$56,355,000
THE INDIANAPOLIS LOCAL PUBLIC IMPROVEMENT BOND BANK
Variable Rate Demand Refunding Bonds, Series 2005 E

Dated: Date of Delivery
Price: 100%  CUSIP: 45528SJX1 Due: January 1, 2017

The Indianapolis Local Public Improvement Bond Bank (the “Bond Bank”) will issue its Variable Rate Demand Refunding Bonds, Series 2005 E (the “Series 2005 E Bonds”), in the principal amount of $56,355,000. The Series 2005 E Bonds are offered when, as and if issued by the Bond Bank and received by the Underwriter and subject to prior sale, to withdrawal or modification of the offer without notice, and to the approval of legality by Baker & Daniels LLP, Indianapolis, Indiana, Bond Counsel. Certain legal matters will be passed on for the Bond Bank, the Commission, the Redevelopment District, the City and the County by the Corporation Counsel of the City of Indianapolis, for the Authority by its counsel, Bingham McHale LLP, Indianapolis, Indiana, for the Initial Liquidity Facility Provider by its special counsel, Chapman and Cutler LLP, Chicago, Illinois, and for the Underwriter by its counsel, Barnes & Thornburg LLP, Indianapolis, Indiana. It is expected that the Series 2005 E Bonds will be available for delivery to DTC in New York, New York on or about October 5, 2005.

RBC Dain Rauscher
September 28, 2005

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2005 E BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

THE SERIES 2005 E BONDS HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, NOR HAS THE INDENTURE BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS.

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INTRODUCTION

General

The purpose of this Official Statement, including the cover page and appendices, is to set forth certain information concerning $56,355,000 of The Indianapolis Local Public Improvement Bond Bank ("Bond Bank"), Variable Rate Demand Refunding Bonds, Series 2005 E (the "Series 2005 E Bonds"). The Series 2005 E Bonds are authorized by resolution adopted by the Board of Directors of the Bond Bank on January 10, 2005, and are issued under and secured by a Trust Indenture, dated as of December 1, 1991, as supplemented and amended by a First Supplemental Trust Indenture, dated as of December 15, 1995, a Second Supplemental Trust Indenture, dated as of June 1, 2004, and a Third Supplemental Trust Indenture, dated as of October 1, 2005 (collectively, the "Indenture"), each by and between the Bond Bank and J.P. Morgan Trust Company, National Association (successor by acquisition to Bank One Trust Company, National Association), as trustee, registrar and paying agent (the "Trustee," the "Registrar" and the "Paying Agent"), all pursuant to the laws of the State of Indiana, including particularly Indiana Code 5-1.4, as amended from time to time (the "Act").

Definitions of certain capitalized words and terms used herein are set forth in Appendix B, “SUMMARY OF CERTAIN PROVISIONS OF THE SERIES 2005 E BONDS AND THE LEGAL DOCUMENTS.” Other words and terms not defined herein shall have the same respective meanings as set forth in the Indenture, the Authority Indenture or the Lease.

Purpose

The proceeds from the sale of the Series 2005 E Bonds, together with funds on hand of the Bond Bank under the Indenture, will be used to provide funds to (i) pay all of the principal of, and interest on, The Indianapolis Local Public Improvement Bond Bank Refunding Bonds, Series 2004 F (Taxable) (the “Series 2004 F Bonds”) maturing on October 15, 2005, in an aggregate principal amount of $54,820,000, (ii) fund a portion of the debt service reserve requirement with a cash deposit in the amount of $500,000 into the debt service reserve fund established under the Indenture and (iii) pay certain costs of issuance of the Series 2005 E Bonds, including, but not limited to, a bond insurance premium and a surety bond premium.

The Series 2004 F Bonds were issued to (i) refund in advance of their stated maturity dates The Indianapolis Local Public Improvement Bond Bank Refunding Bonds, Series 1995 A Refunding Bonds (the “Series 1995 A Bonds”) maturing on January 1, 2015 and January 1, 2017 in an aggregate principal amount of $50,035,000 (the “Refunded Series 1995 A Bonds”) and (ii) pay certain costs of issuance of the Series 2004 F Bonds. The Series 1995 A Bonds were issued to provide funds for the advance refunding of The Indianapolis Local Public Improvement Bond Bank Bonds, Series 1991 C (the “Series 1991 C Bonds”), maturing on January 1, 2008, 2009 and 2017 (the “Refunded Series 1991 C Bonds”) and the costs of issuance associated with the Series 1995 A Bonds. The Series 1991 C Bonds were issued to provide funds to purchase the Marion County Convention and Recreational Facilities Authority Economic Development Lease Rental Revenue Bonds of 1991 (the “Authority Bonds”), which were issued in the original aggregate issued amount of $139,460,042.55, pursuant to a Trust Indenture, dated as of December 1, 1991, as supplemented and amended by a First Supplemental Trust Indenture, dated as of December 15, 1995, and a Second Supplemental Trust Indenture, dated as of June 15, 1998 (collectively, the “Authority Indenture”), each by and between the Marion County Convention and Recreational Facilities Authority (the “Authority”) and J.P. Morgan Trust Company, National Association (successor by acquisition to Bank One Trust Company, National Association), as trustee (the “Authority Trustee”), for the purpose of funding a portion of a major aircraft maintenance and overhaul facility (the “Facility”) located at a certain site (the “Site”) at the Indianapolis International Airport (the “IAA”).
On January 21, 2005, in anticipation of issuing the Series 2005 E Bonds and protecting in part the Bond Bank from the risk of any adverse change in interest rates on the Series 2005 E Bonds, the Bond Bank entered into an interest rate swap agreement with the Royal Bank of Canada (the “2005 Swap Provider”), which has a term ending on January 1, 2017 (the “2005 Swap Agreement”). RBC Dain Rauscher (the “Underwriter”) is a wholly-owned subsidiary of the 2005 Swap Provider. Under the 2005 Swap Agreement, the Bond Bank will pay interest to the 2005 Swap Provider on the notional amount set forth in the 2005 Swap Agreement at a fixed interest rate of 3.657%, in exchange for which the 2005 Swap Provider will pay interest to the Bond Bank on such notional amount at a variable interest rate equal to seventy-five percent (75%) of the one-month LIBOR Rate (as defined in the 2005 Swap Agreement). It is anticipated that such obligations will begin to bear interest on October 5, 2005, and each party will be required to make payments, if any, to the other party under the 2005 Swap Agreement on January 1 and July 1 of each year, commencing on January 1, 2006. The regularly scheduled payments by the Bond Bank under the 2005 Swap Agreement are payable solely from and secured exclusively by the Trust Estate (as hereinafter defined) on a parity (with respect to the Pledged Property Tax Revenues (as hereinafter defined)) with the Bonds (as hereinafter defined). Any termination payments by the Bond Bank under the 2005 Swap Agreement are payable solely from and secured exclusively by the Trust Estate (not including the Bond Bank Reserve Fund (as hereinafter defined)) on a basis which is junior and subordinate to the regularly scheduled payments by the Bond Bank under the 2005 Swap Agreement and the payments on the Bonds. In accordance with the Authority Indenture, any regularly scheduled payments required to be made by the Bond Bank under the 2005 Swap Agreement will be incorporated into payments of interest on the 2005 Authority Bonds paid by the Authority to the Bond Bank, subject to certain limitations. In addition, the regularly scheduled payments to the 2005 Swap Provider by the Bond Bank under the 2005 Swap Agreement will be guaranteed by a separate interest rate swap insurance policy issued by Ambac Assurance Corporation on the date the Series 2005 E Bonds are issued.

Security and Sources of Payment

The principal of, and interest on the Series 2005 E Bonds, the unfunded Series 1995 A Bonds, which after the issuance of the Series 2005 E Bonds will be currently outstanding in the aggregate principal amount of $49,090,000, and will have a final maturity of July 1, 2013, and the unfunded Series 1991 C Bonds, which after the issuance of the Series 2005 E Bonds will have an outstanding final maturity amount of $25,485,000, and will have a final maturity of January 1, 2010 (the unfunded Series 1995 A Bonds and the unfunded Series 1991 C Bonds, collectively, the “Prior Bonds” and the Series 2005 E Bonds, the Prior Bonds and all bonds hereafter issued under the Indenture on a parity with the Series 2005 E Bonds and the Prior Bonds, collectively, the “Bonds”), together with the regularly scheduled swap payments under the 2005 Swap Agreement (the “Regularly Scheduled Swap Payments”), are payable solely from the principal and interest payments received on the Authority Bonds (the “Authority Bond Payments”) and monies and investments held in certain funds and accounts under the Indenture (collectively, the “Trust Estate”). In addition, the principal of and interest on the Series 2005 E Bonds and the Regularly Scheduled Swap Payments are payable from and secured by a Reserve Fund Credit Instrument (as defined in Appendix B) and other money held in the Bond Bank Reserve Fund (the Trust Estate, together with the money and Reserve Fund Credit Instrument held in the Bond Bank Reserve Fund, collectively, the “Series 2005 E Trust Estate”).

The Authority Bonds are secured by and payable solely from (a) fixed, semi-annual lease rental payments (“Fixed Rentals”) for the Leased Premises (as hereinafter defined) to be used to pay debt service on the Authority Bonds and fees and expenses of the Authority Trustee paid by the Metropolitan Development Commission of Marion County, Indiana, acting in its capacity as the Redevelopment Commission of the City of Indianapolis, Indiana (the “Commission”), under a Lease Agreement, dated as of December 1, 1991, as amended by a First Amendment to Lease Agreement, dated as of July 15, 1997, and a Second Amendment to Lease Agreement, dated as of February 1, 2005 (collectively, the “Lease”), each by and between the Authority, as lessor, and the Commission, as lessee, and (b) certain funds and accounts held under the Authority Indenture. The Series 2005 E Bonds are not and will never constitute or create a liability or debt, general or special, pledge of the faith and credit or loan of the credit of the State or any political subdivision thereof, or of Marion County, Indiana (the “County”), the City of Indianapolis, Indiana (the “City”), the Authority or the Redevelopment District of the City (the “Redevelopment District”) or any Qualified Entity (as defined in the Act), or an indebtedness, liability or obligation of any member of the Board of Directors of the Bond Bank, but are limited obligations of the Bond Bank secured solely by the pledge of the payments received on the Authority Bonds and the funds held under the Indenture (excluding the Rebate Fund as defined in the Indenture). The Series 2005 E Bonds do not constitute a general
The payment of the purchase price of the Series 2005 E Bonds tendered or required to be tendered for purchase will be initially supported by the Initial Liquidity Facility, to the extent provided therein. For a summary of the Initial Liquidity Facility and information on the Initial Liquidity Facility Provider, see Appendix C “THE INITIAL LIQUIDITY FACILITY PROVIDER AND SUMMARY OF INITIAL LIQUIDITY FACILITY.” The Indenture also allows for the Bond Bank to provide an Alternate Liquidity Facility in substitution of the Initial Liquidity Facility upon satisfying certain requirements set forth in the Indenture. If such an Alternate Liquidity Facility is provided, the Series 2005 E Bonds are subject to mandatory tender and purchase as described herein.

Payment of the principal of and interest on the Series 2005 E Bonds when due will be insured by a financial guaranty insurance policy to be issued by Ambac Assurance Corporation (the “Series 2005 E Bond Insurer”) simultaneously with the delivery of the Series 2005 E Bonds (the “Series 2005 E Bond Insurance Policy”). Holders of the Series 2005 E Bonds should be aware that the issuance of the Series 2005 E Bond Insurance Policy gives the Series 2005 E Bond Insurer certain rights, including the sole right to direct remedies with respect to the Series 2005 E Bonds upon the occurrence of an event of default under the Indenture.

The Leased Premises and Fixed Rentals

The Authority’s interest as a tenant-in-common in the Site and the Facility (collectively, the “Leased Premises”) is leased by the Authority, as lessor, to the Commission, as lessee, pursuant to the Lease. The Commission is obligated to make (a) the Fixed Rentals for the Leased Premises to be used to pay debt service on the Authority Bonds and fees and expenses of the Authority Trustee and (b) further rentals (“Additional Rentals”) to provide for, among other things, the payment of any reasonable costs or expenses of the Authority incurred in relation to consummating any of the transactions contemplated by the various agreements entered into by the Authority (the Fixed Rentals and the Additional Rentals, collectively, the “Lease Payments”). See “SECURITY FOR THE BONDS -- Security for Authority Bonds” herein.

Subject to certain limitations described herein, the obligation of the Commission under the Lease to pay Fixed Rentals is payable from and secured by ad valorem property taxes levied and collected by the Commission on all taxable property within the geographical boundaries of the Redevelopment District (the “Pledged Property Tax Revenues”). See “SECURITY FOR THE BONDS -- Security for Authority Bonds - Pledged Property Tax Revenues” and “PROCEDURES FOR PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION.”

From its completion in 1995 through May 2003, the Facility was leased and occupied to United Air Lines, Inc. (“United”). In May 2003, United vacated the premises, and on June 17, 2004, a portion of the Facility was leased to AAR Aircraft Services, Inc., a subsidiary of AAR Corp. (“AAR”) (the “AAR Lease”). The AAR Lease is on terms and conditions mutually acceptable to the parties for initially two of the twelve hangar bays and related space at the Facility, with the ability to lease up to ten of such hangar bays and related space at the Facility during the term of the AAR Lease. AAR currently occupies four hangar bays. The initial term of the AAR Lease is for ten years, and the parties have the option to renew the AAR Lease for an additional ten years after the initial term. In addition, Indianapolis Diversified Machining is leasing the shop areas and supporting AAR in their aircraft
maintenance operation, as well as other outside contracts. Chautauqua Airlines, a subsidiary of Republic Airways Holdings, now leases two hangar bays in the facility for maintenance operations for their own Chautauqua/Republic aircraft supporting air service to Delta, United and US Airways. The Series 2005 E Bonds, the Prior Bonds and any additional bonds issued and outstanding from time to time under the Indenture, the Authority Bonds or the Fixed Rentals are not an obligation, directly or indirectly, of, United, AAR, Chataqua Airlines or any other corporate or commercial enterprise using the Facility.

**Bond Bank Reserve Fund**

The Indenture establishes a debt service reserve fund which will provide for the payment of the principal of, and interest on, the Series 2005 E Bonds and the Regularly Scheduled Swap Payments in the event there are not sufficient funds then on deposit in the General Account established under the Indenture (after any required transfers under the Indenture have been made)(the “Bond Bank Reserve Fund”). In connection with establishing the Bond Bank Reserve Fund, the Indenture requires that there be on deposit in the Bond Bank Reserve Fund an amount at least equal to the Bond Bank Reserve Requirement, which is defined under the Indenture as the least of (i) the maximum annual debt service on the Series 2005 E Bonds, (ii) one hundred twenty-five percent (125%) of the average annual debt service on the Series 2005 E Bonds, or (iii) ten percent (10%) of the proceeds of the Series 2005 E Bonds, within the meaning of Section 148(d) of the Internal Revenue Code of 1986, as amended. At the time the Series 2005 E Bonds are issued, the Bond Bank Reserve Requirement will be an amount equal to $5,635,500, and will be funded through the purchase of a surety bond issued by Ambac Assurance Corporation in an amount equal to $5,135,500 and a deposit of a portion of the proceeds of the Series 2005 E Bonds and funds on hand of the Bond Bank in an aggregate amount equal to $500,000. The payment of the surety bond premium will be funded with a portion of the proceeds of the Series 2005 E Bonds.

The Act provides that, in order to maintain the Bond Bank Reserve Fund at the Bond Bank Reserve Requirement, the City-County Council of the City of Indianapolis and of Marion County, Indiana (the “Council”), may make annual appropriations to replenish the Bond Bank Reserve Fund. Under the Act, the Council is not obligated to make such appropriations to replenish the Bond Bank Reserve Fund, although it adopted an ordinance in 1985 indicating its general intention to consider such appropriations if necessary. See “SECURITY FOR THE BONDS--Bond Bank Reserve Fund and the Replenishment Thereof.”

**Miscellaneous**

This Official Statement speaks only as of its date, and the information contained herein is subject to change.

The information contained in this Introduction is qualified by reference to this entire Official Statement (including the appendices). This Introduction is only a brief description and a full review should be made of this entire Official Statement (including the appendices), as well as the documents summarized or described in this Official Statement. The summaries of and references to all documents, statutes and other instruments referred to in this Official Statement do not purport to be complete and are qualified in their entirety by reference to the full text of each such document, statute or instrument. See “RISKS TO BONDHOLDERS” and “ENFORCEABILITY OF REMEDIES” herein. Summaries of certain provisions of the Indenture, the Authority Indenture and the Lease, and definitions of some of the capitalized words and terms used in this Official Statement are set forth in Appendix B.

**THE SERIES 2005 E BONDS**

**Description**

As described below, the Series 2005 E Bonds may operate in one of five Rate Modes. This Official Statement describes Series 2005 E Bonds operating in the Weekly Rate Mode. This Official Statement will be supplemented or replaced if any of the Series 2005 E Bonds operate in any other Rate Mode.

The Series 2005 E Bonds are issuable as fully registered bonds in the denomination of $100,000 or integral multiples of $5,000 in excess thereof and will be dated the date of their issuance. Principal of, and premium, if any,
on each Series 2005 E Bond will be payable by the Trustee upon presentation and surrender of such Series 2005 E Bond at the corporate trust operations office of the Trustee in Dallas, Texas. Interest on the Series 2005 E Bonds operating in the Weekly Rate Mode will be paid on January 1 and July 1 of each year, commencing on January 1, 2006 (each such date, an “Interest Payment Date”), to the person in whose name such Series 2005 E Bond is registered (the “Bondholder”) at the Trustee’s close of business on the Record Date (as defined in Appendix B) at the address appearing on the registration books kept by the Bond Registrar by check or draft mailed by the Trustee on such Interest Payment Date. However, all payments with respect to any Series 2005 E Bonds will be made by wire transfer to the owner of $1,000,000 or more in aggregate principal amount of Series 2005 E Bonds upon such owner providing the Trustee with written wire instructions before the applicable Record Date and complying with other applicable provisions.

The Series 2005 E Bonds will bear interest as described below and will mature, subject to prior redemption, on January 1, 2017 (the “Final Maturity Date”). At any time, each Series 2005 E Bond may operate in one of five rate modes: a Daily Rate Mode, a Weekly Rate Mode, an Adjustable Rate Mode, an Auction Rate Mode or a Fixed Rate Mode (each, a “Rate Mode” and each as defined and described in Appendix B of this Official Statement). While in any of these Rate Modes, such Series 2005 E Bond will bear interest at a Daily Rate, a Weekly Rate, an Adjustable Rate, an Auction Rate, or a Fixed Rate. At any time, one or more Series 2005 E Bonds may operate in a particular Rate Mode; however, the other Series 2005 E Bonds may operate in one or more other Rate Modes at the same time. The Rate Modes that the Series 2005 E Bonds are operating in may be changed from time to time as described herein. Initially, all of the Series 2005 E Bonds will be issued in the Weekly Rate Mode.

Each Series 2005 E Bond will bear interest from the Interest Payment Date next preceding the date on which it is authenticated unless it is (a) authenticated on an Interest Payment Date, in which event it will bear interest from such Interest Payment Date, (b) authenticated prior to the first Interest Payment Date, in which event it will bear interest from the date of issuance, or (c) authenticated after a Record Date and before the following Interest Payment Date, in which event such Series 2005 E Bond will bear interest from the following Interest Payment Date; provided, however, that if, at the time of authentication of any Series 2005 E Bond, interest is in default, such Series 2005 E Bond will bear interest from the date to which interest has been paid or if no interest has been paid on such Series 2005 E Bond, from the date of issuance.

When issued, the Series 2005 E Bonds will be registered in the name of and held by Cede & Co., as nominee for DTC (as hereinafter defined). Purchases of beneficial interests from DTC in the Series 2005 E Bonds will be made in book-entry-only form (without certificates) in the denomination of $100,000 or integral multiples of $5,000 in excess thereof. So long as DTC or its nominee is the registered owner of the Series 2005 E Bonds, payments of the principal of and redemption premium, if any, and interest on the Series 2005 E Bonds will be made directly by the Trustee by wire transfer of funds to Cede & Co., as nominee for DTC. Disbursement of such payments to the participants of DTC (the “DTC Participants”) will be the sole responsibility of DTC, and the ultimate disbursement of such payments to the Beneficial Owners, as defined herein, of the Series 2005 E Bonds will be the responsibility of the DTC Participants and the Indirect Participants, as defined herein. See the heading “Book-Entry-Only System” under this caption.

Except as provided under “Book-Entry-Only System,” in all cases in which the privilege of exchanging or transferring Series 2005 E Bonds is exercised, the Bond Bank shall execute and the Registrar shall deliver Series 2005 E Bonds in accordance with the provisions of the Indenture. The Series 2005 E Bonds will be exchanged or transferred at the principal corporate trust office of the Registrar only for Series 2005 E Bonds of the same tenor and maturity. In connection with any transfer or exchange of Series 2005 E Bonds, the Bond Bank or the Trustee may impose a charge for any applicable tax, fee or other governmental charge incurred in connection with such transfer or exchange, which sums are payable by the person requesting such transfer or exchange.

The person in whose name a Series 2005 E Bond shall be registered shall be deemed and regarded as its absolute owner for all purposes and payment of the principal thereof and interest thereon shall be made only to or upon the order of the registered owner or its legal representative, but such registration may be changed as provided above. All such payments shall be valid to satisfy and discharge the liability upon such Series 2005 E Bond to the extent of the sum or sums so paid.
RBC Dain Rauscher has been appointed as the initial remarketing agent for the Series 2005 E Bonds (the “Initial Remarketing Agent”) and will be compensated for its services by the Bond Bank pursuant to the terms of the remarketing agreement between the Bond Bank and the Initial Remarketing Agent dated as of October 1, 2005 (the “Remarketing Agreement”).

Redemption and Tender

The Series 2005 E Bonds in Weekly Rate Mode are subject to optional tender for purchase, as described herein. The Series 2005 E Bonds are subject to mandatory tender for purchase under certain circumstances. See Appendix B “SUMMARY OF CERTAIN PROVISIONS OF THE SERIES 2005 BONDS AND THE LEGAL DOCUMENTS.” The purchase price for any Series 2005 E Bonds tendered pursuant to optional or mandatory tender provisions is equal to 100% of the principal amount of such Series 2005 E Bonds, plus accrued and unpaid interest, if any, to the applicable date of purchase (the “Purchase Price”). Payment of the Purchase Price for Series 2005 E Bonds (other than Bank Bonds and Bond Bank Bonds, each as defined in Appendix B) tendered or required to be tendered for purchase initially will be supported by the Initial Liquidity Facility to the extent described therein.

The Series 2005 E Bonds in Weekly Rate Mode are subject to optional redemption prior to maturity as described in Appendix B, “SUMMARY OF CERTAIN PROVISIONS OF THE SERIES 2005 BONDS AND THE LEGAL DOCUMENTS” in this Official Statement.

Book-Entry-Only System

The Depository Trust Company, New York, New York (“DTC”), will act as securities depository for the Series 2005 E Bonds. The Series 2005 E 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 certificate will be issued for each maturity of the Series 2005 E Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world’s largest depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 2 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 85 countries that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Government Securities Clearing Corporation, MBS Clearing Corporation, and Emerging Markets Clearing Corporation, (NSCC, GS CC, MBSCC, 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.

Purchases of Series 2005 E Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2005 E Bonds on DTC’s records. The ownership interest of each actual purchaser of each Series 2005 E 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 Series 2005 E Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2005 E Bonds, except in the event that use of the book-entry system for the Series 2005 E Bonds is discontinued.

To facilitate subsequent transfers, all Series 2005 E Bonds deposited by 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 Series 2005 E Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2005 E Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Series 2005 E Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2005 E Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2005 E Bonds, such as redemptions, defaults and proposed amendments to the Indenture. For example, Beneficial Owners of Series 2005 E Bonds may wish to ascertain that the nominee holding the Series 2005 E Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Trustee and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2005 E Bonds within a maturity are being redeemed, DTC’s practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2005 E Bonds unless authorized by a Direct Participant in accordance with DTC’s procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Bond Bank 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 Series 2005 E Bonds are credited on the Record Date (identified in a listing attached to the Omnibus Proxy).

Principal, premium and interest payments on the Series 2005 E 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 Bond Bank or the Trustee on payable date in accordance with their respective holdings shown on DTC’s records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in “street name,” and will be the responsibility of such Participant and not of DTC (nor its nominee), the Trustee or the Bond Bank, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, premium and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Bond Bank or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2005 E Bonds at any time by giving reasonable notice to the Bond Bank or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, bond certificates are required to be printed and delivered.

The Bond Bank may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, bond certificates will be printed and delivered.
The information in this section concerning DTC and DTC’s book-entry system has been obtained from sources that the Bond Bank believes to be reliable, but the Bond Bank takes no responsibility for the accuracy thereof.

**Discontinuation of Book-Entry System**

In the event that the book-entry system for the Series 2005 E Bonds is discontinued, the Trustee would provide for the registration of the Series 2005 E Bonds in the name of the Beneficial Owners thereof. The Bond Bank and the Trustee would treat the person in whose name any Series 2005 E Bond is registered as the absolute owner of such Series 2005 E Bond for the purposes of making and receiving payment of the principal thereof and interest thereon, and for all other purposes, and neither the Bond Bank nor the Trustee would be bound by any notice or knowledge to the contrary.

Each Series 2005 E Bond would be transferable or exchangeable only upon the presentation and surrender thereof at the principal corporate trust office of the Trustee, duly endorsed for transfer or exchange, or accompanied by a written assignment duly executed by the owner or its authorized representative in form satisfactory to the Trustee. Upon due presentation of any Series 2005 E Bonds for transfer or exchange, the Trustee would authenticate and deliver in exchange therefor, within a reasonable time after such presentation, a new Series 2005 E Bond or Series 2005 E Bonds, registered in the name of the transferee or transferees (in the case of a transfer), or the owner (in the case of an exchange), in authorized denominations and of the same maturity and aggregate principal amount and bearing interest at the same rate as the Series 2005 E Bond or Series 2005 E Bonds so presented. The Bond Bank or the Trustee would require the owner of any Series 2005 E Bonds to pay a sum sufficient to cover any tax, fee or other governmental charge required to be paid in connection with the transfer or exchange of such Series 2005 E Bonds. The Trustee would not be required to transfer or exchange any Series 2005 E Bonds: (i) during any period between the Record Date and next Interest Payment Date; (ii) the fifteen day period immediately preceding the selection of Series 2005 E Bonds for redemption; or (iii) during the 30 days prior to the mailing of any notice of redemption.

**SECURITY FOR THE BONDS**

**Limited Obligations of the Bond Bank**

The Series 2005 E Bonds, the unrefunded Series 1991 C Bonds, the unrefunded Series 1995 A Bonds, any additional bonds issued under the Indenture on a parity with the unrefunded Series 1991 C Bonds, the unrefunded Series 1995 A Bonds and the Series 2005 E Bonds (collectively, the “Bonds”) and the Regularly Scheduled Swap Payments are payable solely out of the Trust Estate. The Trust Estate includes the Authority Bond Payments, cash and securities held by the Trustee in the Indenture’s funds and accounts (except the Rebate Fund as defined in the Indenture), and the earnings thereon and all proceeds thereof. The Indenture creates a continuing pledge of and lien upon the Trust Estate to secure the full and final payment of the principal of, premium, if any, and interest on all of the Bonds and the Regularly Scheduled Swap Payments. The Series 2005 E Bonds and the Regularly Scheduled Swap Payments are also secured by, and payable from, the money and Reserve Fund Credit Instrument to be deposited into the Bond Bank Reserve Fund on the date the Series 2005 E Bonds are issued (the Trust Estate, together with the Bond Bank Reserve Fund, collectively, the “Series 2005 E Trust Estate”). Any termination payments by the Bond Bank under the 2005 Swap Agreement are payable solely from and secured exclusively by the Trust Estate (not including the Bond Bank Reserve Fund) on a basis which is junior and subordinate to the payments on the Bonds and the Regularly Scheduled Swap Payments. The Series 2005 E Bonds do not constitute a debt, liability or loan of the credit of the State or any political subdivision thereof, including the County, the City, the Authority, or the Redevelopment District, under the constitution of the State or a pledge of the faith, credit or taxing power of the State or any political subdivision thereof, including the County, the City, the Authority, and the Redevelopment District. The Bond Bank has no taxing power. The sources of payment of, and security for, the Authority Bond Payments are more fully described below.

The Bonds and the Regularly Scheduled Swap Payments are equally and ratably secured under the Indenture, including the pledge of the Authority Bond Payments and all moneys and investments held thereunder except the Rebate Fund (as defined in the Indenture) and except for the Bond Bank Reserve Fund which is pledged
solely to the Series 2005 E Bonds and the Regularly Scheduled Swap Payments, without preference or priority of one issue or Bond over another regardless of the time of their issuance.

Owners of the Series 2005 E Bonds have a claim solely against the Series 2005 E Trust Estate and have no other claim or right against the Bond Bank, the City, the County or the Redevelopment District. No funds of the Bond Bank, other than the Authority Bond Payments and the moneys and investments held under the Indenture (except the Rebate Fund), are pledged to the payment of the principal of and interest on the Series 2005 E Bonds.

The Series 2005 E Bonds are not and will never constitute or create a legal liability, or debt, general or special, pledge of the faith and credit, or loan of the credit of the State or any political subdivision thereof, including the County, the City, the Authority or the Redevelopment District, or an indebtedness, liability or obligation of any director, officer, agent, attorney, member, trustee or employee of the Bond Bank in his or her individual capacity. No covenant, stipulation, obligation or agreement contained in the Indenture or the Series 2005 E Bonds will be deemed to be a covenant, stipulation, obligation or agreement of any present or future director, officer, agent, attorney, member or employee of the Bond Bank in his or her individual capacity. Neither the State nor any political subdivision thereof, including the County, the City or the Authority is obligated to levy or pledge any form of taxation whatsoever to pay the principal of or interest on the Series 2005 E Bonds. Neither the State nor any political subdivision thereof, including the County, the City, the Authority or the Redevelopment District, will be liable for the payment of the principal of and interest on the Series 2005 E Bonds or for the performance of any agreement or covenant of any kind which may be undertaken by the Bond Bank and no breach by the Bond Bank of any covenant or agreement shall create any obligation upon the State or any political subdivision thereof.

THE BOND BANK HAS NO TAXING POWER.

