebate together with all investment earnings thereon to the United States of America, in the amount and at such times as shall be advised by the Corporation or nationally recognized bond counsel as required by the Code or applicable regulations.

Whenever the amounts contained in the Sinking Fund and the Operation and Reserve Fund are sufficient, together with all other funds deposited with the Trustee by the Corporation (other than deposits to the Rebate Fund), to redeem, upon the next redemption date, all the Bonds secured by the Trust Indenture then outstanding, the Trustee shall apply the amounts in such Funds to the redemption of such Bonds pursuant to the Trust Indenture.

Investment of Funds

Any income or interest realized upon any such investment during construction shall be deposited in the Construction Account of the Construction Fund. After the filing of the Affidavit of Completion, the interest earnings shall be credited to the Fund or Account from which the moneys were invested. Securities purchased with moneys from the Sinking Fund shall mature prior to the time the moneys invested will be needed to pay the amounts which must be paid from such funds. Moneys in the Construction Fund and Sinking Fund shall be invested without restriction as to yield during an applicable temporary period pending their use. Moneys in the Operation and Reserve Fund after 30 days of the date of deposit shall be invested at a yield not exceeding the yield on the Bonds.

Covenants

The Corporation covenants, among other things that:

(a) it has entered into a valid and binding lease of the Project to the County, and that a full, true and correct copy of the Lease is on file with the Trustee; that construction will begin promptly upon receipt by the Trustee of Bond proceeds and that it will complete such construction with all expedition practicable in accordance with the plans and specifications referred to in the Lease;

(b) it will faithfully perform all provisions contained in each Bond and the Trust Indenture and will punctually pay the principal of and interest on the Bonds;

(c) it will promptly make, execute, and deliver all indentures supplemental to the Trust Indenture and to take all action deemed advisable and necessary by the Trustee for the better securing of the Bonds;

(d) it now has and will preserve good title to the property;

(e) it will maintain the priority of the lien created under the Trust Indenture, that it will not permit any waste of said property, and that it will at all times maintain the property in good working condition;

(f) it will maintain proper books and records and: (i) furnish statements showing earnings, expenses and financial condition of the Corporation and such information as the Trustee may reasonably request, (ii) on or before April 1 of each calendar year, file with the Trustee, a certificate signed by officers of the Corporation stating that all insurance premiums required under the Trust Indenture have been paid by the Corporation and that all taxes then due have been paid, subject to permissible contests, (iii) upon the request of any bondholder, will request from the Lessee the current financial statements of the Lessee for review by the bondholder;

(g) it will not incur any indebtedness payable from the Lease other than the Bonds permitted by the Trust Indenture and additional bonds, as long as the Bonds are outstanding;

(h) it will, upon any default in payment of lease rentals, bring suits to mandate the levy of a tax on all taxable property in the County to pay rents under the Lease or to take such other appropriate action necessary to enforce and collect the rentals due;

(i) the proceeds of the Bonds, any moneys received from lease rentals payable according to the Lease, amounts received from the investment of the proceeds of the Bonds or other amounts received shall not be invested in such manner which would cause the Bonds to be arbitrage bonds within the meaning of Section 148 of the Code; and

(j) in order to preserve the exclusion of interest on the Bonds from gross income for federal income tax purposes and as an inducement to purchasers of the Bonds, the Corporation represents, covenants and agrees that:

(i) No Bond proceeds will be loaned to any nongovernmental entity or person. No Bond proceeds will be transferred, directly or indirectly, or deemed transferred to a nongovernmental person in any manner that would in substance constitute a loan of the Bond proceeds.

(ii) The Corporation will, to the extent necessary to preserve the exclusion of interest on the Bonds from gross income for federal income tax purposes, rebate all required arbitrage profits on Bond proceeds or other moneys treated as Bond proceeds or pay the penalty in lieu of rebate to the United States of America and will set aside such moneys in the Rebate Fund to be held by the Trustee in trust for such purpose.

(iii) The Corporation will not take any action nor fail to take any action with respect to the Bonds that would result in the loss of the exclusion from gross

income for federal income tax purposes of interest on the Bonds pursuant to Section 103 of the Code, nor will the Corporation act in any other manner which would adversely affect such exclusion.

Insurance

The Corporation covenants that during construction of the Project it will carry or cause other persons to carry the following kinds of risks insurance (a) builder's risk insurance in the amount of 100% of the insurable value of such projects against physical loss or damage, and (b) bodily injury and property damage insurance for damages for bodily injury, including accidental death, as well as claims for property damages which may arise from such construction.

The Corporation further covenants that all contracts for the construction of the Project will or do require the contractor to carry such insurance as will protect the contractor from liability under the Indiana Worker's Compensation and Worker's Occupational Diseases Act.