Bond Bank Reserve Fund and the Replenishment Thereof

General. Pursuant to the Indenture, the Bond Bank has established the Bond Bank Reserve Fund, which is held by the Trustee as security for the Series 2005 E Bonds and the Regularly Scheduled Swap Payments and is required to be maintained in an amount at least equal to the Bond Bank Reserve Requirement. The Bond Bank Reserve Requirement, as of the date of issuance of the Series 2005 E Bonds, is $5,635,500, all of which will be funded with (a) a surety bond issued by Ambac Assurance Corporation on the date of issuance of the Series 2005 E Bonds in the amount of $5,135,500 (the “Surety Bond”) (See “Surety Bond” in this section below for further discussion) and (b) a deposit of a portion of the Series 2005 E Bond proceeds and funds on hand of the Bond Bank in an aggregate amount equal to $500,000. The premium for the Surety Bond will be paid with a portion of the proceeds of the Series 2005 E Bonds. Pursuant to the Indenture, one or more Reserve Fund Credit Instruments may be deposited from time to time into the Bond Bank Reserve Fund in order to satisfy all or a portion of the Bond Bank Reserve Requirement. Such Reserve Fund Credit Instrument or Instruments may be a letter of credit, surety bond, liquidity facility, insurance policy or comparable instrument furnished by a Credit Provider (as defined in Appendix B) whose debt obligations at the time of issuance are rated in one of the two highest Rating Categories by the Rating Agency or Agencies (all as defined in Appendix B).

Moneys in the Bond Bank Reserve Fund up to the amount of the Bond Bank Reserve Requirement are required under the Act and the Indenture to be held and applied solely (i) to the payment of the interest on and principal of Series 2005 E Bonds as the same shall become due and payable, (ii) for the retirement of Series 2005 E Bonds and (iii) to the payment of the Regularly Scheduled Swap Payments. Such moneys may not be withdrawn from the Bond Bank Reserve Fund if a withdrawal would reduce the amount in the Bond Bank Reserve Fund to an amount less than the Bond Bank Reserve Requirement, except for payment of interest then due and payable on Series 2005 E Bonds, the principal of Series 2005 E Bonds then maturing and payable and the Regularly Scheduled Swap Payments then due and payable, for which payments other moneys of the Bond Bank are not then available.

The Act provides that, in order to maintain the Bond Bank Reserve Fund at the Bond Bank Reserve Requirement, the Council may annually appropriate to the Bond Bank for deposit in the Bond Bank Reserve Fund a sum, certified by the Chairman of the Bond Bank to the Council, that is necessary to restore the Bond Bank Reserve Fund to the Bond Bank Reserve Requirement. The Chairman of the Bond Bank, before December 1 of each year, is required under the Act and the Indenture to make and deliver to the Council a certificate stating the sum required to restore the Bond Bank Reserve Fund to the Bond Bank Reserve Requirement. The Act does not create any debt or liability of the City or an obligation of the Council to make any such appropriation. Although the Council is not
obligated to make such appropriations to replenish the Bond Bank Reserve Fund, it adopted an ordinance in 1985 indicating its general intention to consider such appropriations if necessary.

Surety Bond. The Surety Bond provides that upon the later of (i) one (1) day after receipt by Ambac Assurance Corporation (the “Surety Bond Provider”) of a Demand for Payment (as defined in the Surety Bond) executed by the Paying Agent certifying that provision for the payment of principal of or interest on the Series 2005 E Bonds or the Regularly Scheduled Swap Payment when due has not been made or (ii) the interest payment date specified in the Demand for Payment submitted to the Surety Bond Provider, the Surety Bond Provider will promptly deposit funds with the Paying Agent sufficient to enable the Paying Agent to make such payments due on the Series 2005 E Bonds or the Regularly Scheduled Swap Payments, as the case may be, but in no event exceeding the Surety Bond Coverage, as defined in the Surety Bond.

Pursuant to the terms of the Surety Bond, the Surety Bond Coverage is automatically reduced to the extent of each payment made by the Surety Bond Provider under the terms of the Surety Bond and the Bond Bank is required to reimburse the Surety Bond Provider for any draws under the Surety Bond with interest at a market rate. Upon such reimbursement, the Surety Bond is reinstated to the extent of each principal reimbursement up to but not exceeding the Surety Bond Coverage, as defined in the Surety Bond. The reimbursement obligation of the Bond Bank is subordinate to the Bond Bank’s obligations with respect to the Series 2005 E Bonds.

In the event the amount on deposit, or credited to the Bond Bank Reserve Fund, exceeds the amount of the Surety Bond, any draw on the Surety Bond will be made only after all the funds in the Bond Bank Reserve Fund have been expended. In the event that the amount on deposit in, or credited to, the Bond Bank Reserve Fund, in addition to the amount available under the Surety Bond, includes amounts available under a letter of credit, insurance policy, surety bond or other such funding instrument (the “Additional Funding Instrument”), draws on the Surety Bond and the Additional Funding Instrument will be made on a pro rata basis to fund the insufficiency. The Indenture provides that the Bond Bank Reserve Fund will be replenished in the following priority: (i) principal and interest on the Surety Bond will be paid from first available Revenues (as defined in Appendix B); (ii) after all such amounts are paid in full, amounts necessary to fund the Bond Bank Reserve Fund to the required level, after taking into account the amounts available under the Surety Bond shall be deposited from next available Revenues.

The Surety Bond does not insure against nonpayment caused by the insolvency or negligence of the Trustee or the Paying Agent.

For additional information concerning the Surety Bond Provider see the heading “FINANCIAL GUARANTY INSURANCE” herein.

Initial Liquidity Facility

Initially payment of the purchase price for the Series 2005 E Bonds tendered or required to be tendered for purchase will be supported by the Standby Bond Purchase Agreement for the Series 2005 E Bonds (an “Initial Liquidity Facility”), by and among the Bond Bank, the Trustee and DEPFA BANK plc, acting through its New York Branch (the “Initial Liquidity Facility Provider”). Under the Initial Liquidity Facility, subject to certain terms and conditions and to the extent provided for therein, the Initial Liquidity Facility Provider agrees to purchase the Series 2005 E Bonds that are tendered or required to be tendered for purchase and are not remarshaled or for which remarketing proceeds are not available. The obligation of the Initial Liquidity Facility Provider to purchase any Series 2005 E Bonds under the Initial Liquidity Facility will, unless earlier terminated, expire on January 1, 2017. The Bond Bank may, under certain circumstances, replace the Initial Liquidity Facility with an Alternate Liquidity Facility. Under certain circumstances, the Initial Liquidity Facility Provider may not be required to purchase the Series 2005 E Bonds that are tendered or required to be tendered for purchase and are not remarshaled or for which remarketing proceeds or money deposited by the Bond Bank with the Trustee under certain circumstances are not available. See Appendix C, “THE INITIAL LIQUIDITY FACILITY PROVIDER AND SUMMARY OF INITIAL LIQUIDITY FACILITY.”
Authority’s Interest in the Site and Facility

The Site and the Facility are leased by the IAA to the Authority, the Indiana Transportation Finance Authority (the “State Authority”) and the IAA as tenants-in-common pursuant to a certain Site and Facilities Lease Agreement (the “Site and Facilities Lease”). Pursuant to a certain Agreement Among Tenants (the “Tenancy-In-Common Agreement”), among the Authority, the State Authority and the IAA (collectively the “Tenants”), each entity’s undivided interest as a tenant-in-common in the Site and Facility is determined in proportion to the funds it contributes from time to time to the construction and equipping of the Facility from the proceeds of bonds issued by each entity.

Pursuant to the Site and Facilities Lease and subject to the limitations established in the Tenancy-In-Common Agreement, the IAA agrees to provide for, or cause to be provided for, the maintenance and operation of the Facility and to insure the Facility against loss from damage or destruction. The Site and Facilities Lease will terminate or expire not later than November 30, 2031, during which the Tenants have a leasehold estate in an undivided interest as tenants in common in the Site and the Facility, as the Facility is developed from time to time, as provided in the Tenancy-In-Common Agreement. Pursuant to the Site and Facilities Lease, the IAA will provide for, or cause to be provided for, the reconstruction, repair or rehabilitation of the Facility in the event of any damage or destruction thereof, to substantially the same condition as existed prior to the event causing such damage or destruction, subject to the amount of available proceeds. The IAA is entitled to contributions under the Tenancy-In-Common Agreement from the Tenants in the costs of operating and maintaining the Facility.

The Tenancy-In-Common Agreement provides a formula by which the interests of the Tenants are determined from time to time. As investments in the Facility are financed with the proceeds of certain other bond issues by the Tenants, the interests of the Tenants in the Facility will be recalculated to take into account such investments. The Tenancy-In-Common Agreement will terminate or expire not later than November 30, 2031. Neither any of the State Authority’s bonds nor any of the IAA’s special purpose facility bonds have any security interest or lien on any of the security pledged to the Authority Bonds. In addition, any default under any of the State Authority’s bonds or the IAA’s special purpose facility bonds will not result in any default under the Authority Bonds.

The Authority’s undivided interest as a tenant-in-common in the Site and the Facility is leased to the Commission pursuant to the Lease (the “Leased Premises”). Upon the expiration of the Lease, the Commission will become a Tenant under the Site and Facilities Lease and the Tenancy-In-Common Agreement. The Commission has subleased the Leased Premises to the IAA for the term of the Site and Facilities Lease (the “Sublease”). Pursuant to the Sublease, the IAA will be required to give notices to the Commission, the Authority and the Authority Trustee of certain matters and of certain notices, including notices respecting application of insurance proceeds in the event of casualty losses. Pursuant to the Sublease, the IAA will also pay rent to the Commission from certain revenues received by the IAA under the any lease of the Facility by the IAA to any corporate or commercial enterprise. The rentals payable by the IAA under the Sublease are not pledged to the payment of the principal of and interest on the Bonds or the Authority Bonds, and such rentals will not be otherwise available to pay debt service thereon. The State Authority has similarly entered into a sublease with the IAA resulting in the entire leasehold estate in the Site and Facility being leased by the IAA.

Pledge of Authority Bonds and Payments Thereon

To secure the payment of the principal of and interest on the Bonds and the Regularly Scheduled Swap Payments, the Bond Bank has pledged the Authority Bonds and all payments thereon. See “SECURITY FOR THE BONDS --Security for Authority Bonds” herein. The Authority Bond Payments are due on the same dates and in amounts which are expected to be equal to or exceeding the anticipated principal and interest payments due on the Bonds and the Regularly Scheduled Swap Payments on such date, and, therefore, have been structured to be sufficient to make such anticipated payments when due, taking into account the effects of the 2005 Swap Agreement. The Indenture permits the Bond Bank to agree to a reduction of the Authority Bond Payments if the Trustee is provided a Cash Flow Certificate to the effect that, after such reduction in Authority Bond Payments, the Authority Bond Payments together with moneys expected to be held in the funds established under the Indenture (except the Rebate Fund), will be sufficient to pay when due the anticipated debt service on all of the outstanding Bonds and payments on and the Regularly Scheduled Swap Payments.
The Authority Bond Payments and the investments thereof, if any, and the proceeds of such investments, if any, are pledged for the payment of the principal of and interest on the Bonds and the payment by the Bond Bank of any Regularly Scheduled Swap Payments, if any, when due in accordance with the terms and provisions of the Indenture and the 2005 Swap Agreement. Under the Act and Indiana Code 5-1-14-4 such pledge is valid and binding from and after the date of delivery of the Bonds under the Indenture and the execution of the 2005 Swap Agreement, and such Authority Bonds and the payments thereon will be immediately subject to the lien of such pledge without any physical delivery of the payments or further act, and the lien of such pledge is valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Bond Bank, irrespective of whether such parties have notice thereof.

Security for Authority Bonds

General. The ability of the Bond Bank to pay the anticipated principal of and interest on the Bonds and the Regularly Scheduled Swap Payments when due depends primarily upon the receipt by the Bond Bank of the Authority Bond Payments. Receipt of the Authority Bond Payments depends upon the timely collection of semi-annual lease rental payments from the Commission pursuant to the Lease (the “Fixed Rentals”). Fixed Rentals under the Lease are secured by the Pledged Property Tax Revenues. Fixed Rentals commenced on June 15, 1995, upon completion of the Facility. The amount of such Fixed Rentals have been sufficient to pay the principal of and interest on the Authority Bonds as it has come due, and it is anticipated that subsequent payments of the Fixed Rentals will be sufficient to pay future installments of principal and interest on the Authority Bonds, taking into account the effects of the 2005 Swap Agreement, unless the Facility becomes unavailable for use and occupancy. See “SECURITY FOR THE BONDS--Security for Authority Bonds--Fixed Rentals” herein.

The Lease. The Authority and the Commission have entered into the Lease, and the Authority has acquired the Leased Premises. Fixed Rentals are pledged by the Authority pursuant to the Authority Indenture to the payment of the principal of and interest on the Authority Bonds, and will be made by the Commission to the Authority Trustee for deposit, investment and disposition in accordance with the terms of the Authority Indenture.

The term of the Lease will terminate at the earlier of (a) the day of payment or defeasance of all bonds and obligations of the Authority issued to finance improvements on the Leased Premises, including the Authority Bonds, and such are no longer deemed outstanding under the Authority Indenture or (b) November 30, 2023. If and when the Commission has fully discharged and performed its obligations under the Lease, the Leased Premises will become the absolute property of the Commission, subject to the limitations, if any, on conveyance of the Leased Premises.

The Leased Premises. The Facility was constructed through the first half of the 1990s on the Site, which contains approximately 300 acres of land located in the northwest corner of the IAA, as a major aircraft maintenance facility. The Facility contains approximately 1,700,000 square feet of hangar space and associated support facilities. As of the date of the Official Statement, approximately $540,000,000 has been spent for the construction of the Facility. From its completion in 1995 through May 2003, the Facility was leased and occupied by United. In May 2003, United vacated the premises, and on June 17, 2004, a portion of the Facility was leased to AAR Aircraft Services, Inc., a subsidiary of AAR Corp. (“AAR”)(the “AAR Lease”). The AAR Lease is on terms and conditions mutually acceptable to the parties for initially two of the twelve hangar bays and related space at the Facility with the ability to lease up to ten of such hangar bays and related space at the Facility during the term of the AAR Lease. AAR currently occupies four hangar bays. The initial term of the AAR Lease is for ten years, and the parties have the option to renew the AAR Lease for an additional ten years after the initial term. In addition, Indianapolis Diversified Machining is leasing the shop areas and supporting AAR in their aircraft maintenance operation, as well as other outside contracts. Chautauqua Airlines, a subsidiary of Republic Airways Holdings, now leases two hangar bays in the facility for maintenance operations for their own Chautauqua/Republic aircraft supporting air service to Delta, United and US Airways. Furthermore, and in accordance with the Site and Facilities Lease, the IAA is maintaining and insuring the Facility and the Site as required under the Site and Facilities Lease and in a manner which allows for the Facility to be available for use and occupancy as required under the Lease. The Bond Bank anticipates the IAA to continue to fulfill such maintenance and insurance obligations for the term of the Site and Facilities Lease.
**Fixed Rentals.** The Commission is obligated to pay the Fixed Rentals to the Authority for the Leased Premises. The Commission commenced paying the Authority the Fixed Rentals on June 15, 1995. Fixed Rentals are payable in equal semiannual payments due on June 15 and December 15, of each year, and have been established in amounts sufficient to pay the anticipated annual principal and interest on the Authority Bonds as it comes due taking into account the effects of the 2005 Swap Agreement. The Authority Indenture provides that the Authority may agree to a reduction in the Fixed Rentals if the Trustee and the Bond Bank are provided a Cash Flow Certificate to the effect that, after such reduction in Fixed Rentals, the Fixed Rentals, together with moneys expected to be held in the funds established under the Authority Indenture (except the Rebate Fund), will be sufficient to pay when due the anticipated debt service on all of the outstanding Authority Bonds.

If there is in force on the date of partial or total destruction or taking of the Leased Premises, insurance on the Leased Premises and the rental value thereof, as required under the Lease, the Fixed Rentals will be abated for the period during which the Leased Premises or any part thereof is unfit or unavailable for use and occupancy and will be abated in proportion to the portion of the Facility which is unfit or unavailable for use and occupancy after an event of damage, destruction or condemnation to the Facility (the “Event”). Such portion will be based on a certificate of the IAA delivered to the Authority Trustee for the Authority Bonds setting forth the value of the Facility which is fit and available for use and occupancy after the Event, the value of the Facility which was fit and available for use and occupancy prior to the Event, and the percentage of the former to the latter. The portion of the Facility which is unfit or unavailable for use and occupancy is equal to one minus the percentage described in such certificate.

The Commission is required by the Lease to maintain, or cause to be maintained, business interruption loss insurance to insure against loss of projected Fixed Rentals due to rental abatement for such time (being at least for a period of twelve months) as availability of use and occupancy of the Leased Premises or any portion thereof is interrupted by damage or destruction from perils insured or insurable against under fire, aircraft and standard extended coverage endorsements. To the extent the damaged or destroyed Leased Premises is not restored or repaired or is unfit for occupancy beyond the period covered by business interruption loss insurance, the Authority would have insufficient funds to pay debt service on the Authority Bonds.

**Pledged Property Tax Revenues.** The Fixed Rentals are payable from ad valorem property taxes levied and collected by the Commission on all taxable property within the geographical boundaries of the Redevelopment District (the “Pledged Property Tax Revenues”). See “PROCEDURES FOR PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION” herein. The annual amount of Fixed Rentals may not exceed $14,265,457.50. The Bond Bank anticipates such annual Fixed Rentals will be sufficient to pay all of the anticipated principal of, and interest on, the Bonds and the Regularly Scheduled Swap Payments as they become due.

**Insurance Requirements.** The Site and Facilities Lease requires the IAA to maintain, at its expense subject to the contribution provisions of the Tenancy-In-Common Agreement, or cause to be maintained, the following types and amounts of insurance:

(a) Hazard insurance on the Facility against loss and damage by fire, aircraft and extended coverage perils, including builders’ risk coverage during any period of construction, in an amount equal to the greater of (i) replacement cost; or (ii) the outstanding principal balance of all bonds issued to finance or re-finance the construction of the Facility with a maximum deductible of $250,000.

(b) Products-completed operations hazard insurance with respect to any construction of the Facility for a period of one (1) year after substantial completion of such construction.

(c) Public liability insurance for bodily injury or death and property damage.

Under the Site and Facilities Lease, the Tenants are required to be named as insureds or additional insureds under the policies described above. Such insurance is to be procured and kept in force at all times during the term of the Site and Facilities Lease with a financially sound and reputable company, suitable to the IAA.
The Lease requires that at all times during the term of the Lease, the Commission maintain, or cause to be maintained, with a good and responsible insurance company qualified to issue policies in the State, a policy of business interruption loss insurance to insure against loss of Fixed Rentals under the Lease due to abatement under the Lease for such time (being at least for a period of twelve months) as availability for use and occupancy of the Leased Premises or any portion thereof is interrupted by damage or destruction from perils insured or insurable against under fire, aircraft and standard extended coverage endorsements. The Authority and the Authority Trustee are named as additional insureds thereunder.

Damage to or Destruction of the Leased Premises. Pursuant to the terms of the Site and Facilities Lease, proceeds from hazard insurance as described under clauses (a) and (b) of the above “Insurance Requirements” caption, resulting from destruction or damage of the Leased Premises, will, unless the parties to the Site and Facilities Lease otherwise agree, be applied by the IAA to rebuild and restore the property damaged or destroyed to substantially the same condition as it existed prior to the event causing such damage or destruction, subject to the amount of available proceeds.

Additional Bonds

Additional bonds of the Bond Bank may be issued on a parity with the Series 2005 E Bonds and the Prior Bonds (such Additional Bonds, together with the Series 2005 E Bonds and the Prior Bonds, collectively, the “Bonds”) and the Regularly Scheduled Swap Payments pursuant to the Indenture with respect to the Trust Estate, but not with respect to the Series 2005 E Trust Estate, only for the purpose of refunding, directly or indirectly, the Bonds, to purchase bonds issued to refund the Authority Bonds or to purchase bonds issued by the Authority to fund additional capitalized interest on the Authority Bonds.

Enforcement of Authority Bonds

As holder of the Authority Bonds, the Bond Bank will have available to it all remedies available to owners or holders of securities issued by qualified entities. The Act provides that upon the sale and the delivery of any qualified obligation to the Bond Bank, a qualified entity will be deemed to have agreed that all statutory defenses to nonpayment are waived in the event that such qualified entity fails to pay principal of or interest on such qualified obligation when due.

The Bond Bank will be constituted a holder or owner of securities that are in default. The Bond Bank is obligated under the Indenture to avail itself of all remedies and provisions of law applicable in the circumstances and the failure to exercise any right or remedy within a time or period provided by law may not, according to the Act, be raised as a defense by the defaulting qualified entity.

The Authority Bonds are not secured by any mortgage, lien or other security interest in the real or personal property constituting the Site or the Facility. The Bondholders will have no recourse against any corporate or commercial enterprise occupying the Facility and such corporate or commercial enterprise will have the right to occupy and operate the Facility undisturbed so long as it makes the rental payments due under the lease agreement between the corporate or commercial enterprise and the IAA.

FINANCIAL GUARANTY INSURANCE

Payment Pursuant to Financial Guaranty Insurance Policy

Ambac Assurance Corporation (the “Series 2005 E Bond Insurer”) has made a commitment to issue a financial guaranty insurance policy (the “Series 2005 E Bond Insurance Policy”) relating to the Series 2005 E Bonds effective as of the date of issuance of the Series 2005 E Bonds. Under the terms of the Series 2005 E Bond Insurance Policy, the Series 2005 E Bond Insurer will pay to The Bank of New York, in New York, New York or any successor thereto (the “Insurance Trustee”) that portion of the principal of and interest on the Series 2005 E Bonds which shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Obligor (as such terms are defined in the Series 2005 E Bond Insurance Policy). The Series 2005 E Bond Insurer will make such payments to the Insurance Trustee on the later of the date on which such principal and interest becomes Due for Payment or
within one business day following the date on which the Series 2005 E Bond Insurer will have received notice of Nonpayment from the Trustee. The insurance will extend for the term of the Series 2005 E Bonds and, once issued, cannot be canceled by the Series 2005 E Bond Insurer.

The Series 2005 E Bond Insurance Policy will insure payment only on stated maturity dates and on mandatory sinking fund installment dates, in the case of principal, and on stated dates for payment, in the case of interest. If the Series 2005 E Bonds become subject to mandatory redemption and insufficient funds are available for redemption of all outstanding Series 2005 E Bonds, the Series 2005 E Bond Insurer will remain obligated to pay principal of and interest on outstanding Series 2005 E Bonds on the originally scheduled interest and principal payment dates including mandatory sinking fund redemption dates. In the event of any acceleration of the principal of the Series 2005 E Bonds, the insured payments will be made at such times and in such amounts as would have been made had there not been an acceleration.

In the event the Trustee has notice that any payment of principal of or interest on an Series 2005 E Bonds which has become Due for Payment and which is made to a Holder by or on behalf of the Obligor has been deemed a preferential transfer and theretofore recovered from its registered owner pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court of competent jurisdiction, such registered owner will be entitled to payment from the Series 2005 E Bond Insurer to the extent of such recovery if sufficient funds are not otherwise available.

The Series 2005 E Bond Insurance Policy does not insure any risk other than Nonpayment, as defined in the Policy. Specifically, the Series 2005 E Bond Insurance Policy does not cover:

1. payment on acceleration, as a result of a call for redemption (other than mandatory sinking fund redemption) or as a result of any other advancement of maturity.

2. payment of any redemption, prepayment or acceleration premium.

3. nonpayment of principal or interest caused by the insolvency or negligence of any Trustee, Paying Agent or Bond Registrar, if any.

If it becomes necessary to call upon the Series 2005 E Bond Insurance Policy, payment of principal requires surrender of Series 2005 E Bonds to the Insurance Trustee together with an appropriate instrument of assignment so as to permit ownership of such Series 2005 E Bonds to be registered in the name of the Series 2005 E Bond Insurer to the extent of the payment under the Series 2005 E Bond Insurance Policy. Payment of interest pursuant to the Series 2005 E Bond Insurance Policy requires proof of Holder entitlement to interest payments and an appropriate assignment of the Holder’s right to payment to the Series 2005 E Bond Insurer.

Upon payment of the insurance benefits, the Series 2005 E Bond Insurer will become the owner of the Series 2005 E Bond, appurtenant coupon, if any, or right to payment of principal or interest on such Series 2005 E Bond and will be fully subrogated to the surrendering Holder’s rights to payment.

The Series 2005 E Bond Insurance Policy does not insure against loss relating to payments of the purchase price of the Series 2005 E Bonds upon tender by a registered owner thereof or any preferential transfer relating to payments of the purchase price of the Series 2005 E Bonds upon tender by a registered owner thereof.

Ambac Assurance Corporation

The Series 2005 Bond Insurer is a Wisconsin-domiciled stock insurance corporation regulated by the Office of the Commissioner of Insurance of the State of Wisconsin and licensed to do business in 50 states, the District of Columbia, the Territory of Guam, the Commonwealth of Puerto Rico and the U.S. Virgin Islands, with admitted assets of approximately $8,720,000,000 (unaudited) and statutory capital of approximately $5,287,000,000 (unaudited) as of June 30, 2004. Statutory capital consists of the Series 2005 E Bond Insurer’s policyholders’ surplus and statutory contingency reserve. Standard & Poor’s Credit Markets Services, a Division of
The McGraw-Hill Companies, Moody’s Investors Service and Fitch Ratings have each assigned a triple-A financial strength rating to the Series 2005 E Bond Insurer.

The Series 2005 E Bond Insurer has obtained a ruling from the Internal Revenue Service to the effect that the insuring of a bond by the Series 2005 E Bond Insurer will not affect the treatment for federal income tax purposes of interest on such bond and that insurance proceeds representing maturing interest paid by the Series 2005 E Bond Insurer under policy provisions substantially identical to those contained in its financial guaranty insurance policy shall be treated for federal income tax purposes in the same manner as if such payments were made by the obligor of the Series 2005 E Bonds.

The Series 2005 E Bond Insurer makes no representation regarding the Series 2005 E Bonds or the advisability of investing in the Series 2005 E Bonds and makes no representation regarding, nor has it participated in the preparation of, the Official Statement other than the information supplied by the Series 2005 E Bond Insurer and presented under the heading “Financial Guaranty Insurance.”

Available Information

The parent company of the Series 2005 E Bond Insurer, Ambac Financial Group, Inc. (the “Company”), is subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and in accordance therewith files reports, proxy statements and other information with the Securities and Exchange Commission (the “SEC”). These reports, proxy statements and other information can be read and copied at the SEC’s public reference room at 100 F Street, N.E., Room 1580, Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference room. The SEC maintains an internet site at http://www.sec.gov that contains reports, proxy and information statements and other information regarding companies that file electronically with the SEC, including the Company. These reports, proxy statements and other information can also be read at the offices of the New York Stock Exchange, Inc. (the “NYSE”), 20 Broad Street, New York, New York 10005.

Copies of the Series 2005 E Bond Insurer’s financial statements prepared in accordance with statutory accounting standards are available from the Series 2005 E Bond Insurer. The address of the Series 2005 E Bond Insurer’s administrative offices and its telephone number are One State Street Plaza, 19th Floor, New York, New York 10004 and (212) 668-0340.

Incorporation of Certain Documents by Reference

The following documents filed by the Company with the SEC (File No. 1-10777) are incorporated by reference in this Official Statement:

1. The Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2004 and filed on March 15, 2005;
2. The Company’s Current Report on Form 8-K dated April 5, 2005 and filed on April 11, 2005;
3. The Company’s Current Report on Form 8-K dated and filed on April 20, 2005;
5. The Company’s Quarterly Report on Form 10-Q for the fiscal quarterly period ended March 31, 2005 and filed on May 10, 2005;
6. The Company’s Current Report on Form 8-K dated and filed on July 20, 2005;
7. The Company’s Current Report on Form 8-K dated July 28, 2005 and filed on August 2, 2005; and

All documents subsequently filed by the Company pursuant to the requirements of the Exchange Act after the date of this Official Statement will be available for inspection in the same manner as described above in “Available Information.”

PROCEDURES FOR PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION

On December 4, 1998, the Indiana Supreme Court affirmed a ruling by the Indiana Tax Court that the property wealth assessment methodology employed in the 1995 Indiana Real Property Assessment Manual was unconstitutional. State Bd. of Tax Comm’rs v. Town of St. John, 702 N.E.2d 1034 (Ind. 1998). The Indiana Supreme Court ruled that the reproduction cost schedules used by the State Board of Tax Commissioners were arbitrary and unconstitutional. As a result, the State Board of Tax Commissioners issued new regulations, a manual, and guidelines in May 2001 (the “Regulations”) to comply with the Supreme Court’s decision. The Regulations were effective as of the March 1, 2002 assessment date and affect the property taxes payable in 2003. The Regulations are briefly described in this section of the Official Statement. The Regulations shift the tax burden among various classes of property owners, but should not impact the total tax levy. This ruling affects only the valuation method and not the ability of political subdivisions to levy property taxes. Neither the Bond Bank, the City, the Authority, the Commission nor the Redevelopment District can predict the impact on property tax collections, or the possibility of any future judicial actions, legislation or rulings enacted as a result of the Regulations.

As of January 1, 2002, the State legislature dissolved the State Board of Tax Commissioners and created two new agencies to replace the State Board, the Department of Local Government Finance (the “DLGF”) and the Indiana Board of Tax Review (the “IBTR”). The DLGF assumed the administrative responsibilities of the State Board and the IBTR assumed the responsibilities of the State Board for property tax appeals.

Real and personal property in the State of Indiana is assessed each year as of March 1st. On or before August 1st each year, each county auditor must submit to certain local, county, and state agencies a statement providing (i) information concerning the assessed valuation in the political subdivision for the next calendar year, (ii) an estimate of the taxes to be distributed to the political subdivision during the last six months of the current calendar year, (iii) the current assessed valuation as shown on the abstract of charges, (iv) the average growth in assessed valuation as shown on the abstract of charges, (v) any other relevant information.

By statute, the budget, tax levy and tax rate of a political subdivision (other than a consolidated city and county, a second class city, or the South Bend Community School Corporation, which would be no later than its respective last meeting in September) must be established no later than September 20. The budget, tax levy and tax rate are subject to review and revision by the county board of tax adjustment, which can lower, but not raise the tax levy or tax rate. Taxpayers of the political subdivision may challenge the budget, tax levy and tax rate approved by the political subdivision. In addition, taxpayers of the political subdivision or the political subdivision may initiate an appeal of the budget and tax levy approved by the county board of tax adjustment to the DLGF. The DLGF may revise or reduce the budget, tax levy and tax rate, or may increase the budget, tax levy and tax rate, but such increase generally may not exceed the amount originally approved by the political subdivision, except under certain limited circumstances.

On or before March 15, each county auditor prepares and delivers to the state auditor and county treasurer the final abstract of the property, assessments, taxes, deductions, and exemptions for taxes payable in that year in each taxing district within that county. The county treasurer generally mails tax statements in April of that year (but mailing may be delayed due to reassessment and other factors). Property taxes are due and payable to the county treasurer in two installments on May 10th and November 10th. If an installment of taxes is not completely paid on or before the due date, a penalty of 10% of the delinquent amount is added to the amount due. If the delinquent amount is not paid, real property generally becomes subject to tax sale after July 1 in the year after the tax was due. With respect to delinquent personal property taxes, the county treasurer in which the property is located may initiate collection procedures after November 10 in the year the tax was due.
Historically, real property was assessed at its depreciated reproduction cost, whereas personal property was assessed at historical cost less depreciation. Under the Regulations, real property will be assessed at its market value in use. Personal property will continue to be assessed at historical cost less depreciation. Inventory generally will be assessed at its historical cost less certain other adjustments. There are certain credits, deductions and exemptions available for various classes of property. For instance, residential real property is eligible for certain deductions for mortgages, veterans, the aged and the blind. Commercial and industrial real property, new manufacturing equipment and research and development equipment may be entitled to economic revitalization area deductions. Business inventories may be eligible for enterprise zone credits. Government-owned properties and properties owned, used and occupied for charitable, literary, scientific, educational or religious purposes may be entitled to exemptions from tax. The gross assessed value less all such deductions, credits and exemptions (the “Net Assessed Value”) is the value used for taxing purposes in the determination of tax rates.

Assessed values of real property change 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 or demolition of improvements. The last general reassessment of property in the State is effective for taxes assessed March 1, 2002, for taxes payable in 2003. The next reassessment is scheduled to begin July 2007, and is scheduled to take effect for 2009 pay 2010. Reassessments are scheduled to occur every four years thereafter.

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 with respect to an assessment date in 2002, 2003 or 2004, the owner may file a request for preliminary conference with the township assessor of the township in which the property is located within 45 days after (1) a notice of a change in assessment is given to the taxpayer, or (2) the taxpayer receives a tax statement for the property taxes that are based on the assessment for the assessment date, whichever occurs first. Beginning with the March 1, 2005 assessment date, an owner may appeal the assessed value of his or her property at any time, regardless of whether a change in the assessed value has been made. Those appeals generally may be filed no later than May 10 of each year the owner wishes to appeal. An appeal filed after May 10 is effective for the following year’s assessment.

Appeal petitions are reviewed by the county property tax assessment board of appeals in the county where the property is located. If the owner does not receive a favorable ruling from the county board, the owner may file a petition for review to the IBTR. If the owner does not receive a favorable ruling from the IBTR, the owner may file a petition with the Indiana Tax Court. Under new procedures, local officials may also appeal decisions of the IBTR to the Tax Court. While an appeal is pending and unless collection of the tax is stayed, any taxes on real property which become due must be paid in an amount based on the immediately preceding year’s assessment. Any taxes on personal property which become due while the property is subject to appeal must be paid based on the assessed value reported on the personal property tax return.

Indiana Code § 6-1.1-21-5 provides that each year taxpayers will receive a credit for property tax replacement, known as the “property tax replacement credit” (“PTRC”). Beginning with the March 1, 2002 assessment date, affecting taxes payable beginning in 2003, Indiana Code § 6-1.1-21-2(l)(1) provides that all property will receive a PTRC in the amount of up to sixty percent (60%) of the tax liability attributable to such property which is imposed by a school corporation for its general fund (the “School PTRC”). In addition, all property other than business personal property will receive a PTRC in the amount of approximately twenty percent (20%) of the tax liability attributable to such property (the “General PTRC”). Under Indiana Code § 6-1.1-22-9, property taxes are due and payable in two equal installments in May and November of each year. The School PTRC and the General PTRC are applied to each installment of taxes. However, for purposes of determining the amount of the General 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 General PTRC are the property taxes that will be used to pay for the principal and interest due on debt entered into after December, 1983.

**PLAN OF REFINANCING**

The proceeds of the Series 2005 E Bonds, together with funds on hand of the Bond Bank under the Indenture, will be used to provide funds to (i) to pay all of the principal of, and interest on, The Indianapolis Local Public Improvement Bond Bank Refunding Bonds, Series 2004 F (Taxable) (the “Series 2004 F Bonds”) maturing...
on October 15, 2005, in an aggregate principal amount of $54,820,000, (ii) fund a deposit to the Bond Bank Reserve Fund in an amount equal to $500,000, and (iii) pay certain costs of issuance of the Series 2005 E Bonds, including, but not limited to, a bond insurance premium and a surety bond premium. The Series 2004 F Bonds were issued to (i) refund in advance of their stated maturity dates The Indianapolis Local Public Improvement Bond Bank, Series 1995 A Refunding Bonds (the “Series 1995 A Bonds”) maturing on January 1, 2015 and January 1, 2017 in an aggregate principal amount of $50,035,000 (the “Refunded Series 1995 A Bonds”) and (ii) pay certain costs of issuance of the Series 2004 F Bonds.

APPLICATION OF PROCEEDS OF SERIES 2005 E BONDS

The proceeds of the Series 2005 E Bonds are expected to be applied on the issue date of the Series 2005 E Bonds as follows:

<table>
<thead>
<tr>
<th>Sources</th>
<th>$56,355,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Par Amount of Series 2005 E Bonds</td>
<td></td>
</tr>
<tr>
<td>Funds on Hand</td>
<td>250,000</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>56,605,000</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Uses</th>
<th>$56,605,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Refunding of Series 2004 F Bonds</td>
<td>$55,295,107</td>
</tr>
<tr>
<td>Deposit to Bond Bank Reserve Fund</td>
<td>500,000</td>
</tr>
<tr>
<td>Costs of Issuance (1)</td>
<td>809,893</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>56,605,000</strong></td>
</tr>
</tbody>
</table>

(1) Including, but not limited to, attorneys’ fees, Underwriter’s Discount, bond insurance premium, surety bond premium and rating agency fees.

RISKS TO BONDHOLDERS

Listed below are some of the risk factors pertaining to ownership of the Bonds. This list is not intended to be all-inclusive, and other risks may also be present.

1. The ability of the Bond Bank to pay the principal and interest on the Bonds and the Regularly Scheduled Swap Payments depends upon the receipt by the Bond Bank of Authority Bond Payments from the Authority in amounts which are sufficient, together with other money of the Bond Bank, to make such payments by the Bond Bank. There is no fund (except for the Bond Bank Reserve Fund) which is required to contain amounts to make up for any deficiencies in the event of one or more defaults by the Authority in making such Authority Bond Payments, and there is no source from which the General Fund under the Indenture will be replenished except the Authority Bond Payments and investment income or moneys in the Funds and Accounts. See “SECURITY FOR THE BONDS” herein.

2. The Authority Bonds are limited obligations. The Authority Bonds are not secured by any mortgage, lien, or other security interest in the real or personal property constituting the Site or the Facility. The sole security and source of payment for the Authority Bonds will be the Fixed Rentals to be paid by the Commission to the Authority Trustee pursuant to the terms of the Lease. No other pledge by, or property of, the Authority will secure, or be a source of payment for, the Authority Bonds. The Authority has no taxing power.

3. Damage, destruction or condemnation of the Leased Premises could lead to a termination, reduction or interruption, in whole or part, in the Commission’s obligation to make payments of the Fixed Rentals. To the extent and for the period that the Leased Premises are unfit or not available for use and occupancy by the Commission to the extent required in the Lease, the Fixed Rentals required by the Commission will be abated. The Lease provides that the Commission must procure or cause to be procured business interruption insurance for a period of at least 12 months in order to provide funds to the Authority sufficient to continue payments on the Authority Bonds, notwithstanding the abatement of rents. If the proceeds of such insurance are not sufficient to
provide, along with any Fixed Rentals that are not abated, for the payment of the Authority Bonds, there may not be sufficient funds for the payment of the Authority Bonds. See “SECURITY FOR THE BONDS--Security for Authority Bonds - Insurance Requirements” and “-Damage to or Destruction of the Leased Premises” herein.

4. Under the 2005 Swap Agreement, the Bond Bank will pay interest to the 2005 Swap Provider on the notional amount set forth in the 2005 Swap Agreement at a fixed interest rate of 3.657%, in exchange for which the 2005 Swap Provider will pay interest to the Bond Bank on such notional amount at a variable interest rate equal to seventy-five percent (75%) of the one-month LIBOR Rate (as defined in the 2005 Swap Agreement). It is anticipated that such obligations will begin to bear interest on October 5, 2005, and each party will be required to make payments, if any, to the other party under the 2005 Swap Agreement on January 1 and July 1 of each year, commencing on January 1, 2006. In the event interest costs applicable to the Series 2005 E Bonds exceed the payments to be received under the 2005 Swap Agreement, the additional interest costs would be paid from the Pledged Property Tax Revenues, if any, and money on deposit in the Bond Bank Reserve Fund, if any. There is no assurance that any such money will be available.

5. The Bond Bank Reserve Fund will be used to pay any shortfall in principal or interest on the Series 2005 E Bonds or the Regularly Scheduled Swap Payments which may occur. The Act provides that, in order to maintain the Bond Bank Reserve Fund at the Bond Bank Reserve Requirement, the Council may make annual appropriations to replenish the Bond Bank Reserve Fund. Under the Act, the Council is not obligated to make such appropriations to replenish the Bond Bank Reserve Fund, although it adopted an ordinance in 1985 indicating its general intention to consider such appropriations if necessary.

THE BOND BANK

Powers and Purposes

The Bond Bank is a body corporate and politic separate from the City. The address of the Bond Bank is 200 East Washington Street, Room 2421, City-County Building, Indianapolis, Indiana 46204. The Bond Bank was created by the Act for the purpose of buying and selling securities of certain qualified entities, including the City, the County, all special taxing districts of the City, all entities whose tax levies are subject to review and modification by the Council and certain authorities or entities that lease land or facilities to other qualified entities. The Bond Bank was created pursuant to the Act to help the qualified entities lower their respective borrowing costs by having the Bond Bank purchase their debt obligations at interest rates favorable to the qualified entities. To accomplish its purpose, the Bond Bank may issue bonds or notes. The Bond Bank also has general powers which include the power to enter into, make and perform contracts of every lawful kind to accomplish its purpose.

Board of Directors of the Bond Bank

The Bond Bank is governed by a five (5) member board of directors appointed by the Mayor of the City. The directors appoint an executive director who serves as secretary-treasurer of the board. The directors each serve for terms of three (3) years and may be reappointed. All of the directors’ terms expire on April 30, 2006, except for the term of John J. Dillon, III, which expires on December 31, 2005. No director may be an officer of the City, the County, or any other qualified entity. The current members of the board of directors, their positions and their principal occupations are as follows:

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Occupation</th>
</tr>
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<tbody>
<tr>
<td>John J. Dillon, III</td>
<td>Chair</td>
<td>Business Executive</td>
</tr>
<tr>
<td>Mary Titsworth Chandler</td>
<td>Vice Chair</td>
<td>Attorney, Private Practice</td>
</tr>
<tr>
<td>Jacob E. Hall</td>
<td>Member</td>
<td>Engineer</td>
</tr>
<tr>
<td>Thomas J. O’Donnell</td>
<td>Member</td>
<td>Business Manager of International Brotherhood of Electrical Workers</td>
</tr>
<tr>
<td>Arnold Pinkston</td>
<td>Member</td>
<td>Deputy General Counsel, Eli Lilly &amp; Company</td>
</tr>
</tbody>
</table>
Barbara A. Lawrence was appointed Executive Director of the Bond Bank on August 1, 2005 and served as the Deputy Director from March 2000 to January 2002. She previously served as the Indianapolis City Controller and the Director of the City’s Department of Public Works. She holds a B.A. degree from Indiana University and an M.B.A. from Indiana Wesleyan University.

Katherine Aeschliman has served as Project Manager of the Bond Bank since May 2005. Ms. Aeschliman worked as a financial analyst for the City of Indianapolis Controller’s Office from 2001 to May 2005, before joining the Bond Bank. She holds a B.S. from Indiana University and is working to complete an M.B.A. at the University of Indianapolis.

Other Programs; Outstanding Indebtedness

Under the Act, the Bond Bank is authorized to issue other series of notes or bonds to finance different programs to accomplish its purposes. Under separate trust indentures and other instruments authorized under the Act, the Bond Bank has previously issued and has outstanding as of September 1, 2005, an aggregate principal amount of approximately $2,222,476,194 in separate program obligations. Certain of the foregoing obligations of the Bond Bank may mature or otherwise be defeased as of or prior to the issuance of the Series 2005 E Bonds. All such obligations are and will be secured separately and independently and do not and will not constitute Bonds under the Indenture or for purposes of this Official Statement.

Further, as of the date of this Official Statement, the Bond Bank has authorized other types of financings for Qualified Entities for purposes authorized by and in accordance with the procedures set forth in the Act, in an aggregate principal amount of approximately $111,000,000. These obligations, together with any other obligations, issued by the Bond Bank in connection with any and all such financings, if any, will be secured separately from the Series 2005 E Bonds and will not constitute Series 2005 E Bonds under the Indenture or for purposes of this Official Statement.

THE AUTHORITY

The Authority was created pursuant to Indiana Code 36-10-9.1. The Authority is authorized pursuant to Indiana Code 36-7-15.3 to acquire, finance and construct one or more local public improvements in an economic development area or a blighted area for the Commission under Indiana Code 36-7-15.1. The Authority is also authorized to issue its bonds to provide funds for such purpose, to lease such local public improvement or improvements to the Commission and to secure the Authority’s bonds by a pledge of lease rentals to be received from the Commission.

THE CITY, THE REDEVELOPMENT DISTRICT AND THE COMMISSION

The City

The City is a municipal corporation located in the County. It is the largest city in the State and the twelfth largest city in the United States. In 1970, the governments of the City and the County were consolidated to form the State’s only consolidated city, which provides services generally throughout the county in which the city is located. By the consolidating act, the boundaries of the City were extended to the County line with the exception of the municipalities of Beech Grove, Lawrence, Speedway and Southport.

The executive of the City is the Mayor who is elected by all the voters of the County. The Mayor, who may serve an unlimited number of four-year terms, has extensive appointive powers and also serves as chief executive officer of the County. The executive authority is administered through five departments: Administration, Metropolitan Development, Parks and Recreation, Public Safety and Public Works.

The legislative body of the City is the City-County Council. The City-County Council approves the annual budget and tax levies for the City and the special taxing districts of the City and the County. It is also empowered to review and modify the budgets and tax levies of certain other entities in the County.
The Indianapolis Metropolitan Statistical Area (“MSA”), which as of 2004 included the counties of Marion, Boone, Hamilton, Hancock, Hendricks, Johnson, Morgan and Shelby, is located at the geographic center of the State. There are more interstate freeways (I-65, I-69, I-70 and I-74) passing through the City than through any other city in the nation. In addition, six other major U.S. highways, all interconnected by an outer beltway (I-465), provide the Indianapolis MSA with routes for transportation and distribution in all directions. The 2000 United States Census established the population of the Indianapolis MSA at approximately 1,691,000. The population and economy of the Indianapolis MSA have historically increased more rapidly than the national average with a growth rate in population of 7.1% from 1980 to 1990 and 16.4% from 1990 to 2000, a per capita income increase of 12.3% from 1998 to 2002, and an average unemployment rate for 2004 of only 4.7%. The economy of the Indianapolis MSA is increasingly diversified, with the industry distribution of employment similar to that of the nation as a whole. See “AVAILABILITY OF DOCUMENTS AND FINANCIAL INFORMATION” in this Official Statement for more statistical information regarding the City and the County.

The Redevelopment District

The Redevelopment District is established and exists pursuant to Indiana Code 36-7-15.1, as amended, is governed by the Commission and has the responsibility for the clearance, replanning and redevelopment of blighted, deteriorated and deteriorating areas within its boundaries of the County, but excluding the municipalities of Beech Grove, Lawrence, Southport and Speedway. The most recent certified true tax value of the Redevelopment District is approximately $39,930,130,000. The Redevelopment District is included within the reporting entity for the Comprehensive Annual Financial Report of the City for the year ended December 31, 2004. See “AVAILABILITY OF DOCUMENTS AND FINANCIAL INFORMATION” in this Official Statement.

LITIGATION

There is not now pending or, to the Bond Bank’s or Authority’s respective knowledge, threatened any litigation restraining or enjoining the issuance, sale, execution or delivery of the Series 2005 E Bonds; or the performance by, the respective parties to the Lease, Site and Facilities Lease, the Tenancy-in-Common Agreement or the Sublease; in any way contesting or affecting the validity of the Series 2005 E Bonds or the Authority Bonds or any proceedings of the Bond Bank taken with respect to the issuance or sale thereof; or the Pledges or application of any moneys or security provided for payment of the Bonds or Authority Bonds. Neither the creation, organization or existence of the Bond Bank or Authority nor the title of any of the present Directors or other officers of the Bond Bank or Authority to their respective officers is being contested.

TAX MATTERS

In the opinion of Baker & Daniels LLP, Indianapolis, Indiana, Bond Counsel, under existing law, interest on the Series 2005 E Bonds is excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended and in effect on the date of issuance of the Series 2005 E Bonds (the “Code”). The opinion of Baker & Daniels LLP is based on certain certifications, covenants and representations of the Bond Bank, the Authority and the Redevelopment District and is conditioned on continuing compliance therewith (the “Tax Covenants”). In the opinion of Baker & Daniels LLP, Indianapolis, Indiana, Bond Counsel, under existing law, interest on the Series 2005 E Bonds is exempt from taxation in the State of Indiana for all purposes except the State financial institutions tax and the State inheritance tax. See Appendix A, “PROPOSED FORM OF APPROVING BOND COUNSEL OPINION.”

The Code imposes certain requirements which must be met subsequent to the issuance of the Series 2005 E Bonds as a condition to the exclusion from gross income of interest on the Series 2005 E Bonds for federal tax purposes. Noncompliance with such requirements may cause interest on the Series 2005 E Bonds to be included in gross income for federal tax purposes retroactive to the date of issue, regardless of the date on which noncompliance occurs. Should the Series 2005 E Bonds bear interest that is not excluded from gross income for federal income tax purposes, the market value of the Series 2005 E Bonds would be materially and adversely affected. It is not an event of default if the interest on the Series 2005 E Bonds becomes includable in gross income for federal income tax purposes or otherwise subject to federal income taxes pursuant to any provision of the Code which is not in effect on the date of issuance of the Series 2005 E Bonds.
The interest on the Series 2005 E Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes. However, interest on the Series 2005 E Bonds is included in adjusted current earnings in calculating corporate alternative minimum taxable income for purposes of the corporate alternative minimum tax.

Indiana Code 6-5.5 imposes a franchise tax on certain taxpayers (as defined in Indiana Code 6-5.5) which, in general, includes 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 Series 2005 E Bonds is excludable from gross income for federal tax purposes and exempt from State taxation for all purposes except the State financial institutions tax and the State inheritance tax, the accrual or receipt of interest on the Series 2005 E Bonds may otherwise affect an owner’s federal or state tax liability. The nature and extent of these other tax consequences will depend upon the owner’s particular tax status and the owner’s other items of income or deduction. Except as expressly set forth above, Bond Counsel expresses no opinion regarding any other such tax consequences. Prospective purchasers of the Series 2005 E Bonds should consult their own tax advisors with respect to the other tax consequences of owning the Series 2005 E Bonds.

ENFORCEABILITY OF REMEDIES

The remedies available to the Trustee or the holders of the Series 2005 E Bonds upon a default under the Indenture; to the Bond Bank under the Qualified Entity Purchase Agreement executed by the Bond Bank and the Authority in connection with Authority Bonds (the “Purchase Agreement”), the Lease and the Authority Indenture; to the Authority under the Site and Facilities Lease, the Tenancy-In-Common Agreement and the Lease; to the Commission under the Sublease; or to any party seeking to enforce the pledges of Bond Bank bond payments, the Authority Bond Payments, the Pledged Property Tax Revenues, or the Fixed Rentals described herein (collectively the “Pledges”), are in many respects dependent upon judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, including specifically Title 11 of the United States Code (the federal bankruptcy code), the remedies provided (or which may be provided) in the Indenture, the Purchase Agreement, the Lease, the Site and Facilities Lease, the Tenancy-In-Common Agreement, the Sublease, the Authority Indenture or any document related to any of these documents, or to any party seeking to enforce the Pledges, may not be readily available or may be limited. Under Federal and State environmental laws certain liens may be imposed on property of the Bond Bank, the Authority, the Commission, the IAA or the commercial enterprise occupying the Facility from time to time, but the Bond Bank has no reason to believe, under existing law, that any such lien would have priority over the lien on the Authority Bond Payments pledged to owners of the Series 2005 E Bonds under the Indenture, over the lien on the Fixed Rentals pledged to the owner of the Authority Bonds under the Authority Indenture or over the lien on the Pledged Property Tax Revenues.

The various legal opinions to be delivered concurrently with the delivery of the Series 2005 E 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 City and the County), in a manner consistent with the public health and welfare. Enforceability of the Indenture, the Purchase Agreement, the Authority Indenture, the Site and Facilities Lease, the Tenancy-In-Common Agreement, the Sublease, the Lease and the Pledges in a situation where such enforcement may adversely affect public health and welfare may be subject to these police powers.

APPROVAL OF LEGAL PROCEEDINGS

Certain legal matters incident to the authorization, issuance, sale and delivery of the Series 2005 E Bonds are subject to the approval of Baker & Daniels LLP, Indianapolis, Indiana, Bond Counsel, whose approving legal opinion will be delivered with the Series 2005 E Bonds, substantially in the form attached hereto as Appendix A. Certain legal matters will be passed on by the Corporation Counsel of the City of Indianapolis, Indiana, General
RATINGS

The Series 2005 E Bonds are expected to be rated “AAA/A-1+” by Standard & Poor’s Ratings Services (“S&P”), based on the assumptions that (i) the Series 2005 E Bond Insurer will deliver its financial guaranty insurance policy insuring the timely payment of the principal of, and interest on, the Series 2005 E Bonds upon the issuance of the Series 2005 E Bonds, and (ii) the Initial Liquidity Facility Provider will issue its Initial Liquidity Facility upon the issuance of the Series 2005 E Bonds. Any desired explanation of the significance of such ratings should be obtained from S&P. There is no assurance that such rating will be maintained for any given period of time or that it will not be lowered or withdrawn entirely if, in the judgment of the issuing agency, circumstances so warrant. The Underwriter has undertaken no responsibility either to bring to the attention of the owners of the Series 2005 E Bonds any proposed revision or withdrawal of the rating of the Series 2005 E Bonds or to oppose any such proposed revision or withdrawal. Any downward revision or withdrawal of such rating could have an adverse effect on the market price or marketability of the Series 2005 E Bonds.

UNDERWRITING

The Underwriter has agreed, subject to certain customary conditions precedent to closing, to purchase the Series 2005 E Bonds from the Bond Bank at an aggregate purchase price of 100% of the par amount of the Series 2005 E Bonds less an underwriting discount of $70,443.75. The Underwriter has agreed to make a bona fide public offering of all of the Series 2005 E Bonds at prices not in excess of the initial public offering price. The Series 2005 E Bonds may be offered and sold to certain dealers at prices lower than such public offering prices, and such public offering prices may be changed from time to time by the Underwriter.

SERIES 2005 E BONDS AS LEGAL INVESTMENTS

Pursuant to the Act, all Indiana financial institutions, investment companies, insurance companies, insurance associations, executors, administrators, guardians, trustees, and other fiduciaries may legally invest sinking funds, money, or other funds belonging to them or within their control in bonds or notes issued by the Bond Bank.

AGREEMENT WITH THE STATE

The Act provides that the State will not limit or restrict the rights vested in the Bond Bank to fulfill the terms of any agreement made with the owners of the Series 2005 E Bonds or in any way impair the rights or remedies of the owners of the Series 2005 E Bonds for so long as the Series 2005 E Bonds are outstanding.

VERIFICATION OF MATHEMATICAL COMPUTATIONS

The arithmetical accuracy of certain computations included in the schedules provided by the Underwriter, on behalf of the Bond Bank, relating to computation of amounts deposited in the escrow account and the forecasted payment of principal and interest on the Series 2004 F Bonds was examined by Umbaugh, Indianapolis, Indiana, independent certified public accountants. Umbaugh has restricted its procedures to examining the arithmetical accuracy of certain computations and has not made any study or evaluation of the assumptions and information on which the computations are based and, accordingly, has not expressed an opinion on the data used, the reasonableness of the assumptions, or the achievability of the forecasted outcome.

AVAILABILITY OF DOCUMENTS AND FINANCIAL INFORMATION

In accordance with the provisions of the Rule (as hereinafter defined), on July 30, 2005, the City filed with Bloomberg Municipal Repository, DPC Data Inc., FT Interactive Data and Standard & Poor’s Securities Evaluations, Inc. (such repositories being all of the NRMSIRs (as hereinafter defined) approved by the Securities
and Exchange Commission (the “SEC”) pursuant to the Rule as of the date of this Official Statement), the Comprehensive Annual Financial Report of the City for the year ended December 31, 2004 (the “CAFR”). There is hereby included in this Official Statement by this reference the information contained in the CAFR, which information should be read in its entirety in conjunction with this Official Statement. The CAFR is also available online at www.indygov.org/eGov/City/Controller/home.htm.

Copies of the CAFR may be obtained from the NRMSIRs listed above pursuant to their usual procedures and at their prescribed rates or from the City online at www.indygov.org/eGov/City/Controller/home.htm.

No financial reports related to the City are prepared on an interim basis and there can be no assurance that there have not been material changes to the financial position of the City since the date of the CAFR.

Any statement contained in a document included or deemed to be included by reference herein shall be deemed to be modified or superseded for purposes of this Official Statement to the extent that a statement contained herein or in any other subsequently filed document which is also included or deemed to be included by reference herein modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute part of this Official Statement.

Upon request, the Bond Bank will make available the most recent CAFR, any authorizing or governing instruments defining the rights of the owners of the Bonds and available financial and statistical information regarding the Bond Bank and the City. Requests for documents should be directed to the Executive Director, The Indianapolis Local Public Improvement Bond Bank, 200 East Washington Street, Room 2421, City-County Building, Indianapolis, Indiana 46204, (317) 327-4220.

EXEMPTION FROM CONTINUING DISCLOSURE

While and so long as the Series 2005 E Bonds bear interest at a Daily Rate or Weekly Rate, the Series 2005 E Bonds will be exempt from the continuing disclosure requirements of Rule 15c2-12 (the “Rule”) promulgated by the Securities and Exchange Commission. Neither the Bond Bank, the Initial Liquidity Facility Provider nor any other person has undertaken, in any agreement or contract for the benefit of holders of the Series 2005 E Bonds, to provide to the Trustee, the Underwriter, any holder of any Series 2005 E Bonds, any information repository or depository, the Municipal Securities Rulemaking Board or any other person, on a periodic basis or otherwise, any financial information, financial statements, operating data or other information or any notice of any event with respect to the Series 2005 E Bonds. However, the Bond Bank currently files with the nationally recognized municipal securities information repositories (the “NRMSIRs”) the annual financial information required by the Rule for other financings undertaken for or on behalf of the Bond Bank that are not exempt from the Rule. Therefore, purchasers of the Series 2005 E Bonds may be able to access the annually updated CAFR by contacting the NRMSIRs. The Bond Bank has been in compliance with all of its continuing disclosure contracts for at least the last five years.

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 made to all such documents for full and complete statements of all matters of fact relating to the Series 2005 E Bonds, the security for the payment of the Series 2005 E Bonds and the rights of the owners thereof. During the period of the offering, copies of drafts of such documents may be examined at the offices of the Underwriter; following delivery of the Series 2005 E Bonds, copies of such documents may be examined at the offices of the Bond Bank.

The information contained in this Official Statement has been compiled from official and other sources deemed to be reliable, and while not guaranteed as to completeness or accuracy, is believed to be correct as of this date.
Any statements made in this Official Statement involving matters of opinions or estimates, whether or not expressly so 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. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the information presented herein since the date hereof. This Official Statement is submitted in connection with the issuance and sale of the Series 2005 E Bonds and may not be reproduced or used, in whole or in part, for any other purpose. This Official Statement is not to be construed as a contract or agreement between the Bond Bank, the City, the Authority, the Trustee, the Registrar and Paying Agent or the Underwriter and the purchasers or owners of any Series 2005 E Bonds. The delivery of this Official Statement has been duly authorized by the Board of Directors of the Bond Bank.

THE INDIANAPOLIS LOCAL PUBLIC IMPROVEMENT BOND BANK

By: /s/ John J. Dillon, III
John J. Dillon, III, Chair

Dated: September 28, 2005
APPENDIX A

FORM OF APPROVING BOND COUNSEL OPINION

Upon delivery of the Series 2005 E Bonds, Baker & Daniels LLP, Indianapolis, Indiana, Bond Counsel, proposes to deliver an opinion in substantially the following form:

October ___, 2005

The Indianapolis Local Public Improvement Bond Bank
Indianapolis, Indiana

J.P. Morgan Trust Company, National Association
Indianapolis, Indiana

Re: The Indianapolis Local Public Improvement Bond Bank Variable Rate Demand Refunding Bonds, Series 2005 E

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by The Indianapolis Local Public Improvement Bond Bank (the "Issuer") of Fifty-Six Million Three Hundred Fifty-Five Thousand Dollars ($56,355,000) aggregate principal amount of The Indianapolis Local Public Improvement Bond Bank Variable Rate Demand Refunding Bonds, Series 2005 E, dated the date hereof (the "Bonds"). The Bonds are being issued pursuant to Indiana Code 5-1.4, as amended (the "Act"), and a Trust Indenture dated as of December 1, 1991, between the Issuer and J.P. Morgan Trust Company, National Association (successor in interest to Bank One Trust Company, National Association), as trustee, as heretofore supplemented and amended and as further supplemented and amended by a Third Supplemental Trust Indenture dated as of October 1, 2005 (collectively, the "Indenture").

We have examined the law and such certified proceedings and other certificates, instruments and documents as we have deemed necessary or appropriate for purposes of rendering this opinion.

As to questions of fact material to our opinion, we have relied upon representations and certifications of the Issuer, public officials and others contained in the certified proceedings and other certificates, instruments and documents furnished to us.

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

1. The Issuer is a body corporate and politic validly existing under the Act, with the corporate power to execute and deliver the Indenture and to issue, execute and deliver the Bonds.
2. The Indenture has been duly authorized, executed and delivered by the Issuer and constitutes a legal, valid and binding obligation of the Issuer enforceable against the Issuer in accordance with its terms.

3. The Bonds have been duly authorized, executed, issued and delivered by the Issuer in accordance with the Act and the Indenture, and constitute legal, valid and binding special obligations of the Issuer enforceable in accordance with their terms. The principal of and interest on the Bonds are payable solely from and secured exclusively by the Trust Estate (as defined in the Indenture).