The Corporation covenants to carry or cause to be carried the following kinds of insurance after completion of construction: (a) physical loss or damage insurance on the Project in the amount of 100% of the full replacement cost of the Project, and (b) rental value insurance against physical loss or damage for a period of two years.

The proceeds of any insurance shall be applied by the Corporation to the repair, replacement or reconstruction of any damaged or destroyed property, if the cost of such repair, replacement or reconstruction does not exceed the proceeds of insurance. In addition, the Trustee may repair, replace, or reconstruct the Project if the Corporation fails to do so. If, at any time, the Project is totally or substantially destroyed, and the amount of insurance moneys received on account thereof by the Trustee is sufficient to redeem all of the outstanding Bonds, the Corporation with the written approval of the Lessee may direct the Trustee to use said money for the purpose of calling for redemption all of the bonds issued and then outstanding under the Trust Indenture at the then current redemption price.

Events of Default and Remedies

Events of default under the Trust Indenture include: (i) failure to pay the principal of any of the bonds; (ii) failure to pay interest on the bonds as it becomes due and payable; (iii) occurrence of certain events of bankruptcy or insolvency of the Corporation; (iv) default in the performance or observance of any other of the covenants, agreements or conditions by the Corporation under the Trust Indenture and the continuance of such default for sixty (60) days after written notice; (v) failure of the Corporation to bring suit to mandate the levy a tax to pay the rentals provided under the Lease; and (vi) nonpayment of the lease rental within 60 days of when due as provided under the Lease.

Upon the occurrence of one or more events of default, the Corporation, upon demand of the Trustee, shall forthwith surrender the possession of all the Leased Premises and to hold, operate and manage the same, and from time to time make all needful repairs, extensions, additions or improvements as to the Trustee shall seem wise; to receive rents, revenues, issues, earnings, income, profits and out of the same pay all proper costs and expenses, including reasonable compensation to the Trustee, any charges of the Trustee under the Trust Indenture, any taxes and assessments and other charges prior to the lien of the Trust Indenture which the

Trustee may deem it wise to pay, and to 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, next, if the principal of the Bonds is due, to the payment of the principal thereof and the accrued interest thereon pro rata

Upon the occurrence of one or more events of default, the Trustee may, and shall upon written request of the holders of at least twenty-five percent (25%) in principal amount of the Bonds then outstanding and upon being indemnified to its reasonable satisfaction, pursue any available remedy by suit at law or in equity, whether for specific performance of any covenant or agreement contained in the Trust Indenture or in aid of any power granted therein, or for any foreclosure of the Trust Indenture, or for the enforcement of any other appropriate legal or equitable remedy.

Upon the occurrence of an event of default under the Trust Indenture and upon the filing of judicial proceedings to enforce the rights of the Trustee and of the bondholders, the Trustee shall be entitled, as a matter of right, to the appointment of a receiver of the Project and of the rents, revenues, issues, earnings, income and proceeds thereof pending such proceedings, with such powers as the court making such appointment shall confer, whether or not the Project shall be deemed sufficient ultimately to satisfy the indebtedness hereby secured.

Upon the happening and continuance of any event of default, the Trustee may, by notice in writing mailed to the Corporation, may declare the principal amount of and interest accrued on all outstanding Bonds immediately due and payable; subject, however, to the rights of the holders of the majority in principal amount of all the outstanding Bonds to annul such declaration if all such events have been cured, all arrears of interest have been paid and all other indebtedness secured by the Trust Indenture except the principal and interest not then due has also been paid.

Supplemental Indentures

The Corporation and the Trustee may, without obtaining the approval of the holders of the Bonds, enter into supplemental indentures to cure any ambiguity or formal defect or omission in the Trust Indenture; or to grant to the Trustee for the benefit of such holders any additional rights, remedies, powers, authority or security that may be lawfully granted.

The holders of not less than 66-2/3% in aggregate principal amount of the Bonds then outstanding shall have the right, from time to time except when contrary to the Trust Indenture, to approve the execution by the Corporation and the Trustee of such supplemental indentures, except no supplemental indenture shall permit:

- (a) An extension of the maturity of the principal of or interest on any Bond;
- (b) A reduction in the principal amount of any Bond or the redemption premium or the rate of interest;
- (c) The creation of a lien upon the Rent taking priority or on a parity with the lien created by the Trust Indenture;

- (d) A preference or priority of any Bond or Bonds over any other Bond or Bonds;
- (e) A reduction in the aggregate principal amount of the Bonds required for consent to supplemental indentures; or
- (f) A reduction in the Reserve Requirement.

If the owners of not less than sixty-six and two-thirds percent (66-2/3%) in aggregate principal amount of the bonds outstanding at the time of the execution of such supplemental indenture shall have consented to and approved the execution thereof as provided in the Trust Indenture, no owner of any bond shall have any right to object to the execution of such supplemental indenture or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or the Corporation from executing the same, or from taking any action pursuant to the provisions thereof.

Upon the execution of any supplemental indenture pursuant to the provisions of the Trust Indenture, the Trust Indenture shall be, and shall be deemed, modified and amended in accordance therewith, and the respective rights, duties and obligations under the Trust Indenture of the Corporation, the Trustee, and all owners of bonds then outstanding shall thereafter be determined, exercised and enforced hereunder, subject in all respects to such modifications and amendments.

Possession Until Default, Defeasance, Payment, Release

Subject to the rights of the Trustee and the holders of the Bonds in the event of the occurrence and continuance of an event of default, the Corporation shall have the right at all times, as proper management of the business of the Corporation may require, to alter, change, add to, repair or replace any of the property constituting a part of the Project, provided that the Corporation shall maintain and preserve the value of the Project from substantial impairment or reduction so that the security of the Bonds shall not be thereby substantially impaired or reduced.

The Trustee may release from the lien and operation of the Trust Indenture such portion of the Leased Premises as shall have become unfit or unnecessary for use. If new property is purchased or acquired in substitution for the Leased Premises so released, the new property shall become subject to the lien and the operation of the Trust Indenture. If no new property is purchased with the proceeds of any sale within ninety (90) days after the receipt of the proceeds, the proceeds shall be deposited in the Operation and Reserve Fund.

The Corporation may pay and discharge the entire indebtedness on all Bonds outstanding:

- (a) by paying the whole amount of the principal and interest and the premium if any, due and payable upon all of the Bonds then outstanding; or
- (b) by depositing with the Trustee (i) sufficient money, or (ii) direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America in amounts sufficient to pay or redeem all Bonds outstanding.

If the whole amount of the principal, premium, if any, and interest so due and payable upon all of the Bonds then outstanding shall be paid or provision made for payment, then the right, title and interest of the Trustee shall thereupon cease, terminate and become void. Upon termination of the Trustee's title, the Trustee shall release the Trust Indenture and return to the Corporation any surplus in the Sinking Fund and Operation and Reserve Fund and any other funds other than moneys held for redemption or payment of Bonds.

APPENDIX E

September 14, 2006

Griffin, Kubik, Stephens & Thompson, Inc.
Chicago, Illinois

Re: Bartholomew County Building Corporation
Lease Rental Bonds of 2006
Total Issue: \$24,900,000
Original Date: September 14, 2006

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by the Bartholomew County Building Corporation ("Issuer") of \$24,900,000 of its Lease Rental Bonds of 2006 ("Bonds"), issued pursuant to IC 36-1-10 and IC 6-3.5-1.1 (collectively, "Act") and a Trust Indenture, dated as of August 1, 2006 ("Indenture"), between the Issuer and MainSource Bank located in Portland, Indiana, as Trustee ("Trustee"). We have examined the law, the certified transcript of proceedings and other papers as we deem necessary to render this opinion.

We have relied upon the certified transcript of proceedings and other certificates of public officials furnished to us, including the Issuer's and Bartholomew County, Indiana's ("County") tax covenants and representations (collectively, "Tax Representations"), and we have not undertaken to verify any facts by independent investigation. We have also relied upon a commitment for title insurance as to title to the real estate described in the Indenture.

Based on our examination, we are of the opinion, as of the date hereof, as follows:

1. The lease between the Issuer, as lessor, and the County, as lessee, dated as of May 11, 2006 ("Lease"), has been duly entered into in accordance with the provisions of the Act, and is a valid and binding lease, enforceable against the Issuer and the County in accordance with its terms. Lease rentals ("Lease Rentals"), are payable from the County's ad valorem property tax levied on all taxable property in the territory of the County; however, the County's collection of the levy may be limited by operation of IC 6-1.1-20.6, which provides taxpayers with a tax credit for all property taxes in an amount that exceeds two percent (2%) of the gross assessed value of the eligible property ("2% Cap"). For property taxes payable in 2008 and 2009, the 2% Cap is automatically applied only to a taxpayer's qualified residential property which includes homesteads, residential rental property and apartment complexes. Beginning with property taxes due and payable in 2010 and thereafter, the 2% Cap applies to all personal and real property of every type. The Issuer may not be able to levy and collect additional property taxes to make up this shortfall. Interim Lease Rentals will commence on July 1, 2007 and end on the day that all Leased Premises (as defined by the Lease Agreement) are complete and ready for occupancy or January 1, 2009, whichever is later ("Interim Period"). Lease rentals will begin at the end of the Interim Period and are payable semiannually on January 1 and July 1 of each year.

2. The Issuer has duly authorized, sold, executed and delivered the Bonds and has duly authorized and executed the Indenture securing the Bonds. The Bonds are the valid and binding limited obligations of the Issuer enforceable in accordance with their terms, and are payable from and secured by the trust estate described in the Indenture.