4. Interest on the Bonds is excludable pursuant to Section 103 of the Internal Revenue Code of 1986, as amended and in effect on the date hereof (the "Code"), from gross income for federal income tax purposes, and the Bonds are not "private activity bonds" under Section 141 of the Code; however, it should be noted that with respect to corporations (as defined for federal income tax purposes), interest on the Bonds is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on such corporations. The opinions set forth in the preceding sentence are subject to the condition that the Issuer, the Marion County Convention and Recreational Facilities Authority (the "Authority") and the Metropolitan Development Commission of Marion County, Indiana, acting as the Redevelopment Commission of the City of Indianapolis, Indiana, for federal income tax purposes. The Issuer, the Authority and the Commission have each covenanted to comply with each such requirement. Failure to comply with certain of such requirements may cause the interest on the Bonds to cease to be excludable from gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. We express no opinion regarding any other federal tax consequences arising with respect to the Bonds.

5. The interest on the Bonds is exempt from taxation in the State of Indiana for all purposes except the Indiana financial institutions tax and the Indiana inheritance tax.

It is to be understood that the rights of the holders of the Bonds and the Trustee and the enforceability thereof and of the Indenture may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and that their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

Very truly yours,
APPENDIX B

SUMMARY OF CERTAIN PROVISIONS OF THE SERIES 2005 E BONDS AND THE LEGAL DOCUMENTS

The following is a summary of certain provisions contained in the Indenture, the Authority Indenture and the Lease not otherwise discussed in this Official Statement. This summary is qualified in its entirety by reference to the Indenture, the Authority Indenture or the Lease, respectively. Capitalized terms not defined in this Official Statement shall have the meanings set forth in the Indenture, the Authority Indenture or the Lease.

DEFINITIONS

The following are definitions of certain terms used in this summary:

"Accounts" means the accounts created pursuant to the Indenture.

"Act" means the provisions of Indiana Code 5-1.4, as from time to time amended.

"Additional Bonds" means additional bonds issued pursuant to the Indenture.

"Adjustable Rate" means the lowest interest rate on a Series 2005 E Bond which will, in the sole judgment of the Remarketing Agent for such Series 2005 E Bond having due regard for prevailing financial market conditions, permit such Series 2005 E Bond to be sold at par on the first day of such Adjustable Rate Period and established in accordance with the Indenture.

"Adjustable Rate Conversion Date" means the Interest Payment Date on which a Series 2005 E Bond begins to bear interest at an Adjustable Rate in accordance with the terms of the Indenture.

"Adjustable Rate Mode" means the Mode in which a Series 2005 E Bond bears interest at an Adjustable Rate.

"Adjustable Rate Period" means the period from (a) an Adjustable Rate Conversion Date or an Adjustable Rate Reset Date, as appropriate, to (b) a subsequent Conversion Date or Adjustable Rate Reset Date, as appropriate.

"Adjustable Rate Reset Date" means an Interest Payment Date subsequent to an Adjustable Rate Conversion Date on which a Series 2005 E Bond begins to bear interest at a new Adjustable Rate in accordance with the terms of the Indenture.

"Adjusted Debt Service Requirements" means, for any period, as of any date of calculation, the aggregate Debt Service Requirements on Outstanding Bonds for such period taking into account the following adjustments:

(a) With respect to Bonds that bear interest at a variable interest rate, the aggregate Debt Service Requirements thereon shall be determined as if each such Bond bore interest at the Maximum Rate; provided that, except for Bank Bonds, during the term of any interest rate swap agreement relating to the Bonds, and so long as the swap provider is not in default thereunder, the interest rate on such Bonds shall be determined as if such Bonds bear interest at the fixed rate payable by the Bond Bank under such swap agreement, provided that the swap provider is required to pay the actual interest rate from time to time borne by the Bonds and, if the swap provider is not so required, shall be determined by giving effect to swap payments made to the Bond Bank by the swap provider and by the Bond Bank to the swap provider.

(b) Except to the extent described in (c) below, the aggregate Debt Service Requirements on the Bonds shall be deemed to include all periodic Bond Related Costs.
(c) With respect to Bonds bearing interest at a Daily Rate or Weekly Rate, the aggregate Debt Service Requirements thereon shall not include any amounts payable to the Liquidity Provider pursuant to any reimbursement obligation arising as the result of the payment of any purchase price with respect to such Bonds on a Purchase Date except to the extent that, and for any period during which, the Bond Bank is obligated to reimburse the Liquidity Provider for payments made by such Liquidity Provider directly or indirectly in satisfaction of any obligation to purchase such Bonds on any Purchase Date following the application of any proceeds of any remarketing of such Bonds.

(d) The aggregate Debt Service Requirements for any period on any Bonds shall not include the amount of Debt Service Requirements on Bonds to be paid from amounts in the Debt Service Reserve Fund at the time of such computation for the period in question, but only if any such amount is available and is to be applied to make interest payments on such Bonds when due.

"Alternate Liquidity Facility" means any bank bond purchase agreement, revolving credit agreement, surety bond, bond insurance policy or other agreement or instrument under which any person or entity acceptable to the Series 2005 E Bond Insurer (other than the Bond Bank) undertakes to make or provide funds to make payment of the purchase price of Series 2005 E Bonds supported by a Liquidity Facility, delivered to and received by the Trustee (a) replacing a then existing Liquidity Facility, (b) dated as of a date prior to the expiration of the Liquidity Facility being replaced, (c) issued on similar terms and conditions as the then existing Liquidity Facility, except that the Alternate Liquidity Facility may expire on a date which is later than the expiration date of the Liquidity Facility being replaced, but such Alternate Liquidity Facility must have a term of at least 364 days unless such Series 2005 E Bonds mature within 364 days and except that the stated amount of the Alternate Liquidity Facility shall equal the sum of (i) the aggregate principal amount of Series 2005 E Bonds at the time Outstanding supported by the Liquidity Facility, plus (ii) 183 days' interest computed at the Maximum Rate per annum on all Series 2005 E Bonds at the time Outstanding that are in the Daily Rate Mode or the Weekly Rate Mode, (d) if such Series 2005 E Bonds will be rated, accompanied by evidence from each Rating Agency of the rating applicable to the Series 2005 E Bonds after the delivery of the Alternate Liquidity Facility or, if the Series 2005 E Bonds will not be rated after the delivery of the Alternate Liquidity Facility, a statement to that effect, (e) accompanied by an opinion of Bond Counsel to the effect that the delivery thereof is authorized or permitted by the terms of the Indenture and the Act, and will not adversely affect the exclusion from gross income of interest on the Series 2005 E Bonds for federal income tax purposes, and (f) acceptable to the Series 2005 E Bond Insurer, as evidenced by its prior written consent. Any reference in this Official Statement to actions occurring or to be taken under the Liquidity Facility shall be deemed to include any Alternate Liquidity Facility, as appropriate. An Alternate Liquidity Facility does not include an extension of the maturity or the maximum amount of the then existing Liquidity Facility.

"Auction Rate" means the interest rate per annum on a Series 2005 E Bond established in accordance with the Indenture and any Auction Rate Supplemental Indenture.

"Auction Rate Conversion Date" means the Interest Payment Date on which Series 2005 E Bonds begin to bear interest at an Auction Rate in accordance with the terms of the Indenture.

"Auction Rate Mode" means the Mode in which a Series 2005 E Bond bears interest at an Auction Rate.

"Auction Rate Period" means the period from an Auction Rate Conversion Date to the earlier of the next following Conversion Date or the maturity date of a Series 2005 E Bond (to the extent such Series 2005 E Bond is in the Auction Rate Mode at such time).

"Auction Rate Supplemental Indenture" means a supplemental indenture authorized by the Indenture to govern the terms of Series 2005 E Bonds in the Auction Rate Mode.

"Authority" means the Marion County Convention and Recreational Facilities Authority.

"Authority Cash Flow Certificate" means a certificate prepared by an accountant or firm of accountants which sets forth:
(1) the Fixed Rentals expected to be received pursuant to the Lease;

(2) other income, including the interest to be earned and other income to be derived from the investment of money deposited in the funds established pursuant to the Authority Indenture (except the Rebate Fund) and the rate or yields used in estimating such amount;

(3) all money expected to be in the funds established pursuant to the Authority Indenture (except the Rebate Fund); and

(4) the principal and interest due on all Authority Bonds expected to be outstanding under the Authority Indenture during such Fiscal Year.

The accountant or firm of accountants shall also supply supporting schedules appropriate to show the sources and applications of funds used.

"Authority Indenture" means the Trust Indenture, dated as of December 1, 1991, between the Authority and the Authority Trustee, and all supplements and amendments, including the First Supplemental Authority Indenture and the Second Supplemental Authority Indenture.

"Authority Trustee" means initially J.P. Morgan Trust Company, National Association (successor in interest to Bank One Trust Company, National Association), as trustee under the Authority Indenture.

"Authorized Denomination" means: (a) for any Series 2005 E Bond in the Daily Rate Mode, the Weekly Rate Mode or the Adjustable Rate Mode, the denomination of $100,000 or any integral multiple of $5,000 in excess thereof, (b) for any Series 2005 E Bond in the Fixed Rate Mode, the denomination of $5,000 or any integral multiple thereof, and (c) for any Series 2005 E Bond in the Auction Rate Mode, the denomination or denominations set forth in the Auction Rate Supplemental Indenture.

"Authorized Officer" means the Chairman, Vice Chairman or Executive Director of the Bond Bank or such other person or persons who are duly authorized to act on behalf of the Bond Bank.

"Bank Bonds" means Series 2005 E Bonds purchased with moneys provided to the Tender Agent, or beneficial interests of Series 2005 E Bonds purchased with moneys provided to the Remarketing Agent by the Liquidity Provider pursuant to the Indenture.

"Bond Bank" means The Indianapolis Local Public Improvement Bond Bank, created pursuant to the Act and separate from the City in its corporate capacity or any successor to its functions.

"Bond Bank Bonds" means Series 2005 E Bonds purchased with moneys provided to the Tender Agent, or beneficial interests in Series 2005 E Bonds purchased with moneys provided to the Remarketing Agent by the Bond Bank, the Trustee or an agent of the Trustee for the account of the Bond Bank.

"Bond Bank Reserve Fund" means the Debt Service Reserve Fund created by the Indenture.

"Bond Bank Reserve Requirement" means the Debt Service Reserve Requirement established under the Indenture.

"Bond Counsel" means a firm of attorneys of nationally recognized expertise with respect to tax exempt obligations of political subdivisions selected by the Bond Bank and acceptable to the 2005 Swap Provider, the Series 2005 E Bond Insurer, the Remarketing Agent and the Liquidity Provider and not objected to by the Trustee.

"Bondholder" or "holder of Bonds" or "owner of Bonds" when used with respect to a Bond, means the person or entity in whose name such Bond shall be registered on the Registration Books (excluding, however, the Bond Bank for purposes of receiving payments under the Series 2005 E Bond Insurance Policy).
"Bond Issuance Expense Account" means the account by that name created by the Indenture.

"Bond Related Costs" means (a) all costs, fees and expenses of the Bond Bank or the Qualified Entity incurred or reasonably related to the Standby Bond Purchase Agreement, the Remarketing Agreement and the 2005 Swap Agreement, (b) initial and acceptance fees of any fiduciary together with any fees of attorneys, feasibility consultants, engineers, financial advisors, remarketing agents, rebate consultants, accountants and other advisors retained by the Bond Bank or the Qualified Entity in connection with the Series 2005 E Bonds, and (c) any other fees, charges and expenses that may be lawfully incurred by the Bond Bank or the Qualified Entity relating to the Series 2005 E Bonds.

"Bond Service Charges" means, for any applicable time period or date, the scheduled principal of and premium, if any, and interest and the fees, expenses and costs of the Trustee and any Tender Agent, on any of the Series 2005 E Bonds accruing for that period or due and payable on that date, including any Regularly Scheduled Swap Payments due to the 2005 Swap Provider pursuant to the 2005 Swap Agreement. In determining Bond Service Charges accruing for any period or due and payable on any date, mandatory sinking fund requirements accruing for that period or due on that date will be included together with any amount required to be paid for the replenishment of any reserve.

"Bond Year" means the twelve-month period beginning January 2 and ending January 1.

"Bonds" means for purposes of this summary, any of The Indianapolis Local Public Improvement Bond Bank Bonds, including, without limitation, the Series 2005 E Bonds and any Additional Bonds, issued pursuant to the Indenture and any Supplemental Indenture.

"Business Day" means any day which is not (a) a Saturday, a Sunday or, in the City of New York, New York, or Indianapolis, Indiana (or, if different, in the city in which the principal corporate trust office of the Trustee, the principal corporate trust office of the Tender Agent, the principal corporate office of the Remarketing Agent or the office of the Liquidity Provider at which drawings under the Liquidity Facility are to be honored is located), a day on which banking institutions are authorized or required by law or executive order to close, or (b) a day on which the New York Stock Exchange is closed.

"Cash Flow Certificate" means a certificate prepared by an accountant or firm of accountants in accordance with the Indenture concerning anticipated Revenues and payments.

"City" means the City of Indianapolis, Indiana.

"Closing Date" means the date that the Series 2005 E Bonds are delivered to the original purchasers thereof against payment therefor, which is expected to be October 5, 2005.

"Code" means the Internal Revenue Code of 1986, as in effect on the date of issuance of any Series of Bonds, and the applicable judicial decisions or published rulings, or any applicable regulations promulgated or proposed thereunder or under the Internal Revenue Code of 1954 as in effect immediately prior to the enactment of the Tax Reform Act of 1986.

"Commission" means the Metropolitan Development Commission of Marion County, acting as the Redevelopment Commission of the City.

"Compounded Amount" means the Compounded Amount, from time to time, of the Series 1991 C Capital Appreciation Bonds, as determined pursuant to the Indenture, and which for purposes solely of consents to amendments, notices of default and requests, payments or demands in a default proceeding, the Compounded Amount as of the immediately preceding Interest Payment Date will be treated as the principal amount of each Series 1991 C Capital Appreciation Bond.
"Conversion Date" means a Daily Rate Conversion Date, an Adjustable Rate Conversion Date, a Weekly Rate Conversion Date, an Auction Rate Conversion Date or a Fixed Rate Conversion Date, as appropriate, which Conversion Date (other than a Daily Rate Conversion Date or a Weekly Rate Conversion Date) will be subject to prior written approval of the Series 2005 E Bond Insurer.

"Costs of Issuance" means (a) payment of all reasonable costs incurred by the Bond Bank in connection with the issuance of the Series 2005 E Bonds including, but not limited to, legal and accounting fees and expenses, printing expenses, financial consultants' fees, financing charges (including underwriting fees and discounts), printing and engraving costs, the fees and expenses of the Rating Agencies, preparation of the financing statements, preparation of any disclosure document and any other documents necessary for the issuance of the Series 2005 E Bonds; and (b) payment of the fees and expenses of the Trustee, any Registrar, the Tender Agent, the 2005 Swap Provider, the Series 2005 E Bond Insurer, the Liquidity Provider and the reasonable expenses of their counsel properly incurred under or in connection with the Indenture and the transactions contemplated thereby.

"Council" means the City-County Council of the City of Indianapolis and of Marion County, Indiana.

"Counsel" means an attorney duly admitted to practice law before the highest court of any state and approved by the Bond Bank.

"County" means Marion County, Indiana.

"Credit Provider" means the bank, insurance company, financial institution or other entity providing a Reserve Fund Credit Instrument.

"Custody Account" means the account by that name created under the Indenture.

"Daily Rate" means the lowest interest rate on a Series 2005 E Bond which will, in the sole judgment of the Remarketing Agent for such Series 2005 E Bond having due regard for prevailing market conditions, permit such Series 2005 E Bond to be remarketed at par on each day of such Daily Rate Period and established in accordance with the Indenture.

"Daily Rate Conversion Date" means the Interest Payment Date on which Series 2005 E Bonds begin to bear interest at a Daily Rate in accordance with the terms of the Indenture.

"Daily Rate Mode" means the Mode in which a Series 2005 E Bond bears interest at a Daily Rate.

"Daily Rate Period" means the period from a Daily Rate Conversion Date to the earlier of the following Conversion Date or the maturity date of a Series 2005 E Bond (to the extent such Series 2005 E Bond is in the Daily Rate Mode at such time).

"Debt Service" means principal, redemption premiums, if any, and interest (including Regularly Scheduled Swap Payments due to the 2005 Swap Provider pursuant to the 2005 Swap Agreement) on the Series 2005 E Bonds.

"Debt Service Requirements" means during the applicable period and as of any date of calculation with respect to any series of Outstanding Bonds, the aggregate of the Bond Service Charges on the Series 2005 E Bonds.

"Debt Service Reserve Fund" means the fund by that name created under the Indenture. The Debt Service Reserve Fund is also referred to as the "Bond Bank Reserve Fund."

"Debt Service Reserve Requirement" means, with regard to the Series 2005 E Bonds at any time, an amount which will be equal to the least of (i) the maximum annual debt service on the Series 2005 E Bonds, (ii) one hundred twenty-five percent (125%) of the average annual debt service on the Series 2005 E Bonds, or (iii) ten percent (10%) of the proceeds of the Series 2005 E Bonds, within the meaning of Section 148(d) of the Code.
"Default" means an event or condition the occurrence of which, with the lapse of time or the giving of notice or both, would become an Event of Default.

"Depository Company" or "DTC" means The Depository Trust Company, and its successors and assigns, including any surviving, resulting or transferee corporation, or any successor corporation that may be appointed in a manner consistent with the Indenture and shall include any direct or indirect participants of The Depository Trust Company.

"Escrow Agreement" means the Escrow Deposit Agreement by and between the Bond Bank and the Escrow Trustee, dated as of October 1, 2005, for the defeasance of the Series 2004 F Bonds.

"Escrow Trustee" means initially J.P. Morgan Trust Company, National Association, as Escrow Trustee under the Escrow Agreement.

"Event of Default" means any occurrence or event of default specified in the Indenture.

"Expiration of the Term of the Liquidity Facility" means the expiration of a then existing Liquidity Facility in effect with respect to any Series 2005 E Bonds, including extensions thereof, and including the termination upon notice of the Liquidity Facility by the Liquidity Provider as provided in Section 8.2(b) of the Standby Bond Purchase Agreement, provided, that this shall not include a termination or suspension of the Liquidity Facility without notice by the Liquidity Provider.

"Federal Securities" means (i) direct obligations of the United States of America (including obligations issued or held in book-entry form on the books of the Department of the Treasury), or (ii) obligations the timely payment of principal and interest on which are unconditionally guaranteed by the United States of America.

"Fees and Charges" means fees and charges established by the Bond Bank from time to time pursuant to the Act which are payable by Qualified Entities.

"First Supplemental Authority Indenture" means the First Supplemental Trust Indenture, dated as of December 15, 1995, between the Authority and the Authority Trustee.

"First Supplemental Indenture" means the First Supplemental Trust Indenture, dated as of December 15, 1995, between the Bond Bank and the Trustee.

"Fiscal Year" means the twelve month period from January 1 through the following December 31.

"Fixed Rate" means the lowest interest rate on a Series 2005 E Bond that will enable such Series 2005 E Bond to be re-marketed at par on the Fixed Rate Conversion Date and established in accordance with the Indenture.

"Fixed Rate Conversion Date" means the Interest Payment Date on which a Series 2005 E Bond begins to bear interest at the Fixed Rate in accordance with the terms of the Indenture.

"Fixed Rate Mode" means the Mode in which a Series 2005 E Bond bears interest at the Fixed Rate.

"Fixed Rate Period" means the period from the Fixed Rate Conversion Date to the maturity date of a Series 2005 E Bond.

"Funds" means the funds created pursuant to the Indenture, except the Rebate Fund.

"General Account" means the account by that name created by the Indenture.

"General Fund" means the fund by that name created by the Indenture.
"Governmental Obligations" means (i) direct obligations of the United States of America or obligations the payment of the principal of and interest on which are unconditionally guaranteed by the United States of America, including but not limited to securities evidencing ownership interests in such obligations or in specified portions thereof (which may consist of specific portions of the principal of or interest on such obligations) and (ii) obligations of any state of the United States of America or any political subdivision thereof, the full payment of principal of, premium, if any, and interest on which (a) are unconditionally guaranteed or insured by the United States of America or (b) are provided for by an irrevocable deposit of securities described in clause (a) and are not subject to call or redemption by the issuer thereof prior to maturity or for which irrevocable instructions to redeem have been given.

"Indenture" means the Trust Indenture, dated as of December 1, 1991, between the Bond Bank and the Trustee, as supplemented by the First Supplemental Indenture, the Second Supplemental Indenture, the Third Supplemental Indenture, and all further supplements thereto and amendments thereof.

"Initial Liquidity Facility" means the Standby Bond Purchase Agreement dated as of October 1, 2005, by and among DEPFA BANK plc, acting through its New York Branch, the Bond Bank and the Trustee, entered into on the Closing Date for the Series 2005 E Bonds, including amendments thereto and endorsements thereof, against which the Trustee shall be entitled to draw, in accordance with the terms thereof, up to (a) an amount sufficient to pay, with respect to such Series 2005 E Bonds supported by such Liquidity Facility, the purchase price or a portion of the purchase price equal to the aggregate principal amount of such Series 2005 E Bonds delivered for purchase pursuant to the Third Supplemental Indenture, plus (b) an amount equal to at least 183 days' accrued interest on such Series 2005 E Bonds outstanding in the Daily Rate Mode or the Weekly Rate Mode, calculated at an assumed rate per annum established in such Initial Liquidity Facility and no greater than the Maximum Rate.

"Interest Payment Date" means, with respect to Series 2005 E Bonds, each January 1 and July 1, commencing January 1, 2006, while the Series 2005 E Bonds are in the Weekly Rate Mode, the Adjustable Rate Mode or the Fixed Rate Mode, the first Business Day of each month while the Series 2005 E Bonds are in the Daily Rate Mode, the interest payment date as set forth in the Auction Rate Supplemental Indenture when the Series 2005 E Bonds are in the Auction Rate Mode, and the dates set forth in the Liquidity Facility for Bank Bonds.

"Interest Period" means (a) while a Series 2005 E Bond is in the Daily Rate Mode, the period from and including each day which is a Business Day to but excluding the next succeeding day which is a Business Day, (b) while a Series 2005 E Bond is in the Auction Rate Mode, the period provided for in the Auction Rate Supplemental Indenture, (c) while a Series 2005 E Bond is in the Fixed Rate Mode, the period from and including the Fixed Rate Conversion Date through the maturity date of such Series 2005 E Bond, (d) while a Series 2005 E Bond is in the Adjustable Rate Mode, the period from and including the Adjustable Rate Conversion Date or the Adjustable Rate Reset Date through the subsequent Adjustable Rate Conversion Date or Adjustable Rate Reset Date, as applicable, or, if earlier, the maturity date of such Series 2005 E Bond, and (e) while a Series 2005 E Bond is in the Weekly Rate Mode, the period from and including the Closing Date or a Weekly Rate Conversion Date, as appropriate, through and including the following Tuesday, and, after the first Interest Period, the period from and including Wednesday of each week through and including the following Tuesday, whether or not such days are Business Days; provided, however, that if the scheduled rate change day for Series 2005 E Bonds in the Weekly Rate Mode is changed to a day of the calendar week other than Wednesday pursuant to the Indenture, the Interest Period for Series 2005 E Bonds in the Weekly Rate Mode shall mean the period from the Weekly Rate Conversion Date through and including the day immediately preceding such new rate change day, and, after the first Interest Period, the period from such new rate change day through and including the day immediately preceding the following rate change day, whether or not such days are Business Days.

"Investment Earnings" means earnings and profits (after consideration of any accrued interest paid and/or amortization of premiums or discount on the investment) on the moneys in the Funds and Accounts established under the Indenture, except the Rebate Fund.

"Investment Securities" means any of the following: (i) Governmental Obligations; (ii) 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, Farm Credit
Banks; (iii) certificates of deposit, savings accounts, deposit accounts or depository receipts of banks, savings and loan associations and mutual savings banks, including the Trustee, each fully insured by the Federal Deposit Insurance Corporation; (iv) bankers' acceptances or certificates of deposit 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 the purchase of the investments in the single highest full classification established by Moody's Investors Service ("Moody's") and Standard & Poor's Credit Market Services ("S&P") and which matures not more than 270 days after the date of purchase; (v) investment agreements fully and properly secured at all times by collateral security described in (i), (ii) or (iii) above issued by entities rated in the single full rating classifications by Moody's and S&P when such agreement was entered into (and which meet certain requirements of the Series 1995 A Bond Insurer); (vi) 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), (ii) or (iii) above (and which meet certain requirements of the Series 1995 A Bond Insurer); 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 (vii) shares of an investment company, organized under the Investment Company Act of 1940, as amended, which invests its assets solely in obligations described in (i) and (vi) above.

"Leasehold Estate" means the Leasehold Estate created under the Site and Facilities Lease and described in the Tenancy in Common Agreement.

"Liquidity Facility" means the Initial Liquidity Facility or any Alternate Liquidity Facility then in effect. All references to "Liquidity Facility" shall be of no effect if (a) no Liquidity Facility is outstanding, and (b) no obligations of the Bond Bank to a Liquidity Provider remain outstanding under a Standby Bond Purchase Agreement and no Bank Bonds are outstanding.

"Liquidity Provider" means with respect to the Initial Liquidity Facility, DEPFA BANK plc, acting through its New York Branch, issuer of the Initial Liquidity Facility, and its successors in such capacity and its assigns; or, if an Alternate Liquidity Facility is issued, the issuer or issuers thereof, and their successors in such capacity and their assigns. All references to "Liquidity Provider" shall be of no effect if (a) no Liquidity Facility is outstanding, and (b) no obligations of the Bond Bank to a Liquidity Provider remain outstanding under a Standby Bond Purchase Agreement and no Bank Bonds are outstanding.

"Maximum Rate" means (i) the annual interest rate used in determining the available interest component under the Liquidity Facility, if any, (ii) such higher rate as is provided in a supplemental indenture delivered hereunder, or (iii) 20% for any Series 2005 E Bonds that constitute Bank Bonds. Upon the issuance of the Series 2005 E Bonds and the concurrent delivery of the Initial Liquidity Facility, the Maximum Rate applicable to Series 2005 E Bonds which are not Bank Bonds will be 12% while such Initial Liquidity Facility secures the Series 2005 E Bonds.

"Mode" means the Daily Rate Mode, the Weekly Rate Mode, the Auction Rate Mode, the Adjustable Rate Mode or the Fixed Rate Mode, as appropriate. The period that any Series 2005 E Bond is in any Mode shall not be less than thirty (30) days.

"Net Proceeds" means the proceeds received from the Underwriter pursuant to a purchase contract for the Bonds.

"Opinion of Bond Counsel" means a written opinion of Bond Counsel which opinion is acceptable to the Bond Bank and the Trustee.

"Other Income" includes investment earnings on moneys in the Sinking Fund and proceeds of insurance or condemnation unless such proceeds are used to reconstruct the Facility, but does not include the Additional Rentals.
"Outstanding" or "Bonds Outstanding" means all Bonds which have been authenticated and delivered by the Trustee under the Indenture or Bonds held for resale, including Bonds held by the Bond Bank, except (i) Bonds cancelled after purchase in the open market or because of payment at or redemption prior to maturity, (ii) Bonds deemed paid under the Indenture, and (iii) Bonds in lieu of which other Bonds have been authenticated under the Indenture or under any Supplemental Indenture.

"Paying Agent" means initially J.P. Morgan Trust Company, National Association (successor in interest to Bank One Trust Company, National Association), a national banking association organized and existing under the laws of the United States of America, or any successor.

"Permitted Encumbrances" means (i) current taxes not in default, (ii) the Authority Indenture, (iii) the Lease, (iv) the Tenancy in Common Agreement, (v) the Site and Facilities Lease, (vi) the Master Lease Agreement, (vii) the Sublease, (viii) the Lease Agreement between the Indiana Transportation Finance Authority and the IAA, and (ix) liens or potential liens arising from disputed claims of contractors and work to be repairs as set out therein.

"Program" means the program for the purchase of the Qualified Obligations by the Bond Bank pursuant to the Act and the Indenture.

"Program Expenses" means all of the Bond Bank's expenses in carrying out and administering the Program pursuant to the Indenture.

"Purchase Fund" means the Fund of that name authorized pursuant to the Indenture.

"Qualified Entity" means an entity defined in IC 5-1.4-1-10, as amended from time to time, including the Authority.

"Qualified Investments" means, to the extent permitted by law, any of the following: (i) Governmental Obligations; (ii) 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, Farm Credit Banks; (iii) certificates of deposit, savings accounts, deposit accounts or depository receipts of a bank, savings and loan associations and mutual savings banks, including the Authority Trustee, each fully insured by the Federal Deposit Insurance Corporation; (iv) bankers' acceptance or certificates of deposit of commercial banks or savings and loan associations, including the Authority 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 the single highest full classification by Moody's and S&P and which matures not more than 270 days after the date of purchase; (v) investment agreements fully and properly secured at all times by collateral security described in (i), (ii) or (iii) above, and which are rated at the time of purchase of the investments in the single highest full classification by Moody's and S&P and which matures not more than 270 days after the date of purchase; (vi) 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 Authority Trustee) or government bond dealer reporting to, trading with, and recognized as a primary dealer by the Federal Reserve Bank of New York and are rated for unsecured debt at the time of purchase of the investments in the single highest full classification by Moody's and S&P, which agreement is secured by any one or more of the securities described in clauses (i), (ii) or (iii) above (and which meet certain requirements of the Series 1995 A Bond Insurer); 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 (vii) shares of an investment company, organized under the Investment Company Act of 1940, as amended, which invests its assets solely in obligations described in (i) and (vi) above.

"Qualified Obligation" means a Security (as defined in the Act), including the Qualified Obligations, which has been acquired by the Bond Bank pursuant to the Indenture.
"Qualified Obligations" means the Marion County Convention and Recreational Facilities Authority Economic Development Lease Rental Bonds of 1991.

"Qualified Obligation Payment" means the amounts paid or required to be paid, from time to time, for principal and interest by a Qualified Entity to the Bond Bank on the Qualified Entity's Qualified Obligation and any Fees and Charges paid as required by the Bond Bank under the provisions of any agreement for the purchase and sale of securities.

"Rating Agency" or "Rating Agencies" means FitchRatings, Standard & Poor's Credit Market Services and/or Moody's Investors Service, Inc., according to which of such rating agencies then rates a Bond; and provided that if neither of such rating agencies then rates a Bond, the term "Rating Agency" or "Rating Agencies" shall refer to any national rating agency (if any) that provides such rating.

"Rebate Fund" means the fund by that name created by the Indenture.

"Record Date" means, with respect to the Series 2005 E Bonds, the Trustee's close of business on (i) the fifteenth day of the calendar month next preceding an Interest Payment Date with respect to Series 2005 E Bonds in Fixed Rate Mode or (ii) the Business Day prior to the Interest Payment Date with respect to Series 2005 E Bonds in Daily Rate Mode, Weekly Rate Mode, Adjustable Rate Mode or Auction Rate Mode.

"Redemption Account" means the account by that name created by the Indenture.

"Redemption Price" means with respect to any Bond, the principal amount thereof (or, in the case of capital appreciation bonds, the Compounded Amount), plus the applicable premium, if any, payable upon redemption prior to maturity.