3. Under statutes, decisions, regulations and rulings existing on this date, the interest on the Bonds is exempt from income taxation in the State of Indiana ("State"). This opinion relates only to the exemption of interest on the Bonds from State income taxation.

4. Under federal statutes, decisions, regulations and rulings existing on this date, the interest on the Bonds is excludable from gross income for purposes of federal income taxation pursuant to Section 103 of the Internal Revenue Code of 1986, as amended ("Code"). This opinion relates only to the exclusion from gross income of interest on the Bonds for federal income tax purposes under Section 103 of the Code and is conditioned upon compliance by the Issuer and the County with the Tax Representations. Failure to comply with the Tax Representations could cause interest on the Bonds to lose the exclusion from gross income for federal income tax purposes retroactive to their date of issue.

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

It is to be understood that the rights of the owners of the Bonds and the enforceability of the Bonds and the Indenture, as well as the rights of the Issuer, the County and the Trustee and the enforceability of the Lease, may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and that their enforcement may be subject to the exercise of judicial discretion in accordance with general principles of equity. It is to be understood that the rights of the owners of the Bonds and the enforceability of the Bonds and the Indenture, as well as the rights of the Issuer, the County and the Trustee and the enforceability of the Lease, may be subject to the valid exercise of the constitutional powers of the Issuer, the County, the State and the United States of America.

Very truly yours,

TAX MATTERS

In the opinion of Ice Miller LLP, Indianapolis, Indiana, Bond Counsel, under existing laws, regulations, judicial decisions and rulings, interest on the Bonds is excludable from gross income under Section 103 of the Internal Revenue Code of 1986, as amended ("Code") for federal income tax purposes. This opinion relates only to the exclusion from gross income of interest on the Bonds for federal income tax purposes under Section 103 of the Code and is conditioned on continuing compliance by the Issuer with the Tax Covenants (hereinafter defined). Failure to comply with the Tax Covenants could cause interest on the Bonds to lose the exclusion from gross income for federal income tax purposes retroactive to the date of issue. In the opinion of Ice Miller LLP, Indianapolis, Indiana, Bond Counsel, under existing laws, regulations, judicial decisions and rulings, interest on the Bonds is exempt from income taxation in the State of Indiana ("State"). This opinion relates only to the exemption of interest on the Bonds for State income tax purposes. See the form of opinion of Bond Counsel.

The Code imposes certain requirements which must be met subsequent to the issuance of the Bonds as a condition to the exclusion from gross income of interest on the Bonds for federal income tax purposes. The Issuer will covenant not to take any action, within its power and control, nor fail to take any action with respect to the Bonds that would result in the loss of the exclusion from gross income for federal income tax purposes of interest on the Bonds pursuant to Section 103 of the Code (collectively, "Tax Covenants"). The Trust Indenture, the Lease and certain certificates and agreements to be delivered on the date of delivery of the Bonds establish procedures to permit compliance with the requirements of the Code. It is not an event of default under the Trust Indenture or the Lease if interest on the Bonds is not excludable from gross income for federal tax purposes or otherwise pursuant to any provision of the Code which is not in effect on the issue date of the Bonds.

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

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

Although Bond Counsel will render an opinion that interest on the Bonds is excluded from federal gross income and exempt from State income tax, the accrual or receipt of interest on the Bonds may otherwise affect a bondholder's federal income tax or state tax liability. The nature and extent of these other tax consequences will depend upon the bondholder's particular tax status and a bondholder's other items of income or deduction. Taxpayers who may be affected by such other tax consequences include, without limitation, financial institutions, certain insurance companies, S corporations, certain foreign corporations, individual recipients of Social Security or railroad retirement benefits and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry the Bonds. Bond Counsel expresses no opinion regarding any other such tax consequences. Prospective purchasers of the Bonds should consult their own tax advisors with regard to the federal and State tax consequences of owning the Bonds other than those consequences set forth in the form of opinion of Bond Counsel.

ORIGINAL ISSUE DISCOUNT

The initial public offering price of the Bonds maturing on July 15, 2019 and July 15, 2022 through and including January 15, 2027 (collectively, "Discount Bonds") is less than the principal amount payable at maturity. As a result the Discount Bonds will be considered to be issued with original issue discount. The difference between the initial public offering price of the Discount Bonds, as set forth on the cover page of this Official Statement (assuming it is the first price at which a substantial amount of that maturity is sold) (the "Issue Price" for such maturity), and the amount payable at maturity of the Discount Bonds will be treated as "original issue discount." A taxpayer who purchases a Discount Bond in the initial public offering at the Issue Price for such maturity and who holds such Discount Bond to maturity may treat the full 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 and will not, under present federal income tax law, realize taxable capital gain upon payment of the Discount Bond at maturity.

The original issue discount on each of the Discount Bonds is treated as accruing daily over the term of such 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).

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.

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

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

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

Owners of Discount Bonds should consult their own tax advisors with respect to the state and local tax consequences of owning the Discount Bonds. It is possible under the applicable provisions governing the determination of state or local income taxes 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 offering price of the Bonds maturing on January 15, 2009 through and including July 15, 2018 and July 15, 2020 (collectively, "Premium Bonds"), is greater than the principal amount payable at maturity. As a result, the Premium Bonds will be considered to be issued with amortizable bond premium ("Bond Premium"). An owner who acquires a Premium Bond in the initial public offering of the Bonds will be required to adjust the owner's basis in the Premium Bond downward as a result 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 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 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 Premium Bonds.

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

APPENDIX F

CONTINUING DISCLOSURE
UNDERTAKING AGREEMENT

This UNDERTAKING AGREEMENT ("Agreement") is made as of _____, 2006, between Bartholomew County, Indiana, a political subdivision of the State of Indiana ("Obligor") and _____, a [national] banking and financial institution organized under the laws of the [State of Indiana] [United States of America] ("Counterparty"), for the purpose of permitting _____ ("Underwriters") to purchase the Bartholomew County Building Corporation's ("Corporation") \$ _____ of Lease Rental Bonds of 2006, dated _____, 2006 ("Bonds"), issued pursuant to a Trust Indenture dated as of August 1, 2006 between the Corporation and _____, as trustee ("Indenture"), in compliance with the Securities and Exchange Commission ("SEC") Rule 15c2-12 ("SEC Rule") as published in the Federal Register on November 17, 1994.

WHEREAS, the Corporation has issued its Bonds pursuant to the Indenture; and

WHEREAS, pursuant to a Lease Agreement, between the Corporation, as lessor, and the Obligor, as lessee, dated May 11, 2006 ("Lease"), the Obligor is required to pay lease rentals, which rentals will be used to pay the principal and interest due on the Bonds; and

WHEREAS, the Obligor is an Obligated Person (as defined in the SEC Rule) because the lease rental payments due under the Lease are the only source of funds (other than bond proceeds held under the Indenture) pledged to pay the principal and interest due on the Bonds;

NOW, THEREFORE, IT IS AGREED BY THE PARTIES HERETO AS FOLLOWS:

1. Definitions. The words and terms defined in this Agreement shall have the meanings herein specified unless the context or use clearly indicates another or different meaning or intent. Those words and terms not expressly defined herein and used herein with initial capitalization where rules of grammar do not otherwise require capitalization, shall have the meanings assigned to them in the SEC Rule.

- (1) "Bondholder" or "holder" or any similar term, when used with reference to a Bond or Bonds, means any person who shall be the registered owner of any outstanding Bond, or the holders of beneficial interests in the Bonds.
- (2) "DisclosureUSA" shall mean the Internet-based electronic filing system created by the Municipal Advisory Council of Texas for the purpose of facilitating compliance by issuers and obligated persons (both as defined in the SEC Rule) with continuing disclosure agreements entered into to satisfy the obligations of underwriters (as defined in the SEC Rule) under the SEC Rule. The web address of DisclosureUSA is www.DisclosureUSA.org. Further information regarding DisclosureUSA can be obtained from:

Municipal Advisory Council of Texas
P.O. Box 2177
Austin, TX 78768-2177

or

600 West 8th Street
Austin, TX 78701

Tel.: (512) 476-6947
Fax: (512) 476-6403
Internet: www.mactexas.com
Email: mac@mactexas.com

- (3) "Final Official Statement" means the Official Statement, dated as of _____, 2006, relating to the Bonds, including any document included by specific reference to such document previously provided to each NRMSIR and to the Indiana state information depository then in existence, if any ("SID"), or filed with the Municipal Securities Rulemaking Board ("MSRB").
- (4) "NRMSIR" means a nationally recognized municipal securities information repository which is designated as such at any point in time by the SEC. The current NRMSIR's are listed on Exhibit A attached hereto.
- (5) "Obligated Person" means any person, including an issuer of municipal securities, who is either generally or through an enterprise, fund, or account of such person committed by contract or other arrangement to support payment of the obligations on the Bonds (other than providers of municipal bond insurance, letters of credit, or other liquidity facilities), for which Annual Information (as defined in Section 5 hereof) is presented in the Official Statement. All Obligated Persons with respect to the Bonds are identified in Section 5 below.
- (6) "SID" means the Indiana state information depository, if any, in existence from time to time

2. Term. The term of this Agreement is from the date of delivery of the Bonds by the Obligor to the earlier of (i) the date of the last payment of principal or redemption price, if any, of, and interest to accrue on, all the Bonds, or (ii) the date the Bonds are defeased under the Indenture, or (iii) the date of rescission as described in Section 13.

3. Obligated Persons. The Obligor hereby represents and warrants as of the date hereof that it is the only Obligated Person with respect to the Bonds. If the Obligor, at its sole discretion, determines that it is no longer an Obligated Person, this Agreement shall no longer apply to the Obligor.