"Redevelopment District" means the City of Indianapolis Redevelopment District established pursuant to IC 36-3-1-6 and IC 36-7-15.1-4.

"Refunding Bonds" means Bonds issued pursuant to the Indenture and any Supplemental Indenture to refund Bonds issued by the Bond Bank or to purchase Refunding Qualified Obligations.

"Refunding Qualified Obligation" means any Qualified Obligation issued to refund any of the Qualified Obligations or another Refunding Qualified Obligation.

"Registrar" means initially J.P. Morgan Trust Company, National Association (successor in interest to Bank One Trust Company, National Association), a national banking association organized and existing under the laws of the United States of America, or any successor.

"Regularly Scheduled Swap Payments" means the periodic, scheduled payments required to be made by the Bond Bank to the 2005 Swap Provider or the 2005 Swap Provider to the Bond Bank, all pursuant to the terms of the 2005 Swap Agreement.

"Related Documents" means, collectively, (i) the Site and Facilities Lease, the Lease, the Sublease, the Tenancy in Common Agreement, and the Master Lease Agreement, as each is defined in the Authority Indenture, (ii) the Authority Bonds, and (iii) the Authority Indenture.

"Remarketing Agent" means the Remarketing Agent appointed in accordance with the Indenture, and means, initially, RBC Dain Rauscher Inc. "Principal Office" of a Remarketing Agent means the office thereof designated in writing to the Bond Bank, the Trustee, the Series 2005 E Bond Insurer and the Liquidity Provider, and means, initially, the office of such Remarketing Agent as set forth in the Indenture.
"Remarketing Agreement" means a Remarketing Agreement between the Bond Bank and the Remarketing Agent whereby the Remarketing Agent undertakes to perform the duties of the Remarketing Agent under the Indenture, as amended from time to time.

"Reserve Fund Credit Agreement" means any reimbursement agreement or similar instrument between the Bond Bank or the Qualified Entity (and, if so drafted, the Trustee) and a Credit Provider with respect to a Reserve Fund Credit Instrument.

"Reserve Fund Credit Instrument" means a letter of credit, surety bond, liquidity facility, insurance policy or comparable instrument furnished by a Credit Provider with respect to all or a specific portion of one or more series of bonds or Qualified Obligations to satisfy in whole or in part the Bond Bank's or the Qualified Entity's obligation to maintain a reserve requirement with respect thereto or to secure (a) the payment of debt service (which may include the premium due on payment of a bond or Qualified Obligation) on bonds or Qualified Obligations of a specified series, or a specific portion thereof, (b) the payment of the purchase price (which may include accrued interest to the date of purchase) of bonds or Qualified Obligations of a specified series, or a specific portion thereof, on the applicable purchase dates or tender dates, or (c) both the payment of debt service on a specified series of bonds or Qualified Obligations, or a specific portion thereof, and the payment of the purchase price of bonds or Qualified Obligations of a specified series, or a specific portion thereof, but only if the debt obligations of such Credit Provider are rated in one of the two highest Rating Categories by the Rating Agency or Rating Agencies.

"Revenues" means the income, revenues and profits of the Funds and Accounts established under the Indenture including, without limitation, all Investment Earnings, Qualified Obligation Payments and payments from the 2005 Swap Provider pursuant to the 2005 Swap Agreement, but excluding amounts required to be deposited and maintained in the Rebate Fund.

"Second Supplemental Authority Indenture" means the Second Supplemental Trust Indenture, dated as of June 15, 1998, between the Authority and the Authority Trustee.

"Second Supplemental Indenture" means the Second Supplemental Trust Indenture, dated as of June 1, 2004, between the Bond Bank and the Trustee.


"Series 2004 F Bonds" means The Indianapolis Local Public Improvement Bond Bank Refunding Bonds, Series 2004 F (Taxable), authorized by the Indenture and being refunded by the issuance of the Series 2005 E Bonds.


"Series 2005 E Bonds" means The Indianapolis Local Public Improvement Bond Bank Variable Rate Demand Refunding Bonds, Series 2005 E, authorized by the Indenture.

"Series of Bonds" means any series of bonds authorized by the Indenture.

"Standby Bond Purchase Agreement" means with respect to the Liquidity Facility, the Standby Bond Purchase Agreement pursuant to which the Liquidity Provider commits to purchase Series 2005 E Bonds in accordance with the terms of such agreement, including all amendments thereof and supplements thereto. All references to a Standby Bond Purchase Agreement shall be of no effect, with respect to any Series 2005 E Bond, at any time that such Series 2005 E Bond is not secured by a Liquidity Facility and no Bank Bonds and no obligations of the Bond Bank to a Liquidity Provider remain outstanding, except with respect to vested rights.

"State" means the State of Indiana.

"Substitute Bond Insurance Policy" means a substitute bond insurance policy meeting the requirements of the Indenture.

"Supplemental Indenture" means an indenture supplemental to or amendatory of the Indenture, executed by the Bond Bank and the Trustee in accordance with the Indenture.

"Swap Payments" means, collectively, the Regularly Scheduled Swap Payments and the Swap Termination Payment.

"Swap Termination Payment" means the amount, if any, payable (on a subordinated basis under the Third Supplemental Indenture) under certain circumstances by the Bond Bank to the 2005 Swap Provider, pursuant to Section 6(e) of the 2005 Swap Agreement.

"Tender Agent" means the Tender Agent, if any (or any successor to its interests), appointed in accordance with the Indenture. "Principal Office" of the Tender Agent means the office thereof designated by the Tender Agent in writing to the Bond Bank, the Trustee, the Liquidity Provider and the Remarketing Agent.

"Third Supplemental Indenture" means the Third Supplemental Trust Indenture, dated as of October 1, 2005, between the Bond Bank and the Trustee.

"Trustee" means J.P. Morgan Trust Company, National Association (successor in interest to Bank One Trust Company, National Association), as trustee under the Indenture or any successor thereto.

"Trust Estate" means the Trust Estate or other security interests established by the Indenture creating a security interest in, and a lien on, the Qualified Obligations and the earnings thereon and all proceeds thereof.

"2005 Swap Agreement" means the ISDA Master Agreement (Multicurrency - Cross Border), together with the Schedule, Confirmation and Credit Support Annex attached thereto, dated as of January 21, 2005, between the Bond Bank and the Swap Provider.

"2005 Swap Provider" means the Royal Bank of Canada.

"Underwriter" means, with regard to the Series 2005 E Bonds, RBC Dain Rauscher Inc.

"Weekly Rate" means the lowest interest rate on a Series 2005 E Bond which will, in the sole discretion of the Remarketing Agent for such Series 2005 E Bond with due regard for prevailing market conditions, permit such Series 2005 E Bond to be remarketed at par on the first day of each Weekly Rate Period and established in accordance with the Indenture.
"Weekly Rate Conversion Date" means the Interest Payment Date on which a Series 2005 E Bond begins to bear interest at a Weekly Rate in accordance with the terms hereof.

"Weekly Rate Mode" means the Mode in which a Series 2005 E Bond bears interest at a Weekly Rate.

"Weekly Rate Period" means the period from the Closing Date until the earlier of the following Conversion Date or the maturity date of a Series 2005 E Bond (to the extent such Series 2005 E Bond is in the Weekly Rate Mode at such time), and, should a Weekly Rate Conversion Date occur, the period from the Weekly Rate Conversion Date to the earlier of the following Conversion Date or the maturity date of a Series 2005 E Bond (to the extent such Series 2005 E Bond is in the Weekly Rate Mode at such time).

THE INDENTURE

Revenues, Funds and Accounts

The Indenture establishes (i) the General Fund which is comprised of the General Account, the Bond Issuance Expense Account and the Redemption Account; (ii) the Debt Service Reserve Fund; and (iii) the Rebate Fund.

The Trustee will deposit the Net Proceeds from the sale of the Series 2005 E Bonds, as follows:

(a) Into the General Account an amount, if any, equal to the Program Expenses of the Bond Bank to be paid in connection with the Series 2005 E Bonds;

(b) Into the Bond Issuance Expense Account an amount sufficient to pay the Costs of Issuance, if any, incurred in connection with the Series 2005 E Bonds (other than the Underwriter's discount);

(c) Into the Debt Service Reserve Fund an amount, if any, sufficient to equal, together with other amounts available for deposit to the Debt Service Reserve Fund (including amounts attributable to a Reserve Fund Credit Instrument), the Debt Service Reserve Requirement; and

(d) Into the General Account the remainder of the Net Proceeds of the Series 2005 E Bonds.

Upon receipt of any Revenues or other receipts (except the proceeds of the Series 2005 E Bonds and moneys received by the Bond Bank from the sale or redemption prior to maturity of Qualified Obligations), the Trustee will deposit such amounts into the General Account or such other Funds or Accounts as provided in the Indenture. Any moneys received pursuant to the Act to replenish the Debt Service Reserve Fund will be deposited in the Debt Service Reserve Fund and applied in accordance with the Act, the Indenture and the Reserve Fund Credit Agreement.

The Trustee will deposit the Net Proceeds of any subsequent Series of Bonds as provided in the Supplemental Indenture for that Series of Bonds.

Operation of Funds and Account

General Account. The Trustee will deposit in the General Account all moneys required to be deposited therein pursuant to the Indenture. The Trustee will invest such funds in accordance with the Indenture and will make the following payments from the General Account on the specified dates and, if there are insufficient funds to make all the payments required, with the following order of priority:
(a) On the date of initial delivery of the Series 2005 E Bonds, to deposit the Net Proceeds of the Series 2005 E Bonds with the Escrow Trustee under the Escrow Agreement for the purpose of refunding the Series 2004 F Bonds;

(b) On or before 10:00 a.m. in the city in which the Trustee is located, on the second Business Day next preceding each Interest Payment Date, to the Trustee such amount as will be necessary to pay the principal and interest coming due on the Bonds (which will include any Regularly Scheduled Swap Payments due to the 2005 Swap Provider pursuant to the 2005 Swap Agreement) on such Interest Payment Date;

(c) At such times as are necessary, to the Series 1995 A Bond Insurer and the Series 2005 E Bond Insurer all sums of money due to them in accordance with the terms of the Series 1995 A Bond Insurance Policy and the Series 2005 E Bond Insurance Policy, respectively;

(d) As soon as funds become available, to the Debt Service Reserve Fund sufficient amounts to assure that the Debt Service Reserve Requirement is met from time to time;

(e) Immediately following the termination of the 2005 Swap Agreement or a portion thereof, for any reason, to the payment of the Swap Termination Payment due to the 2005 Swap Provider, if any, pursuant to the 2005 Swap Agreement;

(f) At such times as are necessary, the reasonable Program Expenses;

(g) At the direction of the Bond Bank, any amount necessary to comply with the arbitrage rebate requirement of Section 148(f) of the Code, to the extent such amounts are not obtained as Fees and Charges; and

(h) After making such deposits and disbursements and after the Trustee shall determine the amounts reasonably expected to be received in the form of Qualified Obligation Payments in the succeeding twelve months, to any other fund or account maintained by the Bond Bank, regardless of whether such fund or account is subject to the lien of the Indenture, all moneys in the General Fund which, together with such expected receipts for the succeeding twelve months are in excess of the amounts needed to pay principal and interest on the Bonds (which shall include Regularly Scheduled Swap Payments due the 2005 Swap Provider) within the immediately succeeding twelve-month period. No moneys shall be so transferred unless the Bond Bank provides a Cash Flow Certificate as set forth in the Indenture to the effect that after such transfer, Revenues expected to be received, together with moneys expected to be held in the Funds and Accounts, will at least equal debt service on all Outstanding Bonds (which shall include Regularly Scheduled Swap Payments due the 2005 Swap Provider). As more particularly described in the Third Supplemental Indenture, to the extent that the Bond Bank receives a semiannual swap payment from the 2005 Swap Provider in excess of amounts necessary to pay the corresponding semiannual principal and interest due on the Series 2005 E Bonds, such amounts may be maintained in the General Account for the purpose of offsetting future shortfalls of swap payments from the Swap Provider that are insufficient to pay principal and interest due on the Series 2005 E Bonds.

To the extent debt service on the Bonds is paid from Investment Earnings, the Qualified Entity will be credited with making such payments and any obligations under the Qualified Obligations so paid will be deemed satisfied.

**Redemption Account.** The Trustee will deposit in the Redemption Account all moneys received from the sale or redemption prior to maturity of Qualified Obligations by the Bond Bank and all other moneys required to be deposited therein pursuant to the provisions of the Indenture and will disburse the funds held in the Redemption Account as follows:
(a) On the fifteenth day of each month, to the General Account an amount equal to the principal which would have been payable during the following month if such Qualified Obligations had not been sold or redeemed.

(b) On the second Business Day next preceding each Interest Payment Date if moneys in the General Account are not sufficient to make the payments of principal and interest (which will include Regularly Scheduled Swap Payments to the 2005 Swap Provider pursuant to the 2005 Swap Agreement) required to be made on such date, the Trustee will transfer to the General Account moneys in the Redemption Account not already committed to the redemption of Bonds for which notice of redemption has been given.

(c) After providing for the payments required under paragraphs (a) and (b) above, moneys in the Redemption Account may be used (i) to redeem Bonds of such maturity or maturities as directed by the Bond Bank if such Bonds are then subject to redemption and to make any required Swap Termination Payment pursuant to the 2005 Swap Agreement with respect to the termination of a portion of the 2005 Swap Agreement allocable to the Series 2005 E Bonds to be redeemed and due to the 2005 Swap Provider, (ii) purchase Qualified Obligations permitted by the Indenture, (iii) to the extent there are any excess moneys in the Redemption Account, to transfer to the General Account, (iv) to purchase Bonds of such maturity or maturities as directed by an Authorized Officer at the most advantageous price obtainable with reasonable diligence, whether or not such Bonds will then be subject to redemption, or (v) to invest such moneys until the maturity or maturities of Bonds as directed by an Authorized Officer in accordance with the Indenture. Such price may not, however, exceed the Redemption Price which would be payable on the next ensuing date on which the Bonds so purchased are redeemable according to their terms unless the Bond Bank provides the Trustee with a Cash Flow Certificate to the effect that the purchase at a price in excess of the Redemption Price will not result in Revenues, together with moneys expected to be held in the Funds and Accounts, being less than an amount equal to Debt Service on all Outstanding Bonds. The Trustee will pay the interest accrued on the Bonds so purchased to the date of delivery of the Bonds to the Trustee from the General Account and the balance of the purchase price from the Redemption Account, but no such purchase will be made by the Trustee within the period of sixty (60) days next preceding an Interest Payment Date or a date on which such Bonds are subject to redemption under the provisions of the Indenture.

(d) If the Trustee is unable to purchase Bonds in accordance with the preceding paragraph (c), then, subject to any restrictions on redemption set forth in the Indenture, and subject to clause (c)(i) in the immediately preceding paragraph, the Trustee will call for redemption on the next redemption date such amount of Bonds of such maturity or maturities directed by the Bond Bank as, at the Redemption Price thereof, will exhaust the Redemption Account as nearly as possible. The Trustee will pay the interest accrued on the Bonds so redeemed to the date of redemption from the General Account and will pay the Redemption Price from the Redemption Account.

The Trustee may, upon written direction from the Bond Bank, transfer moneys in the Redemption Account to the General Account if the Bond Bank provides the Trustee with a Cash Flow Certificate to the effect that after such transfer and after any transfer from the General Account to the Bond Bank, Revenues, together with moneys expected to be held in the Funds and Accounts, would at least equal Debt Service on all Outstanding Bonds.

Bond Issuance Expense Account. The Trustee will deposit in the Bond Issuance Expense Account the moneys required to be deposited by the Indenture, will invest such funds pursuant to the Indenture and will disburse the funds held in the Bond Issuance Expense Account upon receipt of acceptable invoices or requisitions certified by the Executive Director of the Bond Bank to pay the Costs of Issuance or to reimburse the Bond Bank for amounts previously advanced for such costs and to transfer moneys therefrom to the General Account. In making disbursements from the Bond Issuance Expense Account, the Trustee may rely upon such certificates and invoices without further investigation. Any amounts remaining in the Bond Issuance Expense Account ninety (90) days after the issuance of the Series 2005 E Bonds will be transferred by the Trustee to the General Account, at which time the Bond Issuance Expense Account may, at the direction of the Bond Bank, be closed.
**Draws on Liquidity Facility.** On or before 12:00 noon, New York City time, on the date upon which any Series 2005 E Bonds secured by the Liquidity Facility are to be purchased, the Trustee shall draw on the Liquidity Facility an amount which, when added to the remarketing proceeds (if any), shall be sufficient for the purpose of paying the purchase price coming due and payable on such Series 2005 E Bonds (or beneficial interests therein) on such purchase date; provided, however, that the Trustee shall not draw on the Liquidity Facility with respect to the payment of any Bank Bond or Bond Bank Bond. The Liquidity Provider, in accordance with the terms of the Liquidity Facility, shall cause funds so drawn to be wired to the Tender Agent (if the Series 2005 E Bonds are not held in a book-entry only system) or the Remarketing Agent (if the Series 2005 E Bonds are held in a book-entry only system) not later than 3:00 p.m., New York City time, on the purchase date. All amounts paid to the Tender Agent or the Remarketing Agent with respect to the Liquidity Facility shall be deposited in the Purchase Fund held by the Tender Agent or the account maintained by the Remarketing Agent.

**Debt Service Reserve Fund.** The Trustee will deposit in the Debt Service Reserve Fund all moneys required to be deposited therein pursuant to the Indenture, will invest such funds pursuant to the Indenture, and, except as provided below, will disburse the funds held in the Debt Service Reserve Fund solely for the payment of interest on (including any Regularly Scheduled Swap Payments due to the 2005 Swap Provider pursuant to the 2005 Swap Agreement) and principal of Series 2005 E Bonds, and only if moneys in the General Account are insufficient to pay principal of and interest on the Series 2005 E Bonds outstanding under the Indenture after making all the transfers thereto required to be made from the Redemption Account. To the extent moneys are needed to pay principal of and interest on the Series 2005 E Bonds (including any Regularly Scheduled Swap Payments due to the 2005 Swap Provider pursuant to the 2005 Swap Agreement) from the Debt Service Reserve Fund, moneys in an amount up to the Debt Service Reserve Requirement will be transferred back to the Debt Service Reserve Fund.

The Trustee shall disburse the funds held in the Debt Service Reserve Fund to pay principal of and interest on the Series 2005 E Bonds (including any Regularly Scheduled Swap Payments due to the 2005 Swap Provider pursuant to the 2005 Swap Agreement, but not any Swap Termination Payment due to the 2005 Swap Provider pursuant to the 2005 Swap Agreement).

If moneys in the Debt Service Reserve Fund will exceed the Debt Service Reserve Requirement from time to time, such excess may be withdrawn by the Qualified Entity with the consent of the Bond Bank and used for any lawful purpose, subject to the Trustee and the Series 2005 E Bond Insurer receiving an Opinion of Bond Counsel. Otherwise, such excess will be transferred at least semiannually in the following order: (1) to the extent required by the Indenture, to the Rebate Fund; (2) in the event the 2005 Swap Agreement has been terminated for any reason, an amount equal to the Swap Termination Payment, if any, shall be transferred to the General Account; (3) any remaining excess attributable to funds received from the Qualified Entity to replace moneys deposited in the Debt Service Reserve Fund pursuant to the Act and the Indenture upon the direction of the Executive Director of the Bond Bank, to the City to repay such appropriation; and (4) any other moneys in excess of the Debt Service Reserve Requirement to the General Account.

Notwithstanding the foregoing, the Bond Bank may satisfy all or any part of its obligation to maintain an amount in the Debt Service Reserve Fund at least equal to the Debt Service Reserve Requirement by depositing a Reserve Fund Credit Instrument in the Debt Service Reserve Fund, provided that such deposit does not adversely affect any Rating Agency Ratings on the Series 2005 E Bonds. To the extent that a Reserve Fund Credit Instrument is on deposit in the Debt Service Reserve Fund, any cash on deposit in the Debt Service Reserve Fund shall be disbursed first and prior to drawing upon the Reserve Fund Credit Instrument. After any such cash is disbursed, the Trustee shall draw on the Reserve Fund Credit Instrument, and if more than one Reserve Fund Credit Instrument is available, the Trustee shall draw on such Reserve Fund Credit Instruments on a pro rata basis based on the relative stated amount of each such Reserve Fund Credit Instrument.

**Rebate Fund.** The Trustee will establish a Rebate Fund for so long as any Outstanding Bonds are subject to a requirement that arbitrage profits be rebated to the United States of America. The Trustee will make information concerning the Bonds and investments available to the Bond Bank and follow its instructions on investments. Income from the investments will be deposited in the Rebate Fund. The instructions may change periodically if the amended instructions are accompanied by an Opinion of Bond Counsel. Deposits into the Rebate Fund and disbursements from the Rebate Fund will be made as provided by the Indenture and as required by federal tax law applicable to the Bonds.
The Rebate Fund is not subject to the lien of the Indenture and does not constitute a Fund or Account for purposes of the Indenture.

**Investment of Funds.** Any moneys held as part of any Fund or Account under the Indenture (except the Redemption Account) will be invested and reinvested at the direction of the Bond Bank at all times as fully as reasonably possible by the Trustee in Investment Securities and in accordance with the provisions of the Act and the terms and conditions of the Indenture. Any moneys in the Redemption Account will be invested only in Federal Securities. Any moneys in the Rebate Fund will be invested as directed by the Bond Bank. The Bond Bank will so direct the Trustee, and the Bond Bank and the Trustee will make all such investments of moneys under the Indenture in accordance with prudent investment standards reasonably expected to maximize yields while seeking to preserve principal and to avoid causing any of the Bonds to become arbitrage bonds under the Code. Moneys held by the Remarketing Agent for the purpose of paying the purchase price of beneficial interests in Series 2005 E Bonds tendered or required to be tendered for purchase and moneys held by the Tender Agent in any Purchase Fund shall not be invested by the Remarketing Agent or the Tender Agent. All Investment Earnings will be deposited as received in the General Account except for (a) income and profits on investment of funds in the Rebate Fund which shall remain in the Rebate Fund; and (b) Investment Earnings on investment of funds in the Debt Service Reserve Fund which shall remain in the Debt Service Reserve Fund until the balance in such Fund equals the Debt Service Reserve Requirement from time to time and thereafter be retained or disbursed as provided in the Indenture. Any investment losses from an Investment Security will be charged to the Fund or Account (including the Rebate Fund) from which moneys were employed to invest in such Investment Security, and the Trustee will not be liable for any investment losses for so long as the Trustee complies with the terms of the Indenture. Moneys in any Fund or Account (including the Rebate Fund) will be invested in Investment Securities with a maturity date (or redemption date) determinable at the option of the Bond Bank, coinciding as nearly as practicable with the times at which moneys in such Funds or Accounts (including the Rebate Fund) will be required for the purposes thereof. The Trustee will sell and reduce to cash a sufficient amount of such investments in the respective Fund or Account (including the Rebate Fund) whenever the cash balance therein is insufficient to pay the amounts contemplated or to be paid therefrom at the time those amounts are to be paid.

Obligations purchased as investments of moneys in any Fund or Account (including the Rebate Fund), except the Debt Service Reserve Fund, with a stated maturity of less than two (2) years will be valued at cost, including accrued interest paid and unamortized debt discount. All other such obligations will be valued at the cost, including accrued interest paid and unamortized debt discount, or market price, whichever is lower, exclusive of earned accrued interest, except for securities covered by repurchase agreements which will be valued at the market value of the collateral securing such agreements. Investment Securities held in the Debt Service Reserve Fund will be valued at fair market value.

**Bond Bank Covenants**

The Bond Bank covenants and agrees that it will faithfully perform at all times any and all covenants, undertakings, stipulations and provisions contained in the Indenture, the Bonds and in all of its related proceedings and in the 2005 Swap Agreement, the Standby Bond Purchase Agreement, the Reserve Fund Credit Agreement, any insurance agreement and the Bank Bond Custody Agreement (as defined in the Standby Bond Purchase Agreement). The Bond Bank covenants and represents that it is duly authorized under the constitution and laws of the State, including particularly the Act, to issue the Bonds, to execute the Indenture, the 2005 Swap Agreement, the Standby Bond Purchase Agreement, the Reserve Fund Credit Agreement, any insurance agreement and the Bank Bond Custody Agreement, and to pledge the Revenues and all other property pledged under the Indenture in the manner and to the extent set forth in the Indenture; that all action on its part for the issuance of the Bonds and the execution and delivery of the Indenture, the 2005 Swap Agreement, the Standby Bond Purchase Agreement, the Reserve Fund Credit Agreement, any insurance agreement and the Bank Bond Custody Agreement has been duly and effectively taken and that the Bonds in the hands of their owners and the 2005 Swap Agreement, the Standby Bond Purchase Agreement, the Reserve Fund Credit Agreement, any insurance agreement and the Bank Bond Custody Agreement are and will be valid and enforceable limited obligations of the Bond Bank according to the terms of the Bonds, the
Indenture, the 2005 Swap Agreement, the Standby Bond Purchase Agreement, the Reserve Fund Credit Agreement, any insurance agreement and the Bank Bond Custody Agreement.

In order to provide for the payment of principal of and premium, if any, and interest on the Bonds and Program Expenses and Swap Payments, the Bond Bank will as necessary from time to time, with all practical dispatch and in a sound and economical manner consistent in all respects with the Act, the Indenture and sound banking practices and principles, (i) undertake all necessary actions to receive and collect the Revenues, including enforcement of the prompt collection of any arrears on Qualified Obligation Payments, and (ii) diligently enforce and undertake all actions and proceedings reasonably necessary in the judgment of the Bond Bank to protect its rights with respect to or to maintain any insurance on Qualified Obligations and to enforce all terms, covenants and conditions of Qualified Obligations including the collection, custody and prompt application of all escrow payments required by the terms of a Qualified Obligation for designated purposes. Whenever necessary to provide for the payment of Debt Service on the Bonds or Swap Payments, the Bond Bank will also commence to pursue appropriate remedies with respect to any Qualified Obligation held by the Bond Bank which is in default.

The Bond Bank covenants that it will not enter into any interest rate hedge agreement (aside from the 2005 Swap Agreement) which provides for payments to the hedge provider on a parity with or senior to the Series 2005 E Bonds without the Series 2005 E Bond Insurer's prior written consent.

With respect to the Qualified Obligations purchased by the Bond Bank or that otherwise become a part of the Trust Estate, the Bond Bank covenants as follows:

a. The Bond Bank will not permit or agree to any material change in any Qualified Obligation unless (i) the Bond Bank supplies a Cash Flow Certificate to the effect that after such change, Revenues expected to be received and other available moneys in Funds and Accounts will at least equal projected required debt service on all Outstanding Bonds, and (ii) the Trustee determines that such changes will not adversely affect the interests of the Bondholders. Upon receiving the consent of all of the owners of all of the Outstanding Bonds (which is anticipated to occur when all of the Series 1991 C Bonds are no longer Outstanding under the Indenture), this provision will be amended by eliminating clause (ii) of the previous sentence. See "THE INDENTURE -- Proposed Amendment by the First Supplemental Indenture" in this Appendix B.

b. The Bond Bank will also enforce or authorize the enforcement of all remedies available to owners or holders of Qualified Obligations unless (i) the Bond Bank provides the Trustee with a Cash Flow Certificate to the effect that if such remedies are not enforced, Revenues expected to be received and moneys expected to be held in the Funds and Accounts will at least equal debt service on all Outstanding Bonds and (ii) the Trustee determines that failure to enforce such remedies will not adversely affect the interests of the Bondholders in any material way.

c. The Bond Bank will not sell or otherwise dispose of any Qualified Obligations unless (i) the Bond Bank provides the Trustee with a Cash Flow Certificate to the effect that after such sale, Revenues expected to be received, and moneys expected to be held in the Funds and Accounts minus any proceeds of such sale to be transferred from any Fund or Account, will at least equal debt service on all Outstanding Bonds and (ii) the Trustee determines that such sale or disposition will not adversely affect the interests of the Bondholders in any material way. Proceeds of such sales will be invested only in Governmental Obligations or in Qualified Obligations or disbursed as provided in the Indenture.

**Cash Flow Certificates and Verifications**

At any time the provisions of the Indenture require a Cash Flow Certificate be prepared, such certificate will set forth:

(a) the Revenues expected to be received on all Qualified Obligations purchased with proceeds of the Bonds;
(b) all other Revenues, including the interest to be earned and other income to be derived from the investment of the Funds and Accounts and the rate or yields used in estimating such amounts;

(c) all moneys expected to be in the Funds and Accounts;

(d) the amount, if any, expected to be withdrawn from the Debt Service Reserve Fund but only if the amount in the Debt Service Reserve Fund immediately after such withdrawal is expected to be at least equal to the Debt Service Reserve Requirement and such withdrawal is permitted by the Indenture; and

(e) the Adjusted Debt Service Requirements on all Series 2005 E Bonds (including Regularly Scheduled Swap Payments) expected to be Outstanding during each Fiscal Year.

In making any Cash Flow Certificate, the accountant or firm of accountants may contemplate the payment or redemption of Bonds for the payment or redemption of which amounts have been set aside in the Redemption Account. The issuance of Bonds, the making of transfers from one Fund to another and the deposit of amounts in any Fund from any other source may be contemplated in a Cash Flow Certificate only to the extent that such issuance, deposit or transfer has occurred prior to or will occur substantially simultaneously with the delivery of such Cash Flow Certificate. The accountant or firm of accountants will also supply supporting schedules appropriate to show the sources and applications of funds used, identifying particularly amounts to be transferred between Funds, amounts to be applied to redemption or payment of Bonds and amounts to be used to provide the Cost of Issuance, the debt service reserve and capitalized interest, if any, for the respective Series of Bonds. In the case of each annual Cash Flow Certificate, the amounts of existing Qualified Obligations, existing Investment Securities and existing cash will be the amounts as of the last day of the preceding Fiscal Year. In the case of any other Cash Flow Certificate, such amounts will be the amounts as of the last day of the month preceding the month in which the Cash Flow Certificate is delivered but will be adjusted to give effect to scheduled payments with respect to Qualified Obligations, actual payments or proceeds with respect to Investment Securities, and actual expenditures of cash expected by the Bond Bank through the end of the current month.

The Bond Bank or the Trustee from time to time may cause a firm of independent certified public accountants of national standing or other nationally recognized experts to supply the Bond Bank and the Trustee with such information as the Bond Bank or the Trustee may request in order to determine in a manner reasonably satisfactory to the Bond Bank and the Trustee all matters relating to (a) the sufficiency of projected cash flow receipts and disbursements with respect to the Funds and Accounts to pay the principal of and interest on the Bonds and Program Expenses; and (b) the actuarial yields on the Outstanding Bonds as the same may relate to any data or conclusions necessary to verify that the Bonds are not "arbitrage bonds" within the meaning of Section 148 of the Code.