4. Provision of Financial Information. (a) The Obligor hereby undertakes to provide the following financial information:

- (1) To each NRMSIR and to the SID, when and if available, the audited financial statements of the Obligor as prepared and examined by the State

Board of Accounts for each twelve-month period ending December 31, beginning with the twelve month period ending December 31, 2006 together with the opinion of such accountants and all notes thereto, within sixty (60) days of receipt from the State Board of Accounts; and

- (2) To each NRMSIR and to the SID, within 180 days of each December 31, beginning with the calendar year ending December 31, 2006, unaudited annual financial information for the Obligor for such calendar year including (i) unaudited financial statements of the Obligor, and (ii) operating data of the type included under the following headings in the Final Official Statement (collectively, "Annual Information"):

APPENDIX A

GENERAL ECONOMIC AND FINANCIAL INFORMATION

- Historical Schedule of Net Assessed Valuation of Bartholomew County
- Detail of Net Assessed Valuation of Bartholomew County
- Property Taxes Assessed and Collected
- Comparative Schedule of Tax Rates
- Schedule of Net Tax Rates
- Large Taxpayers
- Statements of Receipts and Disbursements

(b) If any Annual Information or audited financial statements relating to the Obligor referred to in paragraph (a) of this Section 4 no longer can be generated because the operations to which they related have been materially changed or discontinued, a statement to that effect, provided by the Obligor to each NRMSIR and to the SID, along with any other Annual Information or audited financial statements required to be provided under this Agreement, shall satisfy the undertaking to provide such Annual Information or audited financial statements. To the extent available, the Obligor shall cause to be filed along with the other Annual Information or audited financial statements operating data similar to that which can no longer be provided.

(c) The disclosure may be accompanied by a certificate of an authorized representative of the Obligor in the form of Exhibit B attached hereto.

(d) The Obligor agrees to make a good faith effort to obtain Annual Information. However, failure to provide audited financial statements or portions of Annual Information because it is unavailable through circumstances beyond the control of the Obligor shall not be deemed to be a breach of this Agreement. The Obligor further agrees to supplement the Annual Information filing when such data is available.

(e) Annual Information or audited financial statements required to be provided pursuant to this Section 4 may be provided by a specific reference to such Annual Information or audited financial statements already prepared and previously provided to each NRMSIR and the SID, or filed with the SEC; however, if such document is a final official statement, it must also be available from the MSRB.

5. Accounting Principles. The financial information will be prepared on a cash basis as prescribed by the State Board of Accounts, as in effect from time to time, as described in the auditors' report and notes accompanying the audited financial statements of the Obligor or those mandated by state law from time to time. The audited financial statements of the Obligor, as described in Section 3(a)(1) hereof, will be prepared in accordance with generally accepted accounting principles and Government Auditing Standards issued by the Comptroller General of the United States.

6. Material Events. The Obligor undertakes to disclose in a timely manner the occurrence of only the following events, if material (which determination of materiality shall be made by the Obligor in accordance with the standards established by federal securities laws), to each NRMSIR or to the MSRB, and to the SID:

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults;
- (3) unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) substitution of credit or liquidity providers, or their failure to perform;
- (6) adverse tax opinions or events affecting the tax-exempt status of the Bonds;
- (7) modifications to the rights of Bondholders;
- (8) Bond calls (other than scheduled mandatory sinking fund redemptions for which notice is given in accordance with the Indenture);
- (9) defeasances;
- (10) release, substitution or sale of property securing repayment of the Bonds; and
- (11) rating changes.

The Obligor may from time to time choose to provide notice of the occurrence of any other event, in addition to those listed above, if, in the judgment of the Obligor, such other event is material with respect to the Bonds and should be disclosed, but the Obligor does not commit to provide any such notice of the occurrence of any material event except those events set forth above. The disclosure may be accompanied by a certificate of an authorized representative of the Obligor in the form of Exhibit B attached hereto.

7. Notice to Counterparty. The Obligor hereby agrees to provide to the Counterparty a copy of any Annual Information, audited financial statements, material event notice, or notice of failure to disclose Annual Information which it files or causes to be filed under Sections 4, 6 and 9 hereof, respectively, concurrently with or prior to such filing. Except as provided in Section 11, the Counterparty's receipt of any information, statements or notices pursuant to this Section 7 shall impose on the Counterparty no duties of disclosure or dissemination with respect to such information or notices.

8. Use of Agent. The Obligor may, at its sole discretion, utilize an agent ("Dissemination Agent") in connection with the dissemination of any information required to be provided by the Obligor pursuant to the terms of this Agreement. If a Dissemination Agent is selected for these purposes, the Obligor shall provide prior written notice thereof (as well as notice of replacement or dismissal of such agent) to the Counterparty and to each NRMSIR, the SID, and the MSRB.

Further, the Obligor may, at its sole discretion, retain counsel or others with expertise in securities matters for the purpose of assisting the Obligor in making judgments with respect to the scope of its obligations hereunder and compliance therewith, all in order to further the purposes of this Agreement.

9. Failure to Disclose. If, for any reason, the Obligor fails to provide the audited financial statements or Annual Information as required by this Agreement, the Obligor shall provide notice of such failure in a timely manner to each NRMSIR or to the MSRB, and to the SID.

10. Remedies.

(a) The purpose of this Agreement is to enable the Underwriters to purchase the Bonds by providing for an undertaking by the Obligor in satisfaction of the SEC Rule. This Agreement is solely for the benefit of the holders of the Bonds and creates no new contractual or other rights for, nor can it be relied upon by, the SEC, underwriters, brokers, dealers, municipal securities dealers, potential customers, other Obligated Persons or any other third party. The sole remedy against the Obligor for any failure to carry out any provision of this Agreement shall be for specific performance of the Obligor's disclosure obligations hereunder and not for money damages of any kind or in any amount or for any other remedy. The Obligor's failure to honor its covenants hereunder shall not constitute a breach or default of the Bonds, the Indenture or any other agreement to which the Obligor is a party.

(b) The purpose of this Agreement is to enable the Underwriter to purchase the Bonds by providing for an undertaking by the Obligor in satisfaction of the SEC Rule. This Agreement is solely for the benefit of the Bondholders and creates no new contractual or other rights for, nor can it be relied upon by, the SEC, underwriters, brokers, dealers, municipal securities dealers, potential customers, other Obligated Persons or any other third party. The sole remedy against the Obligor for any failure to carry out any provision of this Agreement shall be for specific performance of the Obligor's disclosure obligations hereunder and not for money damages of any kind or in any amount or for any other remedy. The Obligor's failure to honor its covenants hereunder shall not constitute a breach or default of the Bonds, the Indenture or any other agreement to which the Obligor is a party.

(c) Subject to paragraph (e) of this Section 10, if the Obligor fails to provide any information required of it by the terms of this Agreement, any Bondholder may pursue the remedy set forth in the preceding paragraph in any court of competent jurisdiction in the county in which the Obligor is located. An affidavit to the effect that such person is a Bondholder supported by reasonable documentation of such claim shall be sufficient to evidence standing to pursue this remedy.

(d) Subject to paragraph (e) of this Section 10, any challenge to the adequacy of the information provided by the Obligor by the terms of this Agreement may be pursued only by holders of not less than 25% in principal amount of Bonds then outstanding in any court of competent jurisdiction in the county in which the Obligor is located. An affidavit to the effect that such persons are holders of Bonds supported by

reasonable documentation of such claim shall be sufficient to evidence standing to pursue the remedy set forth in the preceding paragraph.

(e) The Counterparty, upon indemnification satisfactory to it and demand by those persons it reasonably believes to be holders of Bonds, may also pursue the remedy set forth in paragraph (a) above in any court of competent jurisdiction in the county in which the Obligor is located. The Counterparty shall have no obligation to pursue any remedial action in the absence of a valid demand from holders of Bonds and indemnification satisfactory to it.

(f) Prior to pursuing any remedy under this Section, a holder of Bonds or the Counterparty shall give notice to the Obligor, the Corporation and the Counterparty, via registered or certified mail, of such breach and its intent to pursue such remedy. Fifteen (15) days after mailing of such notice, and not before, a holder of Bonds or the Counterparty may pursue such remedy under this Section. The Obligor's failure to honor its covenants hereunder shall not constitute a breach or default of the Bonds, the Indenture, the Lease or any other agreement to which the Obligor or Building Corporation is a party.

11. Counterparty's Obligations. The Counterparty hereto shall have no obligation to take any action whatsoever with respect to information provided by the Obligor under this Agreement, except (i) as set forth in this Section 11 and (ii) any obligations arising from the Counterparty serving as a Dissemination Agent, and no implied covenants or obligations shall be read into this Agreement against the Counterparty. Further, except as set forth in this Section 10, the Counterparty hereto shall have no responsibility to ascertain the truth, completeness, accuracy, or timeliness of the information provided as required hereunder by the Obligor, nor as to its sufficiency for purposes of compliance with the SEC Rule or the requirements of this Agreement.

The Counterparty may, at its sole discretion, retain counsel or others with expertise in continuing disclosure matters for the purpose of assisting the Counterparty in making judgments with respect to the scope of its obligations hereunder and compliance therewith.