**Tax Covenants and Reliance on Opinions**

The Bond Bank covenants that it will not take any action or fail to take any action with respect to the Bonds that would result in the loss of the exclusion from gross income for federal tax purposes of interest on the Bonds pursuant to Section 103 of the Code, nor will the Bond Bank act in any other manner which would adversely affect such exclusion. The Bond Bank further covenants that it will not make any investment or do any other act or thing during the period that the Bonds are Outstanding which would cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code. The covenants of the Bond Bank as to the Bonds are based solely on current law in effect and in existence on the date of delivery of the particular Series of Bonds.

It shall not be an Event of Default under the Indenture if the interest on the Bonds is not excludable from gross income for federal tax purposes or otherwise pursuant to any provision of the Code, as amended and supplemented, which is not currently in effect and in existence on the date of the issuance of the Bonds.

In making any determination regarding the covenants, the Bond Bank may rely on an Opinion of Bond Counsel.
The Bond Bank will rebate any necessary amounts to the United States of America to the extent required by the Code.

Notwithstanding any provision of the Indenture to the contrary, the Bond Bank may elect to issue a Series of Bonds, the interest on which is not excludable from gross income for federal tax purposes by making such election on the date of delivery of such Series of Bonds. In such case, the tax covenants will not apply to such Series of Bonds.

**Account and Reports**

The Bond Bank will keep, or cause to be kept proper and separate books of record and accounts in which complete and correct entries will be made of its transactions relating to the Program and the Funds and Accounts established by the Indenture and to the Rebate Fund. Such books and all other books and papers of the Bond Bank and all Funds and Accounts and the Rebate Fund, at all reasonable times, will be subject to the inspection of the Trustee and the owners of an aggregate of not less than 5% in principal amount of Bonds then Outstanding or their representatives duly authorized in writing.

Before the twentieth day of each month or as directed by the Bond Bank but not less than quarterly, the Trustee will provide the Bond Bank with a statement of the amounts on deposit in each Fund and Account as of the first day of the current month and the total deposits to and withdrawals from each Fund and Account during the preceding month.

Within 120 days after the close of each Fiscal Year, the Bond Bank will file with the Trustee a copy of an annual report of the operations of the Bond Bank during such Fiscal Year and audited financial statements prepared in conformity with generally accepted accounting principles and as further specified in the Indenture by an accounting firm appointed by the Bond Bank and approved by the Trustee. The reports, statements and other documents required to be provided to the Trustee under the Indenture will be provided to any owner of 5% or more of the Outstanding Bonds who files a written request for such materials with the Trustee.

**Certification Covenants**

The Bond Bank covenants that if a deficiency in or depletion of the Debt Service Reserve Fund (including a draw on any Reserve Fund Credit Instrument) below the Debt Service Reserve Requirement is projected in the Bond Bank's annual budget, the Chairman will certify such projected deficiency or depletion (including a draw on any Reserve Fund Credit Instrument) to the City-County Council on or before December 1 of the year prior to the Fiscal Year in which the deficit is projected to occur, or within 90 days of such projection, whichever is earlier, and deliver a copy of the same to the Series 2005 E Bond Insurer.

The Bond Bank will take all actions required or permitted by Indiana Code 5-1.4-5-4, as amended from time to time, to certify to the City-County Council of the City of Indianapolis and of Marion County any deficiency in or depletion of the Debt Service Reserve Fund (including a draw on any Reserve Fund Credit Instrument) within 90 days of such deficiency or depletion (or draw on any Reserve Fund Credit Instrument), regardless of whether such deficiency or depletion (or draw on any Reserve Fund Credit Instrument) was projected in the annual budget and deliver a copy of the same to the Series 2005 E Bond Insurer.

**Covenant to Monitor Investment**

The Bond Bank covenants and agrees to review regularly the investments held by the Trustee in the Funds and Accounts under the Indenture in order to assure that the Revenues derived from such investments, together with other anticipated Revenues, are sufficient to pay the debt service on all Bonds Outstanding under the Indenture.
Limitation on Additional Bonds

The Indenture allows for Additional Bonds to be authorized by a Supplemental Indenture of the Bond Bank. The Indenture permits the Bond Bank to issue Additional Bonds only for the purpose of purchasing Qualified Obligations issued by the Authority to fund additional capitalized interest on the Authority Bonds, to refund Bonds issued by the Bond Bank or to purchase Refunding Qualified Obligations.

The Indenture creates a continuing pledge and lien to secure the full and final payment of the principal or redemption premium, if any, and interest on all Bonds issued under the Indenture and authorizes the issuance of one or more Series of Bonds under separate Supplemental Indentures. The Indenture establishes the requirements for each Supplemental Indenture and provides that no Series of Bonds will be issued under a Supplemental Indenture unless certain conditions are met, including the receipt by the Trustee and the Registrar of a Cash Flow Certificate to the effect that immediately after the issuance of such Bonds, Revenues reasonably expected to be received, together with moneys expected to be held in the Funds and Accounts, will at least equal debt service on all Outstanding Bonds, including such Additional Bonds. Such certificate will not be required in the case of Refunding Bonds issued under the Indenture if the debt service in each Fiscal Year on all Bonds Outstanding after the issuance of such Refunding Bonds will be equal to or less than such debt service for each Fiscal Year on all Bonds Outstanding before the issuance of such Refunding Bonds.

Discharge of Indenture

If payment or provision for payment is made to the Trustee of the principal of and interest due and to become due on the Bonds at the times and in the manner stipulated in the Indenture, and if the Trustee receives all payments due and to become due under the Indenture, then the Indenture may be discharged in accordance with its provisions. In the event of any early redemption of Bonds in accordance with their terms the Trustee must receive irrevocable instructions from the Bond Bank satisfactory to the Trustee, to call such Bonds for redemption at a specified date and pursuant to the Indenture. Outstanding Bonds will continue to be limited obligations of the Bond Bank payable only out of the moneys or securities held by the Trustee for the payment of the principal or redemption premium, if any, and interest on the Bonds.

Any Bond or Series of Bonds or portion thereof will be deemed to be paid when payment of the principal of that Bond or Series of Bonds, plus interest to its due date, either (i) has been made in accordance with its terms or (ii) has been provided for by irrevocably depositing with the Trustee, in trust and exclusively for such payment, (A) moneys sufficient to make such payment, (B) Governmental Obligations maturing as to principal and interest in such amounts and at such times without consideration of any reinvestments thereof, as will ensure the availability of sufficient moneys to make such payments, or (C) a combination of such moneys and Governmental Obligations, and all necessary and proper fees and expenses of the Trustee pertaining to the Bonds with respect to which such deposit is made will have been paid or deposited with the Trustee.

Notwithstanding the foregoing, for so long as the Series 1995 A Bond Insurance Policy remains in full force and effect, the Series 1995 A Bonds may be defeased only in the following manner:

(i) depositing into an irrevocable escrow account established pursuant to an escrow agreement Governmental Obligations unless other securities are approved by the Series 1995 A Bond Insurer;

(ii) such escrow agreement may permit (A) substitution of the Governmental Obligations for other Governmental Obligations solely upon the receipt by the escrow agent of (a) a new verification of the sufficiency of the escrowed securities (assuming such substitution has been made) to provide for the payment of the Series 1995 A Bonds being refunded in accordance with the terms of such escrow agreement and (b) an Opinion of Bond Counsel to the effect that such substitution will not affect the tax-exempt status of interest on the Series 1995 A Bonds being refunded or the unrefunded Series 1995 A Bonds and (B) reinvestment of the
Governmental Obligations only as contemplated by the Original Verification (as defined below) or upon the delivery of a new verification as described in clause (a) above;

(iii) in the event a forward purchase agreement ("FPC") is used in such refunding, such agreement will be subject to the approval of the Series 1995 A Bond Insurer and will be accompanied by opinions of Counsel as required by the Series 1995 A Bond Insurer;

(iv) modification of such escrow agreement will not be permitted unless the Series 1995 A Bond Insurer or the holders of all of the Series 1995 A Bonds being refunded consent to such modification; and

(v) at least three business days prior to the proposed date for the refunding of such Series 1995 A Bonds, the Series 1995 A Bond Insurer must receive for its review and approval (A) the verification, of which the Series 1995 A Bond Insurer will be an addressee, by an independent firm of certified public accountants which is either nationally recognized or otherwise acceptable to the Series 1995 A Bond Insurer, of the accuracy of the mathematical computation of the adequacy of the escrow established to provide for the payment of the Series 1995 A Bonds being refunded in accordance with the terms and provisions of such escrow agreement (the "Original Verification"), (B) copies of the subscription forms for the purchase and issue of U.S. Treasury Securities - State and Local Government Series which have been stamped as received by the Federal Reserve Bank unless open market securities are used, (C) the form of a certificate of the Trustee to the effect that, upon the making of the required deposit to the escrow account established under such escrow agreement the Series 1995 A Bonds being refunded will be deemed paid, and (D) the form of an opinion of Corporation Counsel of the City addressed to the Series 1995 A Bond Insurer (or a reliance letter relating thereto) to the effect that such escrow agreement is a valid and binding obligation of the parties thereto enforceable in accordance with its terms.

Notwithstanding the foregoing, the discharge of the Third Supplemental Indenture related to the Series 2005 E Bonds may only occur in the following manner:

(a) If the Bond Bank shall pay or cause to be paid (other than through proceeds of the Series 2005 E Bond Insurance Policy), or there shall be otherwise paid, or provision shall be made for the payment of, the principal of, premium, if any, and interest due or to become due on the Series 2005 E Bonds at the times and in the manner stipulated therein, and if the Bond Bank shall not then be in default under any of the other covenants and promises in the Series 2005 E Bonds and the Indenture to be kept, performed and observed by it or on its part, and if the Bond Bank shall pay or cause to be paid: (i) to the 2005 Swap Provider any Swap Payments due or to become due according to the provisions of the 2005 Swap Agreement, (ii) to the Trustee all sums of money due or to become due according to the provisions hereof or of the Series 2005 E Bonds, (iii) to the Liquidity Provider any amounts due or to become due according to the provisions of the Standby Bond Purchase Agreement, and (iv) to the Series 2005 E Bond Insurer any amounts which may become due under the Series 2005 E Bond Insurance Policy and any insurance agreement related thereto, then, except for the rights of the Trustee under the Indenture, these presents and the interests in the Trust Estate and rights granted hereby shall cease, determine and be void, and the Trustee shall take such actions, at the request of the Bond Bank, as may be necessary to evidence the cancellation and discharge of the lien of the Indenture.

(b) While in an Adjustable Rate Mode, an Auction Rate Mode or a Fixed Rate Mode, a Series 2005 E Bond shall be deemed to be paid within the meaning of the Indenture when (a) payment of the principal of and the applicable redemption premium, if any, on such Series 2005 E Bond, plus interest thereon to the due date thereof (whether such due date be by reason of maturity or upon redemption as provided in the Indenture, or otherwise), shall have been provided to the Trustee by irrevocably depositing with the Trustee, in trust, and the Trustee shall have irrevocably set aside exclusively for such payment, any combination of (i) funds sufficient to make such payment, and/or (ii) Federal Securities not subject to redemption or prepayment and maturing as to principal and interest in such amounts and at such times as shall, in the opinion of an independent certified public accountant delivered to the Trustee, provide sufficient moneys, without reinvestment of any matured amounts, to make such payment without
reinvestment (and there shall be no such reinvestment); (b) the Trustee shall have been given irrevocable written instructions to call such Series 2005 E Bond for redemption on a date certain, if such Series 2005 E Bond is to be called for redemption prior to maturity; (c) the Trustee shall have received a written opinion of Bond Counsel to the effect that such deposit (and the payment of the Series 2005 E Bond therefrom) will not adversely affect the exclusion from gross income of interest on the Series 2005 E Bonds for federal income tax purposes; (d) the Trustee receives notice from each Rating Agency, promptly confirmed in writing to the Trustee, of the rating that the Series 2005 E Bond will bear after payment is provided therefor in accordance with this paragraph and such rating is neither lower than the rating borne by the Series 2005 E Bond immediately prior to any such provision for payment, nor withdrawn; (e) all necessary and proper fees, compensation and expenses of the Trustee pertaining to such Series 2005 E Bond shall have been paid or the payment thereof provided for to the satisfaction of the Trustee; and (f) any required Swap Termination Payment pursuant to the 2005 Swap Agreement shall have been paid or payment thereof provided for to the satisfaction of the Trustee.

(c) While in a Daily Rate Mode or a Weekly Rate Mode, a Series 2005 E Bond shall be deemed to be paid for all purposes of the Indenture when (a) payment of (i) the principal of and the applicable redemption premium, if any, on such Series 2005 E Bond, plus interest thereon to the due date thereof (whether such due date be by reason of maturity or upon redemption as provided in the Indenture, or otherwise) and (ii) the purchase price for such Series 2005 E Bond if tendered for purchase prior to its due date (whether such due date be by reason of maturity or upon redemption as provided in the Indenture, or otherwise) shall have been provided to the Trustee by irrevocably depositing with the Trustee, in trust, and the Trustee shall have irrevocably set aside exclusively such payments, funds in any amount sufficient to make such payment; (b) the Trustee shall have been given irrevocable written instructions to call such Series 2005 E Bond for redemption on a date certain, if such Series 2005 E Bond is to be called for redemption prior to maturity; (c) the Trustee shall have received a written opinion of Bond Counsel addressed to the Trustee, the Bond Bank and the Series 2005 E Bond Insurer to the effect that such deposit (and the payment of the Series 2005 E Bond therefrom) will not adversely affect the exclusion from gross income of interest on the Series 2005 E Bonds for federal income tax purposes; (d) the Trustee receives notice from each Rating Agency, promptly confirmed in writing to the Trustee, with a copy to the Series 2005 E Bond Insurer, of the rating that the Series 2005 E Bond will bear after payment is provided therefor in accordance with this paragraph and such rating is neither lower than the rating borne by the Series 2005 E Bond immediately prior to any such provision for payment, nor withdrawn; (e) all necessary and proper fees, compensation and expenses of the Trustee and the Tender Agent pertaining to such Series 2005 E Bond shall have been paid or the payment thereof provided for to the satisfaction of the Trustee; and (f) any required Swap Termination Payment pursuant to the 2005 Swap Agreement shall have been paid or payment thereof provided for to the satisfaction of the Trustee.

**Default and Remedies**

**Events of Default.** Any of the following constitutes an "Event of Default" under the Indenture:

a. The Bond Bank defaults in the due and punctual payment of any interest on any Bond;

b. The Bond Bank defaults in the due and punctual payment of the principal of any Bond whether at stated maturity or on any date fixed for mandatory sinking fund redemption;

c. The Bond Bank fails to make required remittances to the Trustee within the time limits prescribed in the Indenture;

d. The Bond Bank defaults in carrying out any of its other covenants, agreements or conditions in the Indenture, the Bonds or the 2005 Swap Agreement and there has been a failure to remedy such Event of Default within 60 days after the receipt of notice, all in accordance with the Indenture;
e. Any warranty, representation or other statement by or on behalf of the Bond Bank contained in the Indenture or in any instrument furnished in compliance with or in reference to the Indenture is false or misleading in any material respect when made and there has been a failure to remedy such Event of Default within 60 days after receipt of notice, all in accordance with the Indenture;

f. A petition is filed against the Bond Bank, to the extent such petition may be filed under applicable law, under any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation law of any jurisdiction, whether now or hereafter in effect, and is not dismissed within 60 days after such filing;

g. The Bond Bank files a petition, to the extent such petition may be filed under applicable law, in voluntary bankruptcy or seeking relief under any provisions of any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation law of any jurisdiction whether now or hereafter in effect or consents to the filing of any petition against it under such law;

h. The Bond Bank is generally not paying its debts as such debts become due, or becomes insolvent or bankrupt or makes an assignment for the benefit of creditors, or a liquidator or trustee of the Bond Bank or any of its property is appointed by court order or takes possession and such order remains in effect or such possession continues for more than 60 days;

i. The Bond Bank is rendered incapable of fulfilling its obligations under the Indenture for any reason;

j. Default in the due and punctual payment of any Regularly Scheduled Swap Payment; or

k. Receipt by the Trustee and the Bond Bank of a written notice from the Liquidity Provider that an event of default has occurred under the Liquidity Facility.

**Trustee’s Rights and Remedies.** No default under subparagraphs (d) or (e) above will constitute an Event of Default until actual notice of the default by registered or certified mail has been given to the Bond Bank by the Trustee or by the owners of not less than 25% in aggregate principal amount of all Bonds then Outstanding and the Bond Bank has had 60 days after receipt of the notice to correct such default within the applicable period. However, in the event such a default is correctable, but cannot be corrected within the applicable period, it will not constitute an Event of Default if corrective action is instituted by the Bond Bank within the applicable period and diligently pursued until the default is corrected.

Upon the occurrence of an Event of Default, the Trustee will notify the owners of the Bonds of such Event of Default by registered or certified mail and will have the following rights and remedies:

a. The Trustee may pursue any available remedy at law or in equity or by statute to enforce the payment of the principal of and interest on all Outstanding Bonds, including enforcement of any rights of the Bond Bank or the Trustee under the Qualified Obligations;

b. The Trustee may by action or suit in equity require the Bond Bank to account as if it were the trustee of an express trust for the owners of the Bonds and may take such action with respect the Qualified Obligations as the Trustee deems necessary or appropriate and in the best interest of the owners of the Bonds, subject to the terms of the Qualified Obligations;

c. Upon the filing of a suit or other commencement of judicial proceedings to enforce any rights of the Trustee and of the owners of Bonds under the Indenture, the Trustee will be entitled as a matter of right to the appointment of a receiver or receivers of the Trust Estate and of the Revenues, issues, earnings, income, products and profits thereof, pending such proceedings with such powers as the court making such appointment will confer; and

d. Upon the occurrence and continuation of an Event of Default which is caused by the 2005 Swap Provider failing to make timely payment under the 2005 Swap Agreement, the Trustee may pursue any available
remedy at law or in equity to enforce the payment by the 2005 Swap Provider of its obligations under the 2005 Swap Agreement.

e. If the Trustee certifies that there are sufficient moneys on deposit in the Funds and Accounts to pay principal of and accrued interest on all Bonds Outstanding under the Indenture, the Trustee may declare the principal of and accrued interest on all Bonds to be due and payable immediately in accordance with the provisions of the Indenture and the Act by notice to the Bond Bank and the Corporation Counsel of the City.

If an Event of Default has occurred, if requested to do so in writing by the owners of 25% or more in aggregate principal amount of Outstanding Bonds and if indemnified as provided in the Indenture, the Trustee will be obligated to exercise such of the rights, remedies and powers conferred by the Indenture as the Trustee, being advised by counsel, deems most expedient in the interest of the owners of the Bonds.

The owners of a majority in aggregate principal amount of Outstanding Bonds will have the right at any time during the continuance of an Event of Default, by a written instrument or instruments executed and delivered to the Trustee, to direct the time, method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of the Indenture or for the appointment of a receiver or any other proceedings under the Indenture. However, such direction may not be otherwise than in accordance with the provision of law and of the Indenture.

Notwithstanding anything in this "Defaults and Remedies" section to the contrary, (i) for so long as the Series 1995 A Bond Insurance Policy remains in full force and effect, if an Event of Default occurs under the Indenture with respect to the Series 1995 A Bonds, the Series 1995 A Bond Insurer will be treated as the owner and sole holder of all of the Outstanding Series 1995 A Bonds and will be entitled to direct and control the conduct of all proceedings for exercising any remedies available to the Trustee with respect to the Series 1995 A Bonds; and (ii) for so long as the Series 2005 E Bond Insurance Policy remains in full force and effect, if an Event of Default occurs under the Indenture with respect to the Series 2005 E Bonds, the Series 2005 E Bond Insurer will be treated as the owner and sole holder of all of the Outstanding Series 2005 E Bonds and will be entitled to direct and control the conduct of all proceedings for exercising any remedies available to the Trustee with respect to the Series 2005 E Bonds.

Waiver of Events of Default. At its discretion, the Trustee may waive any Event of Default and its consequences and must do so upon the written request of the owners of (i) more than 66 2/3% in aggregate principal amount of all the Bonds then Outstanding in respect of which an Event of Default in the payment of principal or interest exists, or (ii) more than 50% in aggregate principal amount of all Bonds then Outstanding in the case of any other Event of Default. However, there shall not be waived (A) any Event of Default in the payment of the principal of any Outstanding Bond at the specified date of maturity or (B) any Event of Default in the payment when due of the interest on any Outstanding Bond unless prior to the waiver all arrears of interest or principal at the rate borne by such Bond and all expenses of the Trustee on account of any such Event of Default will have been paid in full or provided for; and in case of any such waiver or rescission, or in case any proceedings taken by the Trustee on account of such Event of Default has been discontinued or abandoned or determined adversely, then the Bond Bank, the Trustee and the owners of the Bonds will be restored to their former respective positions and rights under the Indenture. No waiver will extend to any subsequent or other Event of Default or impair any rights consequent thereon.

Rights and Remedies of Owners of Bonds. No owner of any Bond will have any right to institute any proceeding at law or in equity for the enforcement of the Indenture or for the execution of any trust thereof or for the appointment of a receiver or any other remedy under the Indenture, unless (i) an Event of Default has occurred, (ii) the owners of not less than 25% in aggregate principal amount of Bonds then Outstanding have made written request to the Trustee and have offered the Trustee reasonable opportunity either to proceed to exercise the remedies granted in the Indenture or to institute such action, suit or proceeding in its own name, (iii) such owners of Bonds have offered to indemnify the Trustee, as provided in the Indenture, and (iv) the Trustee has refused, or for 60 days after receipt of such request and offer of indemnification has failed to exercise the remedies granted in the Indenture or to institute such action, suit or proceeding in its own name. All proceedings at law or in equity must be carried out as provided in the Indenture and for the equal and ratable benefit of the owners of all Outstanding Bonds. However, nothing contained in the Indenture will affect or impair the right of any owner of the Bonds to enforce the payment of the principal of and
interest on any Bond at and after its maturity, or the limited obligation of the Bond Bank to pay the principal of and
interest on each of the Bonds, to the respective owners of the Bonds at the time and place, from the source and in the
manner expressed in the Bonds.

Nonpresentment of Bonds

If any Bond issued under the Indenture has not been presented for payment when the principal becomes due
either at maturity, or at the date fixed for redemption or as set forth in any Supplemental Indenture regarding deemed
tenders or redemptions or otherwise if funds sufficient to pay such Bond shall have been made available to the Trustee
or Paying Agent for the benefit of the owner of such Bond, all liability of the Bond Bank to the owner for the payment
of such Bond shall forthwith cease, terminate and be completely discharged, and thereupon it shall be the duty of the
Trustee to hold such funds for four (4) years for the benefit of the owner of such Bond without liability for interest
thereon to such owner who shall thereafter be restricted exclusively to such funds for any claim of whatever nature on
his part under the Indenture or on or with respect to such Bond.

Any moneys so deposited with and held by the Trustee or Paying Agent not so applied to the payment of
Bonds within four (4) years after the date on which the same shall become due shall be repaid by the Trustee or Paying
Agent to the Bond Bank and thereafter the Bondholders shall be entitled to look only to the Bond Bank for payment
and then only to the extent of the amount so repaid, and the Bond Bank will not be liable for any interest thereon to the
Bondholders and will not be regarded as trustee of such moneys.

Limitations on Obligation of Bond Bank

The Bonds issued under the Indenture together with interest thereon, will be limited obligations of the Bond
Bank payable solely from the Trust Estate and will be a valid claim of the respective owners thereof only against the
Trust Estate which is assigned and pledged for equal and ratable payment of the Bonds and will be used for no other
purpose than the payment of the Bonds, except as may be otherwise expressly authorized in the Indenture. The
Bonds do not constitute a debt, obligation or liability of the State, any political subdivision thereof, the City, the
County, the Authority, the Redevelopment District, the Commission or any Qualified Entity under the constitution
of the State or a pledge of the faith and credit of the City, the County, the State, any political subdivision thereof, the
Authority, the Redevelopment District, the Commission or any Qualified Entity, but shall be payable solely from the
Trust Estate pledged therefor in accordance with the Indenture. The issuance of the Bonds under the provisions of
the Act does not directly, indirectly or contingently obligate the City, the County, the State, any political subdivision
thereof, the Authority, the Redevelopment District, the Commission or any Qualified Entity to levy any form of
taxation for the payment thereof or to make any appropriation for their payment and such Bonds and the interest
payable thereon do not now and will never constitute a charge against the credit or taxing power of the City, the
County, the State, any political subdivision thereof, the Authority, the Redevelopment District, the Commission or
any other Qualified Entity. Neither the City, the County, the State, the Authority, the Redevelopment District, the
Commission or any Qualified Entity nor any agent, attorney, member, or employee of the City, the County, the
State, the Authority, the Redevelopment District, the Commission or any Qualified Entity or of the Bond Bank will
in any event be liable for the payment of the principal of and damages, if any, or interest on the Bonds or for the
performance of any pledge, mortgage, obligation, or agreement of any kind whatsoever which may be undertaken by
the Bond Bank. No breach by the Bond Bank of any such pledge, mortgage, obligation, or agreement may impose
any liability, pecuniary or otherwise, upon the City, the County, the State, the Authority, the Redevelopment
District, the Commission or any Qualified Entity or any of the City's, the County's, the State's, the Authority's, the
Redevelopment District's, the Commission's or any Qualified Entity's or the Bond Bank's agents, members,
attorneys, officers, directors and employees or any charge upon the general credit of the City, the County, the State,
any political subdivision thereof, the Authority, the Redevelopment District, the Commission or any Qualified Entity
or a charge against the taxing power of the City, the County, the State, the Authority, the Redevelopment District,
the Commission, any political subdivision thereof or any Qualified Entity.
Immunity of Officers and Directors

No recourse will be had for the payment of the Bonds or for any claim based thereon or upon any obligation, covenant or agreement in the Indenture contained against any past, present or future officer, member, director, agent or employee of the Bond Bank, the City, the County, the Authority, the Redevelopment District, the Commission or any Qualified Entity or any officer, member, director, trustee, agent or employee of any successor entities thereto, as such, either directly or through the Bond Bank, the City, the County, the Authority, the Redevelopment District, the Commission or any Qualified Entity, or any successor entities, under any rule of law or equity, statute or constitution or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such officers, member, directors, trustees, agents or employees as such, is expressly waived and released as a condition of and consideration for the issuance of such Bonds.

Supplemental Indentures

The Bond Bank and the Trustee may, without the consent of or notice to any of the owners of Bonds, but only upon receiving the express written consent of the Series 1995 A Bond Insurer if the Series 1995 A Bond Insurance Policy remains in full force and effect, enter into an indenture or indentures supplemental to the Indenture for any one or more of the following purposes:

a. To cure any ambiguity, formal defect or omission in the Indenture;

b. To grant to or confer upon the Trustee for the benefit of the owners of Bonds any additional benefits, rights, remedies, powers or authorities that may lawfully be granted to or conferred upon the owners of Bonds or the Trustee;

c. To make any modification or amendment of the Indenture which the Trustee, in its sole discretion, determines will not have a material adverse effect on the interests of the Bondholders, provided however, that the Bond Bank and the Trustee will make no amendment which would permit the purchase of obligations of any Qualified Entities other than Qualified Obligations described in the Indenture;

d. To subject to the Indenture additional Revenues, security, properties or collateral;

e. To modify amend or supplement the Indenture or any Supplemental Indenture in order to permit qualification under the Trust Indenture Act of 1939 or any similar federal statute hereafter in effect or to permit the qualification of the Bonds for sale under the securities laws of the United States of America or of any of the states of the United States of America, and, if the Bond Bank and the Trustee so determine, to add to the Indenture or to any Supplemental Indenture such other terms, conditions and provisions as may be permitted by the Trust Indenture Act of 1939 or similar federal statute, which the Trustee in its sole discretion determines will not have a material adverse effect on the interests of the owners of the Bonds;

f. To evidence the appointment of a separate or co-trustee or the succession of a new Trustee under the Indenture or the succession of a new Registrar or Paying Agent;

g. To provide for the issuance of each Series of Bonds to the extent permitted by the Indenture, other than the Series 2005 E Bonds, the Series 1995 A Bonds and the Series 1991 C Bonds;

h. To provide for the refunding of all or a portion of the Bonds issued under the Indenture;

i. To elaborate on any provisions necessary to exercise any conversion options provided in the Indenture including better enabling different Series 2005 E Bonds to be in different Modes, including without limitation the Auction Rate Mode, through the execution and delivery of the Auction Rate Supplemental Indenture;

j. To provide for the substitution of an Alternate Liquidity Facility;
k. To provide that Series 2005 E Bonds in the Auction Rate Mode or the Fixed Rate Mode may be secured by a Liquidity Facility or other additional security not otherwise provided for in the Indenture;

l. To modify, amend or supplement the Indenture, or any indenture supplemental thereto, in such manner as the Trustee, the Bond Bank and the Remarketing Agent deem necessary in order to comply with any statute, regulation, judicial decision or other law relating to secondary market disclosure requirements with respect to tax-exempt obligations of the type that includes the Series 2005 E Bonds; and

m. To amend the Indenture to permit the Bond Bank to comply with any covenants contained in any Supplemental Indenture with respect to compliance with future federal tax law.

Exclusive of supplemental indentures for the purposes set forth in the preceding paragraph and subject to the terms of the Indenture, the owners of not less than a majority of the principal amount of the Bonds then Outstanding which are affected (other than Bonds held by the Bond Bank) have the right, from time to time, to consent to and approve the execution by the Bond Bank and the Trustee of any supplemental indenture or indentures deemed necessary and desirable by the Trustee for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in the Indenture or in any supplemental indenture. No supplemental indenture may permit or be construed as permitting, without the consent of the owners of all then Outstanding Bonds, (i) an extension of the maturity or mandatory sinking fund redemption dates of the principal of or the interest or redemption premium on any Bond issued under the Indenture, (ii) a reduction in the principal amount of any Bond or a change in the redemption premium or the rate of interest on any Bond, (iii) a privilege or priority of any Bond or Bonds, (iv) a reduction in the aggregate principal amount of the Bonds required for consent to such Supplemental Indenture, (v) the creation of any lien securing the Bonds, other than a lien ratably securing all of the Bonds at any time Outstanding; (vi) any modification of the trusts, powers, rights, obligations, duties, remedies, immunities and privileges of the Trustee without the written consent of the Trustee; (vii) a material modification of any optional tender rights under the Indenture; or (viii) except as otherwise provided in the Indenture, an alteration of the obligations of the Liquidity Provider under the Liquidity Facility.

Anything in the Indenture to the contrary notwithstanding, an amendment or supplemental indenture under the Indenture will not become effective unless and until the Qualified Entity, the Swap Provider, the Liquidity Provider, the Series 1995 A Bond Insurer and the Series 2005 E Bond Insurer will have consented in writing to the execution and delivery thereof, provided, however, that the consent of the Qualified Entity will not be required during any period that the Qualified Entity is in default under the Qualified Obligations and the consent of the Liquidity Provider will not be required if the Liquidity Provider has failed to honor a properly presented and conforming drawing under the Liquidity Facility. The Trustee shall inform the Tender Agent and the Remarketing Agent of any amendment or supplemental indenture affecting the respective rights and obligations of the Tender Agent and the Remarketing Agent and such amendment or supplement shall not become effective unless and until the Tender Agent or the Remarketing Agent, as the case may be, shall have consented in writing to the provisions thereof which affect its rights and obligations.

Amendment by the First Supplemental Indenture

The First Supplemental Indenture amends the Indenture as hereinafter described. Copies of the First Supplemental Indenture, which contain such amendment, are available for inspection at the office of the Bond Bank.

Such amendment will be effective only if and when the owners of not less than all of the Outstanding Bonds have given their consent to such amendment which is anticipated to be when all of the Series 1991 C Bonds are no longer outstanding under the Indenture. Purchasers of the Series 2005 E Bonds and all Bonds issued subsequent thereto will be deemed to have consented to such amendment upon purchase of and payment for such Bonds.

Upon receipt of the consent of the owners of not less than all of the aggregate principal amount of the Bonds then outstanding under the Indenture, the Indenture will be amended to provide that the Bond Bank may not permit or agree to any material change in any Qualified Obligation unless the Bond Bank supplies the Trustee with a Cash Flow Certificate to the effect that after such change, Revenues expected to be received and other available monies in the
Funds and Accounts will at least equal projected required debt service on all Outstanding Bonds, and the Indenture will no longer provide that in addition, the Trustee must determine that any such changes will not adversely affect the interests of the Bondholders before the Bond Bank may consent to such material change.

**Trustee**

By executing the Indenture, the Trustee accepts the trusts and duties imposed upon it by the Indenture and agrees to perform said trusts and duties with the same degree of care and skill in its exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs, but only upon and subject to the express terms and conditions of the Indenture.

The Trustee covenants and agrees to retain or to cause its agent to retain possession of each Qualified Obligation and a copy of the transcript or documents related thereto and release them only in accordance with the provisions of the Indenture. The Bond Bank and the Trustee covenant and agree that all books and documents in their possession relating to the Qualified Obligations will at all times be open to inspection by such accountants or other agencies or persons as the Bond Bank or the Trustee may from time to time designate pursuant to the terms of the Indenture.

The Trustee and any successor Trustee may at any time resign from the trust created by the Indenture by giving 30 days’ written notice by registered or certified mail to the Bond Bank and the owner of each Bond and such resignation will take effect upon the appointment of a successor Trustee and acceptance of such appointment by the successor Trustee.

The Trustee may be removed at any time with or without cause by an instrument or concurrent instruments in writing delivered to the Trustee and to the Bond Bank and signed by the owners of a majority in aggregate principal amount of all Bonds then Outstanding under the Indenture or their attorneys-in-fact duly authorized. Notice of removal of the Trustee will be given as provided above. So long as no Event of Default, or an event which with the passage of time would become an Event of Default, has occurred and is continuing, the Trustee may be removed at any time for cause by resolution of the Bond Bank filed with the Trustee.

If the Trustee resigns or is removed, or is dissolved or is in course of dissolution or liquidation, or otherwise becomes incapable of acting under the Indenture, or if it is taken under the control of any public officer or officers, or of a receiver appointed by a court, a successor may be appointed by the owners of a majority in aggregate principal amount of all Bonds then Outstanding under the Indenture by an instrument or concurrent instruments in writing signed by such owners or by their attorneys-in-fact duly authorized a copy of which will be delivered personally or sent by registered mail to the Bond Bank. Nevertheless in case of such vacancy the Bond Bank by resolution may appoint a temporary Trustee to fill such vacancy. Within 90 days after such appointment, the Bondholders may appoint a successor Trustee, and any such temporary Trustee so appointed by the Bond Bank will become the successor Trustee if no appointment is made by the Bondholders immediately and without further act be superseded by any Trustee so appointed by such Bondholders. Notice of the appointment of a temporary or successor Trustee will be given in the same manner provided above with respect to the resignation of a Trustee. Every such Trustee so appointed will be a trust company or bank having a reported capital and surplus of not less than $50,000,000 if there is such an institution willing, qualified and able to accept the trust upon reasonable or customary terms. In addition, at all times that the Series 1995 A Bonds are Outstanding under the Indenture, the Trustee will be the same entity which serves as the trustee with respect to the outstanding Authority Bonds.

**Additional Provisions Regarding Series 1995 A Bond Insurance Policy**

Notwithstanding anything in this summary to the contrary, for so long as the Series 1995 A Bond Insurance Policy remains in full force and effect, the Bond Bank and the Trustee will not:

(i) amend or supplement the Indenture;
(ii) waive or modify any rights with respect to the Series 1995 A Bonds;

(iii) permit the Authority or the Authority Trustee to amend or supplement the Authority Indenture;

(iv) consent to any party assigning its obligations under the Related Documents in a manner which would relieve such party of its obligations under such Related Documents, to the extent the Bond Bank's consent is required prior to the occurrence of such assignment;

(v) consent to any amendment to any of the Related Documents, to the extent that the Bond Bank's consent is required prior to the occurrence of such Related Document or Related Documents being amended; or

(vi) waive or modify any rights with respect to the Authority Bonds;

unless the Bond Bank and the Trustee receive the express written consent of the Series 1995 A Bond Insurer to such amendment, supplement, waiver, modification or assignment; provided, however, that no such express written consent of the Series 1995 A Bond Insurer will be required with respect to the amendments set forth in the First Supplemental Indenture or the First Supplemental Authority Indenture.

For so long as the Series 1995 A Bond Insurance Policy remains in full force and effect, the Trustee will treat the Series 1995 A Bond Insurer as the sole holder of the Authority Bonds maturing on January 1, 2008, January 1, 2009, and January 1, 2017, for the purposes of delivering notices and receiving consent from the holders of the Authority Bonds.

Additional Provisions Regarding Series 2005 E Bond Insurance Policy

As long as the Series 2005 E Bond Insurance Policy is in effect and the Series 2005 E Bond Insurer is not in default of its payment obligation under the Series 2005 E Bond Insurance Policy, the Series 2005 E Bond Insurer will be deemed the exclusive owner of the Series 2005 E Bonds for the purpose of (i) execution and delivery of any amendment, modification, supplement or change of the Indenture or the Standby Bond Purchase Agreement requiring Bondholder consent, (ii) removal of the Trustee and selection and appointment of any successor trustee, or (iii) the direction or right to consent to any action or remedy to be undertaken by the Trustee at the request of the owners of the Series 2005 E Bonds.

As long as the Series 2005 E Bond Insurance Policy is in effect and the Series 2005 E Bond Insurer is not in default of its payment obligation under the Series 2005 E Bond Insurance Policy, the Series 2005 E Bond Insurer, as the deemed owner of the Series 2005 E Bonds, will have the right to direct all remedies if an Event of Default will have occurred with respect to the Series 2005 E Bonds. The Series 2005 E Bond Insurer will have the right to institute any suit, action, or proceeding at law or in equity as holders of the Series 2005 E Bonds in accordance with the Indenture. Any acceleration of principal payments on the Series 2005 E Bonds is subject to the prior consent of the Series 2005 E Bond Insurer.

Terms of the Series 2005 E Bonds Operating in Weekly Rate Mode

General

The Series 2005 E Bonds will initially bear interest at a Weekly Rate. All or a portion of the Series 2005 E Bonds may be converted to bear interest at a Daily, Adjustable, Auction or Fixed Rate. For purposes of this Official Statement, only the operation of the Weekly Rate Mode is described. If the Mode for any of the Series 2005 E Bonds is changed to a Mode other than Weekly Rate Mode, the Bond Bank will supplement this Official Statement to describe the new Mode.
Interest on the Series 2005 E Bonds that are Bank Bonds or that are in a Daily Rate Mode, a Weekly Rate Mode or an Adjustable Rate Period of 365 days or less will be calculated on the basis of a 365- or 366-day year, as appropriate, for the actual number of days elapsed. Interest on the Series 2005 E Bonds that are in an Auction Rate Mode will be calculated on the basis of a 360-day year, for the actual number of days elapsed. Interest on the Series 2005 E Bonds that are in a Fixed Rate Mode or an Adjustable Rate Period of more than 365 days will be calculated on the basis of a 360-day year, composed of twelve 30-day months.

**Modes of Operation**

**General.** Under the Indenture, the Series 2005 E Bonds may operate in one or more of five Modes of operation, provided that the requirements of the Indenture, certain of which are described below, for operating in such Mode or Modes have been satisfied. The five Modes of operation are the Daily Rate Mode, the Weekly Rate Mode, the Adjustable Rate Mode, the Auction Rate Mode and the Fixed Rate Mode. Only the Weekly Rate Mode is described herein. While any single Series 2005 E Bond may only operate in one Mode at any given time, other Series 2005 E Bonds then Outstanding may operate in different Modes at the same time. All Series 2005 E Bonds operating in the Weekly Rate Mode shall bear interest at the same rate. Series 2005 E Bonds operating in the Adjustable Rate Mode may bear interest at different rates for different Adjustable Rate Periods. Series 2005 E Bonds bearing interest at an Auction Rate or at a Fixed Rate shall not be secured by a Liquidity Facility and are not subject to optional tender for purchase. Generally, the Modes have different operating features, including different demand features, purchase features, redemption provisions, Interest Periods and Interest Payment Dates. Except as otherwise described below, once a Mode is designated for any particular Series 2005 E Bond, such Series 2005 E Bond shall remain in that Mode until a new Mode for such Series 2005 E Bond is designated as described below; provided, however, that Series 2005 E Bonds which bear interest at a Fixed Rate shall remain in the Fixed Rate Mode until maturity or redemption thereof prior to maturity.

The Series 2005 E Bonds will be initially issued in the Weekly Rate Mode. Thereafter, a different Mode for each Series 2005 E Bond may be designated, provided the requirements of the Indenture for changing Modes are satisfied. A Conversion Date from one Mode to another Mode may be designated to occur with respect to any Series 2005 E Bond during a Weekly Rate Mode on any Interest Payment Date. Any such Conversion Date for any Series 2005 E Bond in a particular Mode will be a mandatory purchase date for the mandatory tender of such Series 2005 E Bond. If a subsequent Mode is designated, the Trustee will give written notice to the owner of each affected Series 2005 E Bond that such Series 2005 E Bond will be subject to mandatory tender for purchase on such Conversion Date at 100% of the principal amount thereof, plus accrued interest to the date of purchase. See "Mandatory Tender" below.

No Tender Agent shall be appointed in connection with the issuance and delivery of the Series 2005 E Bonds. The Indenture provides that the Trustee will appoint a Tender Agent for the Series 2005 E Bonds in the event that the Series 2005 E Bonds are no longer held in a book-entry only system and upon the direction of the Bond Bank.

Under certain circumstances described in the Indenture, opinions of Bond Counsel are required to be delivered to the Trustee when a conversion is: (i) from a Daily Rate Mode, a Weekly Rate Mode, an Auction Rate Mode, or an Adjustable Rate Period of 365 days or less in duration to an Adjustable Rate Period in excess of 365 days in duration; or (ii) from a Daily Rate Mode, a Weekly Rate Mode, an Auction Rate Mode, or an Adjustable Rate Mode to a Fixed Rate Mode.

In the event that, with respect to any Series 2005 E Bond, any condition precedent to the conversion from one Mode to another Mode is not fulfilled (including, but not limited to, the establishment of the appropriate interest rate for such Mode), after the mandatory tender date such Series 2005 E Bond shall continue in its then current Mode for the same period and bear the same interest rate as was last borne by such Series 2005 E Bond in such Mode.

**Weekly Rate Mode.** An Interest Period for Series 2005 E Bonds in Weekly Rate Mode will commence on the date of issuance of the Series 2005 E Bonds or a Weekly Rate Conversion Date, as appropriate, through and including the following Tuesday, and after the first Interest Period, the period from and including Wednesday of each week through and including the following Tuesday, whether or not such days are Business Days; provided,
however, that if the scheduled rate change day for Series 2005 E Bonds in the Weekly Rate Mode is changed to a day of the calendar week other than Tuesday pursuant to the Indenture, the Interest Period for Bonds in the Weekly Rate Mode shall mean the period from the Weekly Rate Conversion Date through and including the day immediately preceding such new rate change day, and, after the first Interest Period, the period from such new rate change day through and including the day immediately preceding the following rate change day, whether or not such days are Business Days.

Each Series 2005 E Bond in the Weekly Rate Mode will bear interest at a Weekly Rate from the date of issuance of the Series 2005 E Bonds or a subsequent Weekly Rate Conversion Date, as applicable, to the earlier of its redemption, the succeeding Conversion Date or its maturity date. The initial Weekly Rate for each series of Series 2005 E Bonds effective as of the Closing Date or Weekly Rate Conversion Date will be established by the Remarketing Agent. The Remarketing Agent will establish such rate in the same manner as the Remarketing Agent establishes the Weekly Rate for each subsequent Weekly Rate Period as described below. The Weekly Rate for each subsequent Interest Period of a Weekly Rate Period will be established by the Remarketing Agent on or prior to the first day of each Interest Period, in its sole judgment having due regard for prevailing financial market conditions, at the lowest rate of interest which will permit such Series 2005 E Bonds to be sold at par on the first day of the Interest Period without regard to accrued interest. Notwithstanding the foregoing, the Weekly Rate so established will not be set at a rate greater than the Maximum Rate. In the event no Weekly Rate is determined by the Remarketing Agent for an Interest Period during a Weekly Rate Period, the Weekly Rate for such Interest Period will be the Weekly Rate in effect for the immediately preceding Interest Period during such Weekly Rate Period; provided that in the event no Weekly Rate is determined by the Remarketing Agent for two successive Interest Periods during a Weekly Rate Period, the Weekly Rate for such second Interest Period will be equal to 110% of the Bond Market Association Index Rate in effect on the first day of such second Interest Period. Each determination of the Weekly Rate by the Remarketing Agent for the applicable series of Series 2005 E Bonds will be conclusive and binding upon the Bond Bank, the Trustee, the 2005 Swap Provider, the Series 2005 E Bond Insurer, the Liquidity Provider, the Tender Agent and the Bondholders.

While any Series 2005 E Bonds are in the Weekly Rate Mode, if at any time the Remarketing Agent shall determine that, in its reasonable judgment, the scheduled rate determination day or rate change day has become inappropriate (taking into account general market practice with respect to periodic adjustment of rates on instruments comparable to the Series 2005 E Bonds, whether based upon the time of compilation or reporting of any interest rate or financial index or indicator or otherwise), the Remarketing Agent may, upon receipt of an opinion of Bond Counsel acceptable to the Trustee and the Series 2005 E Bond Insurer, to the effect that such change will not adversely affect the exclusion of interest on the Series 2005 E Bonds from gross income for federal income tax purposes, after consultation with and consent from the Bond Bank, designate a new scheduled rate determination day and/or rate change day, to remain in effect until another redetermination of scheduled rate determination day or rate change day in accordance with this paragraph. The Remarketing Agent will give written notice to the Trustee, the Tender Agent and the Bond Bank, of any change in the scheduled rate determination day and/or rate change day, and such change will become effective on the first scheduled rate determination day or rate change day, as the case may be, so designated occurring not less than fourteen (14) days following the giving of such notices. Promptly upon receipt of such notice, the Trustee will notify each affected Bondholder of such change in writing.

Conversion Between Modes

The Series 2005 E Bonds shall be converted from one Mode to another Mode, if the Bond Bank shall notify in writing the Trustee, of its irrevocable election to effect such conversion, and together with such notice identifies the Series 2005 E Bonds to be converted, the Interest Payment Date on which such conversion is to take place, and, if such conversion is to the Adjustable Rate Mode, the Interest Payment Date upon which the new Adjustable Rate Period is to terminate (which Adjustable Rate Period shall be of at least 30 days duration). In addition, when a conversion is: (i) from a Daily Rate Mode, a Weekly Rate Mode, an Auction Rate Mode, or an Adjustable Rate Period of 365 days or less in duration to an Adjustable Rate Period in excess of 365 days in duration; or (ii) from a Daily Rate Mode, a Weekly Rate Mode, an Auction Rate Mode, or an Adjustable Rate Mode to a Fixed Rate Mode, there shall also be delivered with such notice of conversion an opinion of Bond Counsel (which opinion shall be confirmed on the Conversion Date or Adjustable Rate Reset Date, as appropriate) stating that such conversion is authorized or permitted by the Indenture and the Act and will not adversely affect the exclusion from gross income for purposes of federal income taxation of interest on the Series 2005 E Bonds. If the conversion is to a Fixed Rate
Mode from any other Mode, there shall also be delivered with such notice of conversion a firm underwriting or purchase contract from a recognized firm of bond underwriters or recognized institutional investors to underwrite or purchase all the Series 2005 E Bonds that are to be converted to a Fixed Rate Mode at a price of 100% of the principal amount thereof at an agreed upon interest rate for each Bond to be so converted, which such underwriter or institutional investor certifies is the lowest rate that will permit such Series 2005 E Bond to be sold at par on the first day of the Fixed Rate Period and which contract shall contain the maturity schedule, and, if applicable, the mandatory sinking fund redemption schedule, prepared in accordance with the Indenture.

The Conversion Date will be the Interest Payment Date specified by the Bond Bank in its notice of election to effect such conversion, which date will be not less than 35 days succeeding receipt by the Trustee, the Tender Agent, the Liquidity Provider, the 2005 Swap Provider, the Series 2005 E Bond Insurer, and the Remarketing Agent, as appropriate, of such notice from the Bond Bank of such conversion.

The Series 2005 E Bonds (or beneficial interests therein, other than Bank Bonds, Bond Bank Bonds and the Series 2005 E Bonds bearing interest at a Fixed Rate) shall be subject to mandatory tender for purchase on each Conversion Date. The Series 2005 E Bonds shall not be converted from one Mode to another Mode if an Event of Default shall have occurred and be continuing under the Indenture.

In the event any condition precedent to the conversion from one Mode to another Mode is not fulfilled (including, but not limited to, the establishment of the appropriate interest rate for such Mode), after the mandatory tender date the Series 2005 E Bonds shall continue in their then current Mode, for the same period and bear the same interest rate as was last borne by the Series 2005 E Bonds in such Mode. In the event the Series 2005 E Bonds are not remarketed on the mandatory tender date and become Bank Bonds or Bond Bank Bonds, the Remarketing Agent shall be entitled to determine a new Weekly Rate with respect to such Series 2005 E Bonds (under the conditions and subject to the limitations provided above), effective on such date the Remarketing Agent is able to remarket such Bank Bonds or Bond Bank Bonds in whole at a price of par without regard to accrued interest to such delivery date; but in any event such new rate with respect to such Series 2005 E Bonds shall not be in excess of the Maximum Rate. The determination of the new Weekly Rate, as appropriate with respect to such Series 2005 E Bonds, by the Remarketing Agent shall be conclusive and binding on the Bond Bank, the Trustee, the 2005 Swap Provider, the Series 2005 E Bond Insurer, the Liquidity Provider and the registered owners of the Series 2005 E Bonds.

At least 30 days prior to the Conversion Date, the Trustee shall give notice to each affected registered owner of the Series 2005 E Bonds by first class mail stating: (a) the Conversion Date; and (b) that on the Conversion Date the beneficial interests in the Series 2005 E Bonds are subject to mandatory purchase.

Failure by the Trustee or the Tender Agent to give any notice or any defect therein shall not in any way change the rights of the owners of such Series 2005 E Bonds to have their Series 2005 E Bonds purchased on any Conversion Date or required tender date or extend the period for making such elections. Any notice mailed as provided in the Indenture shall be conclusively presumed to have been given, whether or not the owner of the Series 2005 E Bonds receives the notice.

Optional Tender

The holders of any Series 2005 E Bonds bearing interest at a Weekly Rate may elect to have their Series 2005 E Bonds (or portion thereof in an Authorized Denomination) purchased at the purchase price determined in accordance with the Indenture. During a Weekly Rate Period when the Bonds are held in a book-entry-only system by a nominee of DTC or its successor, each beneficial owner of a beneficial interest in a Series 2005 E Bond bearing interest at a Weekly Rate (other than Bank Bonds or Bond Bank Bonds) may demand the purchase of such beneficial owner's beneficial interest (or portion thereof, provided that the portion thereof tendered is an Authorized Denomination; and provided, further, that the portion thereof retained is itself an Authorized Denomination) on any Business Day at a price equal to 100% of the principal amount thereof, plus accrued and unpaid interest thereon to the date of purchase, upon delivery to the Trustee and the appropriate Remarketing Agent on any Business Day, of a written irrevocable notice, which will be effective upon receipt, which states (a) the name and address of the beneficial owner, (b) the principal amount of such beneficial interest (and the portion thereof to be tendered, if less than the full principal amount thereof is to be tendered), and (c) the date on which such beneficial interest shall be so
purchased, which date shall be a Business Day not prior to the seventh day next succeeding the date of the delivery of such notice to the Trustee and the appropriate Remarketing Agent. Such beneficial interest will be deemed to have been surrendered on the date specified in such notice.

Mandatory Tender

Conversion Date. Beneficial interests in the Series 2005 E Bonds (other than Bank Bonds, Bond Bank Bonds or Series 2005 E Bonds bearing interest at a Fixed Rate) are subject to mandatory tender for purchase from the Liquidity Facility on each Conversion Date and at a price equal to the principal amount of such beneficial interests plus accrued and unpaid interest thereon to the date of purchase, without premium. The Trustee shall, not later than 30 days prior to each Conversion Date, give the required notice to the Owners of the Series 2005 E Bonds that such Series 2005 E Bonds (or beneficial interests therein) are subject to mandatory tender for purchase.

Prior to Expiration of the Term of the Liquidity Facility or Delivery of Alternate Liquidity Facility. Beneficial interests in the Series 2005 E Bonds (other than Bank Bonds and Bond Bank Bonds) in a Weekly Rate Mode are subject to mandatory tender for purchase from the Liquidity Facility on the date of delivery of an Alternate Liquidity Facility and on the fifth Business Day prior to (i) the Expiration of the Term of the Liquidity Facility, or (ii) the delivery of a Substitute Bond Insurance Policy at a price equal to the principal amount of such beneficial interests plus accrued and unpaid interest, without premium. At least 30 days prior to either the Expiration of the Term of the Liquidity Facility, the delivery of an Alternate Liquidity Facility or the delivery of a Substitute Bond Insurance Policy, the Trustee shall give to each affected Bondholder notice by first class mail stating: (a) that on the date specified in such notice, such Series 2005 E Bond (or beneficial interests therein) is subject to mandatory tender and purchase (or, if the Series 2005 E Bonds are held in a book-entry-only system, that the beneficial interests in the affected Series 2005 E Bonds are subject to mandatory tender for purchase); and (b) the rating, if any, applicable to the Series 2005 E Bonds after delivery of an Alternate Credit Facility.

Bondholders Failure to Delivery the Series 2005 E Bonds. In the event of a failure by an owner of the Series 2005 E Bonds to deliver its Series 2005 E Bonds on or prior to the required delivery date, said owner shall not be entitled to any payment (including interest to accrue subsequent to the purchase date) other than the purchase price for such Undelivered Bonds, and any such Undelivered Bonds shall no longer be entitled to the benefit and security of the Indenture, except for the purpose of the payment of the purchase price thereof, and the Trustee will not register any further transfers of such Undelivered Bonds.

Tenders Occurring After Notice of Mandatory Tender Date. Any beneficial interest optionally tendered for purchase after the date on which the Trustee has notified the Bondholders of a mandatory tender date as described above shall not be remarkeeted unless the purchaser has been notified by the Remarketing Agent of the required mandatory tender for purchase. Any such notice shall contain the same provisions as the mandatory tender notice delivered by the Trustee to the Bondholders as described above. Any purchaser so notified must deliver a notice to the Trustee and the Remarketing Agent stating that such purchaser will tender its beneficial interest for purchase on the appropriate mandatory tender date.

Redemption

Each Series 2005 E Bond in a Weekly Rate Period shall be subject to optional redemption by the Bond Bank prior to maturity, in whole or in part (and if in part in Authorized Denominations; provided that no Series 2005 E Bond may be redeemed in part if the principal amount to be Outstanding following such partial redemption is not an Authorized Denomination) on any date selected by the Bond Bank upon 45 days’ prior written notice to the Trustee, the Series 2005 E Bond Insurer, the 2005 Swap Provider, the Liquidity Provider and the Remarketing Agent at a redemption price equal to the aggregate principal amount of such Series 2005 E Bonds to be redeemed plus accrued interest thereon to the redemption date, without premium.

Official Notice of Redemption; Effect of Redemption

Not less than 30 nor more than 45 days prior to any redemption date, the Trustee shall cause official notice of the call for redemption, identifying each Series 2005 E Bond or portion thereof to be redeemed, given in the name
of the Bond Bank, to be sent by first class mail, postage prepaid, to the Tender Agent, if any, the Liquidity Provider, the Remarketing Agent, the Series 2005 E Bond Insurer, the 2005 Swap Provider, and the Owner of each Series 2005 E Bond to be redeemed at the address of such Owner shown on the Registration Books; provided, however, that neither the failure to give any such notice nor any defect in any notice so given with respect to any Series 2005 E Bond shall affect the sufficiency or the validity of any proceedings for the redemption of the other Series 2005 E Bonds; and provided, further, that if such notice by mail shall not have been given with respect to a Series 2005 E Bond delivered for purchase pursuant to the Indenture and if such Series 2005 E Bond shall be deemed to have been selected for redemption pursuant to the Indenture, such notice may be given by the Trustee by telephone, telecopy (receipt confirmed by telephone) or telegram, confirmed in writing, as promptly as practicable to the registered Owner of such Series 2005 E Bond, but failure to duly give such notice by telephone, telecopy or telegram or any defect therein shall not affect the validity of proceedings for the redemption of other Series 2005 E Bonds.

In addition to the official notice of redemption, if the Series 2005 E Bonds are not then held under a book-entry-only system, further notice shall be given at least 35 days before the redemption date by the Trustee in the name of the Bond Bank by facsimile, certified mail or overnight delivery service to all registered securities depositories then in the business of holding substantial amounts of obligations of the type comprising the Series 2005 E Bonds and to one or more national information services that disseminate notice of redemption of obligations such as the Series 2005 E Bonds.

On the date fixed for redemption of any Series 2005 E Bond, funds for the payment thereof shall be on deposit with the Trustee. Interest will not accrue after the redemption date on any Series 2005 E Bond called for redemption if notice has been given and if sufficient moneys have been deposited with the Trustee to pay principal of, premium, if any, and interest on such Series 2005 E Bonds to the redemption date.

THE AUTHORITY INDENTURE

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

There are created under the Authority Indenture the following funds: (1) the Economic Development Facility Construction Fund (the "Construction Fund"), (2) the Marion County Convention and Recreational Facilities Authority Economic Development Facility Sinking Fund (the "Sinking Fund"), (3) the Economic Development Facility Operation and Reserve Fund (the "Operation and Reserve Fund"), (4) the Marion County Convention and Recreational Facilities Authority Redemption Fund (the "Redemption Fund"), and (5) the Marion County Convention and Recreational Facilities Authority 1991 Bonds Rebate Fund (the "Rebate Fund").

The Authority Trustee will deposit in the Sinking Fund, from each payment of Fixed Rental received pursuant to the Lease, an amount equal to the lesser of (1) all of such payment or (2) an amount which, when added to the amount already in the Sinking Fund on the deposit date, equals the unpaid interest on the Authority Bonds due within forty-five (45) days after the due date of such Fixed Rental payment and the unpaid principal of the Authority Bonds due on, before or within eight (8) months from the date such Fixed Rental payment becomes due. Any portion of a Fixed Rental payment remaining after such deposit will be deposited by the Authority Trustee in the Rebate Fund or the Operation and Reserve Fund. The Authority Trustee will from time to time pay from the Sinking Fund the principal of the Authority Bonds at maturity or upon mandatory redemption and the interest as it becomes due.

The Operation and Reserve Fund will be used only to pay necessary incidental expenses of the Authority (e.g. required audits, appraisals, meetings, reports, fees of the Bond Bank, fees and charges), any maintenance costs required by the Site and Facilities Lease, principal, interest and redemption premiums of the Authority Bonds upon redemption, or the purchase price of the Authority Bonds purchased as authorized by the Authority Indenture. If the amount from the Sinking Fund at any time is insufficient to pay principal of or interest on the Authority Bonds when due, the Authority Trustee will, without any further authorization, transfer funds from the Operation and Reserve Fund to the
Sinking Fund in an amount sufficient to raise the amount in the Sinking Fund to the required amount. Such action by the Authority Trustee will not constitute a waiver of any other right or remedy the Authority Trustee may have under the Authority Indenture. Incidental expenses will be paid by the Authority Trustee upon the presentation of an affidavit executed by any two (2) directors of the Board of Directors of the Authority, stating the character of the expenditure, the amount thereof, and to whom due, together with the statement of the creditor as to the amount owing.

The Redemption Fund will be used to call the Authority Bonds for redemption when such Authority Bonds may be called without a premium or to purchase the Authority Bonds in the open market as provided in the Authority Indenture, or to make up any deficiency in the Sinking Fund if no moneys are available in the Sinking Fund or the Operation and Reserve Fund.

Whenever the amounts contained in the Sinking Fund, the Operation and Reserve Fund and the Redemption Fund are sufficient together with all other funds deposited with the Authority Trustee by the Authority, to redeem with any applicable premium, upon the next redemption date, all the Authority Bonds secured by the Authority Indenture then outstanding, the Authority Trustee will apply the amounts in such funds to the redemption of such Authority Bonds pursuant to the Authority Indenture.

**Investment of Funds**

The Authority Trustee will invest the moneys in funds created in the Authority Indenture in Qualified Investments at the direction of the Authority. Any income or interest realized upon any such investment is credited to the fund or account from which the moneys were invested. Investment earnings may be used to pay any rebate amount owed under Section 148(f) of the Code. Securities purchased with moneys from the Sinking Fund and the Rebate Fund will 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, Sinking Fund and Rebate Fund will be invested without restriction as to yield during an applicable temporary period pending their use. Moneys in the Redemption Fund and Operation and Reserve Fund after 30 days of the date of deposit will be invested at a yield not exceeding the yield on the Authority Bonds.