If the Counterparty has not received the Annual Information by the date which is ten (10) days before the date set forth in Section 4(a)(2) of this Agreement, the Counterparty shall notify the Obligor, via registered or certified mail, that it has not received such Annual Information. However, a failure by the Counterparty to provide (or any delay in providing) any notice required by this paragraph shall not: (i) operate to relieve the Obligor of its obligation to provide the Annual Information in the manner and within the time specified in this Agreement; or (ii) constitute a defense for the Obligor, or the basis for any claim, counterclaim, cross-claim or third-party claim by the Obligor, in any action brought pursuant to Section 9 of this Agreement or otherwise. Nothing contained in this paragraph shall operate to grant any additional rights or remedies to any holder of Bonds.

The Counterparty hereto shall be obligated to, and hereby agrees that it will, on the fifth business day after the date required by Section 4(a)(2) of this Agreement, forward to those persons or entities scheduled to receive Annual Information a notice substantially in the form of Exhibit B attached hereto in the event that the Counterparty has not received a copy of such Annual Information; provided, however, that the Counterparty shall not give such notices as

described in this paragraph and the immediately preceding paragraph if the Obligor has provided the Counterparty with notice that the Obligor has issued notice pursuant to Section 9 hereof. Subsequent to the Counterparty's issuance of notice, if any, pursuant to this paragraph, the Counterparty shall have no responsibility to take any further action concerning the Annual Information for the fiscal year to which such notice relates.

12. **Resignation and Removal of Counterparty.** The Counterparty may resign in its capacity under this Agreement at any time by giving written notice thereof to the Obligor. So long as the Obligor has not failed to honor its obligations as set forth in Sections 3, 5 and 8 hereof, the Obligor may remove the Counterparty in its capacity under this Agreement at any time by giving written notice thereof to the Counterparty. Upon such resignation or removal, the Obligor shall promptly appoint a successor Counterparty.

13. Modification of Agreement. The Obligor and the Counterparty may, from time to time, amend or modify this Agreement without the consent of or notice to the holders of the Bonds if either (a)(i) such amendment or modification is made in connection with a change in circumstances that arises from a change in legal requirements, change in law or change in the identity, nature or status of the Obligor, or type of business conducted, (ii) this Agreement, as so amended or modified, would have complied with the requirements of the SEC Rule on the date hereof, after taking into account any amendments or interpretations of the SEC Rule, as well as any change in circumstances, and (iii) such amendment or modification does not materially impair the interests of the holders of the Bonds, as determined either by (A) nationally recognized bond counsel or (B) an approving vote of the holders of the Bonds pursuant to the terms of Article 11 of the Indenture at the time of such amendment or modification; or (b) such amendment or modification (including an amendment or modification which rescinds this Agreement) is permitted by the SEC Rule, as then in effect.

14. Interpretation Under Indiana Law. It is the intention of the parties hereto that this Agreement and the rights and obligations of the parties hereunder shall be governed by and construed and enforced in accordance with, the law of the State of Indiana.

15. Severability Clause. In case any provision in this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

16. Successors and Assigns. All covenants and agreements in this Agreement made by the Obligor and the Counterparty shall bind their successors, whether so expressed or not.

17. Notices. All notices required to be given under this Agreement shall be made at the following addresses:

If to the Obligor:

Bartholomew County, Indiana
c/o Auditor
440 3rd Street, Suite 102
Columbus, Indiana 47201

If to the Counterparty: _____
Attn: Corporate Trust Department

18. Prior Undertakings. The Obligor has not failed to comply with any prior undertakings.

IN WITNESS WHEREOF, the Obligor and the Counterparty have caused this Agreement to be executed as of the ____ day of _____, 2006.

BOARD OF COMMISSIONERS OF
BARTHOLOMEW COUNTY, INDIANA

Commissioner

Commissioner

Commissioner

ATTEST:

Auditor

Vice President

Trust Officer

EXHIBIT A

NATIONALLY RECOGNIZED MUNICIPAL SECURITIES INFORMATION REPOSITORIES

Bloomberg Municipal Repository
100 Business Park Drive
Skillman, New Jersey 08558
Phone: (609) 279-3225
Fax: (609) 279-5962
E-Mail: Munis@Bloomberg.com
<http://www.bloomberg.com/markets/rates/municontacts.html>

FT Interactive Data
Attn: NRMSIR
100 William Street, 15th Floor
New York, New York 10038
Phone: (212) 771-6999
Fax: (212) 771-7390 (Secondary Market Information)
(212) 771-7391 (Primary Market Information)
Email: NRMSIR@FTID.com
<http://www.interactivedata.com>

Standard & Poor's Securities Evaluations, Inc.
55 Water Street, 45th Floor
New York, New York 10041
Phone: (212) 438-4595
Fax: (212) 438-3975
Email: nrmsir_repository@sandp.com
www.jjkenny.com/jjkenny/pser_descrip_data_rep.html

DPC Data, Inc.
One Executive Drive
Fort Lee, NJ 07024
Phone: (201) 346-0701
Fax: (201) 947-0107
E-Mail: nrmsir@dpcdata.com
<http://www.dpcdata.com>