**General Covenants of the Authority**

The Authority covenants, among other things, that:

a. It will faithfully do and perform, and at all times faithfully observe, any and all covenants, undertakings, stipulations and provisions contained in each and every Authority Bond or contained in the Authority Indenture. It will duly and punctually pay, or cause to be paid, the principal of the Authority Bonds and the interest thereon, at the times and in the places, and in the manner provided in the Authority Indenture and in the Authority Bonds; and any premium required for the retirement of the Authority Bonds by redemption, according to the true intent and meaning of the Authority Indenture and the Authority Bonds. It will promptly make, execute and deliver all indentures supplemental hereto, or otherwise, and take all such action as may reasonably be deemed, by the Authority Trustee or by its counsel, necessary or advisable for the better securing of any Authority Bonds.

b. Until all indebtedness secured by the Authority Indenture is full paid, it will maintain its corporate existence, paying all license or other fees and making all returns necessary for that purpose; that it will not do or suffer to be done anything whereby its corporate existence or its right to hold the Leased Premises might in any way be questioned; and that it will faithfully observe and comply with the terms of all applicable laws and ordinances of the State and any political or municipal subdivision thereof.

c. It has full power and lawful authority to enter into the Authority Indenture and has entered into a valid and binding Lease of the Leased Premises to the Commission, and that a full, true and correct copy of the Lease is on file with the Authority Trustee. It will not agree to any modification of the terms of the Lease, the Site and Facilities Lease and the Tenancy In Common Agreement which would substantially impair or reduce the security of the owners of the Authority Bonds or agree to a reduction of the Fixed Rentals provided for therein until all indebtedness secured
by the Authority Indenture is fully paid, except upon compliance with the provisions of the Lease and the Authority Indenture (see subparagraph (d) below). Any modification permitted by this paragraph will be made only after a copy of the modification has been filed with the Authority Trustee.

d. It may permit or agree to any reduction in the Fixed Rentals but only if the Authority supplies the Authority Trustee and the Bond Bank with an Authority Cash Flow Certificate to the effect that, after such change, the Fixed Rentals expected to be received after such reduction of the Fixed Rentals, together with moneys expected to be held in the funds established under the Authority Indenture (except the Rebate Fund established under the Authority Indenture), will be sufficient to pay when due the debt service on all of the Authority Bonds which are outstanding under the Authority Indenture.

e. It is duly authorized under the laws of the State of Indiana, and under all other applicable provisions of law, to create and issue the Authority Bonds, to execute and deliver the Authority Indenture, and to pledge the Fixed Rentals and Other Income as provided in the Authority Indenture; that all actions on its part for the creation and issuance of the Authority Bonds and the execution of the Authority Indenture have been duly and effectively taken; that it will obtain such Leased Premises, and that it has complete and lawful authority and power to acquire, construct and equip the Leased Premises as provided in the Authority Indenture.

f. It will promptly, and before they become delinquent, cause to be paid all lawful taxes, charges and assessments at any time levied or assessed upon or against the Leased Premises or any part thereof, or upon the use of the same, or upon the income or profits thereof, and all license fees, franchise and corporation taxes and other like statutory charges to the extent applicable to the Authority; provided, however, that such tax, charge or assessment will not be required to be paid so long as (i) such payment is made under the Master Lease Agreement, (ii) such payment is made under the Site and Facilities Lease, or (iii) the validity of the same is in good faith contested by the Authority or the IAA; further, that it will not suffer any lien or charges to be enforced or to exist against the Leased Premises or the site of the Leased Premises or any part thereof, except Permitted Encumbrances.

g. It will duly observe and comply with all valid requirements of any government authority relative to the Leased Premises. It will maintain the priority of the lien created by the Authority Indenture. From the property pledged under the Authority Indenture, it will pay or cause to be discharged, or will make adequate provision to satisfy and discharge, within sixty (60) days after the same accrues, all lawful claims and demands for labor, materials or supplies; provided, however, that the Authority Indenture does not require the Authority to pay or cause to be discharged or make provisions for any claim, lien or charge so long as the validity thereof is contested in good faith and by appropriate legal proceedings.

h. Proper books of record and account will be kept in which full, true and correct entries will be made of all dealings or transactions of or in relation to the properties, business and affairs of the Authority. It will:

(i) At such times as the Authority Trustee reasonably requests, furnish statements, if available, in reasonable detail showing the earnings, expenses and financial condition of the Authority.

(ii) From time to time furnish to the Authority Trustee such information as to the property of the Authority, if available, as the Authority Trustee reasonably requests.

i. Other than the Authority Bonds secured by the Authority Indenture, it (a) will not incur any indebtedness or obligation payable from the Fixed Rentals nor (b) will it incur any indebtedness or obligation payable from the Additional Rentals unless such indebtedness or obligation is payable within one (1) year and is incurred in connection with the operation and maintenance of the Leased Premises or payment of any reasonable costs or expense of the Authority incurred in relation to consummating any of the transactions contemplated by the Lease, the Authority Bonds, the Site and Facilities Lease or the Tenancy in Common Agreement. Until the Authority Bonds and the interest thereon has been paid, or provision for such payment has been made, and except as in the Authority Indenture otherwise permitted, it will not sell, or otherwise dispose of or encumber, the Leased Premises (except for Permitted Encumbrances) or any part thereof, and will not create or permit to be created any charge or lien on the Fixed Rentals.
j. Upon any default in the payment of any Fixed Rentals, it will pursue any remedy permitted by law and necessary to collect and enforce the payment of such Fixed Rentals. The Authority further appoints the Authority Trustee its attorney-in-fact, authorized to file such suits and to pursue such remedies.

**Tax Covenants of the Authority**

In order to preserve the exclusion of interest on the Authority Bonds from gross income for federal income tax purposes and as an inducement to purchasers of the Authority Bonds, the Authority represents, covenants and agrees that:

a. Except as otherwise provided in the Sublease and subject to the Tenancy in Common Agreement, none of the payment of the principal of or interest on the Authority Bonds is (under the terms of the Authority Bonds, the Lease or any underlying arrangement), directly or indirectly, secured by any interest in property used or to be used for private business use or payments in respect of such property, or to be derived from payments (whether or not to the Authority, the Commission, the IAA, the County or the City) in respect of property or borrowed money used or to be used for a private business use.

b. No Authority Bond proceeds will be loaned to any entity or person. No Authority Bond proceeds will be transferred, directly or indirectly, or deemed transferred to any person or entity other than another state or local governmental unit in any manner that would in substance constitute a loan of the Authority Bond proceeds.

c. The Authority will take no action nor fail to take any action with respect to the Authority Bonds that would result in the loss of the exclusion from gross income for federal tax purposes of interest on the Authority Bonds under Section 103 of the Code, nor will it act in any other manner which would adversely affect such exclusion; and it will not make any investment or do any other act or thing during the period that the Authority Bonds are outstanding which would cause any of the Authority Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code.

d. The Authority will comply with the rebate requirement of Section 148(f) of the Code.

e. The Authority Bonds are not private activity bonds as defined in Section 141 of the Code.

f. The Authority Bonds are not federally guaranteed under Section 149(b) of the Code.

g. These covenants are based solely on current law in effect and in existence on the date of issuance of the Authority Bonds. It will not be an event of default under the Authority Indenture if interest on any Authority Bond is not excludable from gross income pursuant to any provision of the Code which is not in existence and in effect on the issue date of the Authority Bonds.

**Events of Default and Remedies**

Events of default under the Authority Indenture include: failure to pay the principal of any of the Authority Bonds when due and payable; failure to pay interest on the Authority Bonds as it becomes due and payable; occurrence of certain events of bankruptcy or insolvency of the Authority; default in the performance or observance of any other of the covenants, agreements of conditions by the Authority under the Authority Indenture and the continuance of such default for sixty (60) days after written notice by the Authority Trustee; and nonpayment of the Fixed Rentals or Additional Rentals within thirty-five (35) days after it is due as provided under the Lease.

Upon the occurrence of one or more events of default, the Authority Trustee may, and will upon written request of the holders of at least twenty-five percent (25%) in principal amount of the Authority Bonds then outstanding and upon being indemnified to its reasonable satisfaction, proceed to protect and enforce its rights and the rights of the owners of the Authority Bonds by suit or suits in equity or at law, or in any court of competent jurisdiction, whether for specific performance of any covenant or agreement contained in the Authority Indenture or in aid of any
power granted therein or for the enforcement of any other appropriate legal or equitable remedy, or for any foreclosure of the Authority Indenture including, to the extent permitted by law, the appointment of a receiver. The Authority Trustee has no right to take possession of the Leased Premises from the Commission or the IAA under the Sublease as long as the Sublease is in effect. The Authority Trustee has no right to seek partition of the Leasehold Estate pursuant to the Tenancy in Common Agreement.

No holder of any of the Authority Bonds has the right to institute any proceeding in law or in equity, or for the appointment of a receiver, or for any other remedy under the Authority Indenture without complying with the provisions of the Authority Indenture.

**Additional Bonds**

Additional bonds may be issued on a parity with the Authority Bonds to refund the Authority Bonds. Additional bonds are limited to amounts which can be repaid from Fixed Rentals paid under the Lease.

**Supplemental Indentures**

The Authority and the Authority Trustee may, without the consent of the holders of the Authority Bonds, enter into supplemental indentures (i) to cure any ambiguity or formal defect or omission in the Authority Indenture; (ii) to grant to the Authority Trustee for the benefit of such holders any additional rights, remedies, powers, authority or security that may be lawfully granted; (iii) to authorize the issuance of additional bonds as provided in the Authority Indenture; (iv) to subject to the pledge of the Authority Indenture additional security, revenues, property or collateral; (v) to amend the Authority Indenture or any supplemental indenture to permit qualification under the Trust Indenture Act of 1939; (vi) to evidence the appointment of a separate or co-trustee or the succession of a new trustee, registrar or paying agent; or (vii) for any other purpose which the Authority Trustee, in its sole discretion, determines will not have a material adverse effect on the interests of the owners of the Authority Bonds.

The holders of not less than 66-2/3% in aggregate principal amount of the Authority Bonds then outstanding under the Authority Indenture will have the right, from time to time except when contrary to the Authority Indenture, to approve the execution by the Authority and the Authority Trustee of such supplemental indentures as will be necessary or desirable by the Authority for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in the Authority Indenture or any supplemental indenture thereto; provided, however, that no supplemental indenture will permit:

a. An extension of the maturity of the principal of or interest on any Authority Bond;

b. A reduction in the principal amount of any Authority Bond or the redemption premium or the rate of interest thereon;

c. Except as provided in the Authority Indenture, the creation of a lien upon the Fixed Rentals and Other Income ranking prior or on a parity with the lien created by the Authority Indenture;

d. A preference or priority of any Authority Bond or Authority Bonds over any other Authority Bond or Authority Bonds; or

e. A reduction in the aggregate principal amount of the Authority Bonds required for consent to supplemental indentures.

If the owners of not less than sixty-six and two-thirds percent (66 2/3%) as applicable, in aggregate principal amount of the Authority Bonds outstanding at the time of the execution of such supplemental indenture have consented to and approved the execution thereof as provided in the Authority Indenture, no owner of any Authority Bond will 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 Authority Trustee or the Authority 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 Authority Indenture, the Authority Indenture will be, and will be deemed, modified and amended in accordance therewith, and the respective rights, duties and obligations under the Authority Indenture, the Authority Trustee, and all owners of the Authority Bonds then outstanding will thereafter be determined, exercised and enforced hereunder, subject in all respects to such modifications and amendments.

Notwithstanding anything contained in the Indenture to the contrary, the rights and obligations of the Authority and the owners of the Authority Bonds, and the terms and provisions of the Authority Bonds and the Authority Indenture, or a supplemental indenture, may be modified or altered in any respect with the consent of the Authority and the consent of the owners of all of the Authority Bonds then Outstanding.

Amendments by the First Supplemental Authority Indenture

Certain amendments to the Authority Indenture, contained in the First Supplemental Authority Indenture, have been made with respect to the Authority's ability to permit and agree to modifications or amendments to the Lease. Copies of the First Supplemental Authority Indenture, which contains such amendments, are available for inspection at the office of the Bond Bank.

Such amendments will be effective only if and when the owners of not less than all of the Outstanding Bonds have given their consent to such amendments which is anticipated to be when all of the Series 1991 C Bonds are no longer Outstanding under the Indenture. Purchasers of the Series 2005 E Bonds and all Bonds issued subsequent thereto will be deemed to have consented to such amendments upon purchase of and payment for such Bonds.

Upon receipt of the consent of the owners of not less than all of the aggregate principal amount of the Bonds then Outstanding under the Indenture, the Authority Indenture will be amended to provide that the Authority may permit and agree to modify or amend the Lease to provide that the City and County reserve the right to pledge the Pledged Revenues to other obligations ranking on a parity with the Fixed Rentals obligations under the Lease, provided that the Pledged Revenues in the fiscal year immediately preceding the issuance of such other parity obligations will not be less than two hundred percent (200%) of the remaining maximum annual Fixed Rental obligations under the Lease and the maximum annual payment requirements of the additional parity obligations proposed to be issued.

Possession Until Default, Defeasance, Payment, Release

Unless an event of default as described in the Authority Indenture has occurred and continued beyond the period of grace, if any, therein provided, the Authority will have the right of full possession, enjoyment and control of the Leased Premises. While in possession of the Leased Premises, and while not in default under the Authority Indenture, the Authority will have the right at all times to alter, change, add to, repair, or replace any of the property constituting a part of the Leased Premises, provided that the Authority will maintain and preserve the value of the Leased Premises from substantial impairment or reduction.

Any Authority Bond or portion thereof will be deemed paid within the meaning of the Authority Indenture when payment of the principal of such Authority Bond and interest thereon to the due date thereof (whether such due date be by reason of maturity or upon redemption as provided in the Authority Indenture or otherwise) either (a) has been made or caused to have been made in accordance with the terms thereof, or (b) has been provided for by irrevocably depositing with the Authority Trustee, in trust exclusively for such payment, (1) money sufficient to make such payment or (2) Governmental Obligations maturing as to principal and interest in such amounts and at such times, without consideration of any reinvestment thereof, as will ensure the availability of sufficient moneys to make such payment, or (3) a combination of such moneys and Governmental Obligations, and all necessary and proper fees and
expenses of the Authority Trustee pertaining to the Authority Bonds with respect to which such deposit is made has been paid or deposited with the Authority Trustee.

If the whole amount of the principal, premium, if any, and interest so due and payable upon all of the Authority Bonds then outstanding under the Authority Indenture is paid or provision made for payment, then the right, title and interest of the Authority Indenture and the trust estate established thereunder will thereupon cease, terminate and become void and the lien of the Authority Indenture will be discharged. The sufficiency of the deposit referred to above must be verified by an independent public accountant or firm of certified public accountants. Upon termination of the Authority Trustee's title, the Authority Trustee will release the Authority Indenture and return to the Authority any surplus in the Sinking Fund and Operation and Reserve Fund and any other funds other than moneys held for redemption or payment of the Authority Bonds and for the payment of any rebate obligation owed under Section 148(f) of the Code.

Notwithstanding the foregoing, for so long as the Series 1995 A Bond Insurance Policy remains in full force and effect and the Bond Bank is the holder of any of the Authority Bonds, the Authority Bonds may be defeased only in the following manner:

(i) depositing into an irrevocable escrow account established pursuant to an escrow agreement Governmental Obligations unless other securities are approved by the Series 1995 A Bond Insurer;

(ii) such escrow agreement may permit (A) substitution of the Governmental Obligations for other Governmental Obligations solely upon the receipt by the escrow agent of (a) a new verification of the sufficiency of the escrowed securities (assuming such substitution has been made) to provide for the payment of the Authority Bonds being refunded in accordance with the terms of such escrow agreement and (b) an Opinion of Bond Counsel to the effect that such substitution will not affect the tax-exempt status of interest on the Authority Bonds being refunded or the unredeemed Authority Bonds and (B) reinvestment of the Governmental Obligations only as contemplated by the Original Verification (as defined below) or upon the delivery of a new verification as described in clause (a) above;

(iii) in the event a forward purchase agreement ("FPC") is used in such refunding, such agreement will be subject to the approval of the Series 1995 A Bond Insurer and will be accompanied by opinions of Counsel as required by the Series 1995 A Bond Insurer;

(iv) modification of such escrow agreement will not be permitted unless the Series 1995 A Bond Insurer or the holders of all of the Authority Bonds being refunded consent to such modification; and

(v) at least three business days prior to the proposed date for the refunding of such Authority Bonds, the Series 1995 A Bond Insurer must receive for its review and approval (A) the verification, of which the Series 1995 A Bond Insurer will be an addressee, by an independent firm of certified public accountants which is either nationally recognized or otherwise acceptable to the Series 1995 A Bond Insurer, of the accuracy of the mathematical computation of the adequacy of the escrow established to provide for the payment of the Authority Bonds being refunded in accordance with the terms and provisions of such escrow agreement (the "Original Verification"), (B) copies of the subscription forms for the purchase and issue of U.S. Treasury Securities - State and Local Government Series which have been stamped as received by the Federal Reserve Bank unless open market securities are used, (C) the form of a certificate of the Trustee to the effect that, upon the making of the required deposit to the escrow account established under such escrow agreement the Authority Bonds being refunded will be deemed paid, and (D) the form of an opinion of Corporation Counsel of the City addressed to the Series 1995 A Bond Insurer (or a reliance letter relating thereto) to the effect that such escrow agreement is a valid and binding obligation of the parties thereto enforceable in accordance with its terms.
Additional Provisions Regarding Series 1995 A Bond Insurance Policy

Notwithstanding anything in this summary to the contrary, for so long as the Series 1995 A Bond Insurance Policy remains in full force and effect, the Authority and the Authority Trustee will not:

(i) consent to any party assigning its obligations under the Related Documents in a manner which would relieve such party of its obligations under such Related Documents, to the extent the Authority's consent is required prior to the occurrence of such assignment; or

(ii) consent to any amendment to any of the Related Documents, to the extent that the Authority's consent is required prior to the occurrence of such Related Document or Related Documents being amended;

unless the Authority and the Authority Trustee receive the express written consent of the Series 1995 A Bond Insurer to such amendment or assignment; provided, however, that no such express written consent of the Series 1995 A Bond Insurer will be required with respect to the amendments set forth in the First Supplemental Indenture or the First Supplemental Authority Indenture.

THE LEASE

Payment of Lease Payments

Fixed Rentals. The Commission will pay Fixed Rentals for the Leased Premises, which will be used by the Authority to pay debt service on the Authority Bonds. See "SECURITY FOR THE BONDS -- Security for Authority Bonds - Fixed Rentals."

Interim and Additional Rental Payments. The Commission will pay a portion of the ground rent on the Leased Premises only from the time the Site and Facilities Lease and the Tenancy in Common Agreement are executed to the time the Phase I Facility is ready for use and occupancy (the "Interim Rentals") and will continue to pay such rent through the term of the Lease. The Commission will also pay as Additional Rentals any reasonable costs or expenses of the Authority incurred in relation to consummating any of the transactions contemplated by the Lease, the Authority Bonds, the Authority Indenture, the Site and Facilities Lease or the Tenancy in Common Agreement. The Commission will also pay as Additional Rentals, the amount calculated for the Authority as the amount required to be rebated, or paid as a penalty, to the United States of America under Section 148(f) of the Code, after taking into account other available moneys, to prevent the Authority Bonds from becoming arbitrage obligations under Section 148 of the Code.

The Commission may by resolution pay Additional Rental to enable the Authority to deem or purchase Authority Bonds prior to maturity. Fixed Rentals will be reduced to the extent such payments are allocable to the Authority Bonds redeemed or purchase by the Authority with such Additional Rentals.

Payment of Rentals. The first installment of Fixed Rentals was paid on June 15, 1995. All other installments of Fixed Rentals will be payable in advance in equal semiannual installments on December 15 and June 15 of each year. The last semiannual Fixed Rental payment due will be adjusted to provide for a Fixed Rental Payment at the annual rate specified in the Lease from the date such installment is due to the expiration of the Lease.

All Fixed Rentals payable under the terms of the Lease will be paid by the Commission to the Authority Trustee. All payments so made by the Commission will be considered as payment to the Authority of the Fixed Rentals payable under the Lease. Interim Rentals and Additional Rentals will be paid as set forth in the Authority Indenture, the Site and Facility Lease, the Lease, or as directed by the Authority.

Pledge of Pledged Revenues. The rentals payable under the Lease, except as paid by the IAA as described in the Lease and deemed paid under the Lease and under the Site and Facilities Lease, will be payable solely out of
Pledged Revenues and other legally available moneys. On or before the tenth day of each month, the Commission will deposit sufficient Pledged Revenues, or any other legally available moneys, in the Commission's Lease Rental Fund created by the Lease (the "Lease Rental Fund") so that the balance in the Lease Rental Fund equals at least the following fractional portion of the next semiannual Fixed Rental payments and the next semiannual Additional Rental payment, if any:

<table>
<thead>
<tr>
<th>Month</th>
<th>Minimum Balance</th>
<th>Month</th>
<th>Minimum Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>January</td>
<td>1/6</td>
<td>July</td>
<td>1/6</td>
</tr>
<tr>
<td>February</td>
<td>1/3</td>
<td>August</td>
<td>1/3</td>
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<tr>
<td>March</td>
<td>1/2</td>
<td>September</td>
<td>1/2</td>
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<tr>
<td>April</td>
<td>2/3</td>
<td>October</td>
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<tr>
<td>May</td>
<td>5/6</td>
<td>November</td>
<td>5/6</td>
</tr>
<tr>
<td>June</td>
<td>100%</td>
<td>December</td>
<td>100%</td>
</tr>
</tbody>
</table>

The Lease Rental Fund will be held by the City Controller for the benefit of the Authority as a separate account on the books of the City and is used for no other purpose than to pay rental payments due under the Lease.

The Commission, in consideration of the execution of the Lease by the Authority, in order to secure the payment of the Fixed Rentals and to secure the performance and observance by the Commission of all covenants expressed or implied in the Lease pledges the Pledged Revenues and all amounts in the Lease Rental Fund, to secure the payment of the lease payments due under the Lease, such pledge to be effective as set forth in IC 5-1-14-4 and IC 36-7-15.1-17.5 without filing or recording of the Lease or any other instrument. This pledge will be effective only to the extent and for the term that the Commission is obligated to pay Fixed Rentals. The obligation to pay Fixed Rentals is limited to the Pledged Revenues and moneys in the Lease Rental Fund and investment earnings on those moneys. The obligation to pay any rentals under the Lease will not be considered debt of the City, the Redevelopment District, the County or the IAA for purposes of the Constitution of Indiana or IC 36-7-15.1, IC 36-7-15.3, IC 36-7-25 and IC 36-10-9.1. Neither the City, the County, nor the Commission has pledged or otherwise encumbered the Pledged Revenues, and the Commission covenants and warrants that there are no prior liens, encumbrances or other restrictions on the Pledged Revenues or on the City's, County's or the Commission's ability to pledge the Pledged Revenues. See "Parity Obligations" in this Summary of the Lease.

**Operation, Maintenance, Alterations and Repairs**

The Commission will sublease the Leased Premises to the IAA and acknowledges that the IAA expects to enter into the Master Lease Agreement with users of the Leased Premises with terms consistent with the Lease for the operation, maintenance, repair and alteration of the Leased Premises. The Leased Premises will be maintained for the benefit of the Authority and the Commission as set forth in the Site and Facilities Lease, the Tenancy in Common Agreement, and the Sublease, and are expected to be maintained by users of the Leased Premises as set forth in the Master Lease Agreement. Equipment (as defined in the Site and Facilities Lease) will be replaced or substituted, and become part of the Leased Premises. At the end of the term of the Lease, the Commission will deliver the Leased Premises to the Authority.

The plans and specifications for the Phase I Facility may be changed, additional construction work may be performed and equipment may be acquired as set forth in the Site and Facilities Lease. Any such additional construction work or equipment will become part of the property covered by the Lease in accordance with the manner of determining the Commission's interest in the Leased Premises set forth in the Tenancy in Common Agreement.
**Eminent Domain**

If title to or the temporary use of the Leased Premises, or any part thereof, is taken under the exercise of the power of eminent domain by any governmental body or by any person, firm or corporation acting under governmental authority, any net proceeds received from any award made in such eminent domain proceedings (after payment of expenses incurred in such collection) will be paid and applied as set forth in the Site and Facilities Lease and as permitted by law.

The Authority will cooperate fully with the Commission in the handling and conduct of any prospective or pending condemnation proceedings with respect to the Leased Premises or any part thereof and will, to the extent it may lawfully do so, permit the Commission to litigate in any such proceedings in its own name or in the name and on behalf of the Authority.

**General Covenants of the Commission and the Authority**

The Commission will not assign the Lease or mortgage, pledge, sublet, or grant a security interest in, the Leased Premises except as provided in the Lease and the Authority Indenture, without the written consent of Authority. The Commission will use and maintain, or authorize the use and maintenance of, the Leased Premises in accordance with the laws and ordinances of the United States of America, the State, the City, the IAA and all other proper governmental authorities.

After execution of the Lease, the definition of, or the manner of collecting and distributing the Pledged Revenues, and the lien created by the Lease will not be repealed or amended except as specifically provided in the Lease, or impaired in any respect which will adversely affect the rights of the Authority or the owners of the Authority Bonds, nor will the Commission or the Authority adopt any resolution which in any way adversely affects the right of the Authority or such owners so long as the Lease remains in effect or any of the Authority Bonds or the interest thereon remains unpaid.

**Tax Covenants of the Commission and the Authority**

In order to preserve the exclusion of interest on the Authority Bonds from gross income for federal income tax purposes and as an inducement to purchasers of the Authority Bonds and the purchasers of the Bonds, the Commission and the Authority represent, covenant and agree that:

**a.** Except as otherwise provided in the Sublease, and subject to the Tenancy in Common Agreement, none of the payment of the Fixed Rentals under the Lease or the principal of or interest on the Authority Bonds is (under the terms of the Authority Bonds, the Lease or any underlying arrangement), directly or indirectly, secured by any interest in property used or to be used for private business use or payments in respect of such property, or to be derived from payments (whether or not to the Authority, the Commission, the IAA or the City) in respect of property or borrowed money used or to be used for a private business use.

**b.** No Authority Bond proceeds will be loaned to any entity or person. No Authority Bond proceeds will be transferred, directly or indirectly, or deemed transferred to any person or entity other than another state or local governmental unit in any manner that would in substance constitute a loan of the Authority Bond proceeds.

**c.** Neither the Authority nor the Commission will take any action or fail to take any action with respect to the Authority Bonds, the Lease or the Leased Premises that would result in the loss of the exclusion from gross income for federal tax purposes of interest on the Authority Bonds under Section 103 of the Code, nor will they act in any other manner which would adversely affect such exclusion; and they will not make any investment or do any other act or thing during the period that the Authority Bonds are outstanding which would cause any of the Authority Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code.
d. The Commission and the Authority will comply with the rebate requirements of Section 148(f) of the Code to the extent required by the Code to preserve the exclusion from gross income of interest on the Authority Bonds. The Commission will keep records of investments of funds in the Lease Rental Fund and provide this information at least annually to the Authority Trustee to enable it to perform any rebate or penalty calculations.

e. Payment of the lease rentals is not federally guaranteed under Section 149(b) of the Code.

f. These covenants are based solely on current law in effect and in existence on the date of issuance of the Authority Bonds. It will not be an event of default under the Lease if interest on any Authority Bonds is not excludable from gross income pursuant to any provision of the Code which is not in existence and in effect on the issue date of the Authority Bonds.

Option to Purchase

The Authority hereby grants to the Commission the right and option, effective as of any rental payment date, upon sixty (60) days' written notice to the Authority Trustee on behalf of the Authority, to purchase the Leased Premises at a price equal to the amount required to enable the Authority Trustee for the benefit of the Authority to pay all indebtedness relating to the Leased Premises, including all premiums payable on the redemption thereof and accrued and unpaid interest, which amount must be at least an amount sufficient to permit the Authority to defease the Authority Bonds, and discharge and defease the Authority Indenture as set forth therein. In no event, however, will such purchase price exceed the capital actually invested in such property by the Authority represented by outstanding securities or existing indebtedness plus the cost of transferring the property and reimbursing the Authority for its reasonable costs and expenses.

Upon request of the Commission made not less than sixty (60) days prior thereto, the Authority agrees to furnish, or cause to be furnished, an itemized statement setting forth the amount required to be paid by the Commission on the next rental payment date in order to purchase the Leased Premises in accordance with the preceding paragraph. Upon the exercise of the option to purchase, the Authority will upon payment of the option price deliver, or cause to be delivered, to the Commission documents conveying to the Commission or its designee, all of the Authority's title to the property being purchased, as such property then exists, subject to the following: (i) those liens and encumbrances (if any) to which title to the property was subject when conveyed to the Authority; (ii) those liens and encumbrances created by the Commission and to the creation or suffering of which the Commission consented, and liens for any taxes or special assessments not then delinquent; and (iii) those liens and encumbrances on its part contained in the Lease.

In the event of purchase of the Leased Premises by the Commission or conveyance of the Leased Premises to the Commission or its designee, the Commission will procure and pay for all surveys, title searches, abstracts, title policies and legal services that may be required, and will furnish at the Commission's expense all documentary stamps or tax payments required for the transfer of title.

Nothing contained in the Lease will be construed to provide that the Commission is under any obligation to purchase the Leased Premises, or under any obligation in respect to the creditors, members, or security holders of the Authority.

If the Commission exercises its option to purchase, it will be the successor to the Authority as owner of the Leased Premises.
Transfer to the Commission

If the Commission does not exercise its option to purchase the Leased Premises and upon the full discharge and performance by the Commission of its obligations under the Lease, the Leased Premises will thereupon become the absolute property of the Commission and upon the Commission's request, the Authority will execute proper instruments conveying to the Commission or its designee, all of the Authority's title to the Leased Premises as a successor to the Authority under the Site and Facilities Lease and the Tenancy in Common Agreement.

Defaults

If the Commission defaults (a) in the payment of any rentals or other sums payable to the Authority under the Lease, or in the payment of any other sum required by the Lease to be paid for the Authority; or (b) in the observance of any other covenant, agreement or condition hereof, and such default continues for ninety (90) days after written notice to correct such default; then, in any or either of such events, the Authority 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 of any covenant or agreement contained herein, or for the enforcement of any other appropriate legal or equitable remedy.

Parity Obligations

At the present time, the Commission does not have the right to enter into leases or other obligations of the Commission, acting in the name of the City, which are payable from Pledged Revenues, in whole or in part, and entitled to the pledge of Pledged Revenues on a parity with the Lease. Notwithstanding the foregoing, upon obtaining the consent of all of the owners of the Outstanding Bonds, the Authority Indenture will be amended to permit the Lease to be amended or modified to permit the issuance of obligations which are on a parity with the Lease, subject to certain restrictions set forth in the Authority Indenture. See "THE AUTHORITY INDENTURE -- General Covenants of the Authority" and "-- Amendments by the First Supplemental Authority Indenture" in this Appendix B.

Amendments

The Authority and the Commission, may, from time to time and at any time after issuance of the Authority Bonds, without the consent of the owners of the Authority Bonds, enter into such amendments to the Lease as will be consistent with the terms and provisions the Lease (which amendments will thereafter form a part the Lease):

a. To cure any ambiguity or formal defect or omission in the Lease which the Authority Trustee, in its sole discretion, determines does not adversely affect the rights of the owners of the Authority Bonds;

b. To provide additional security, revenues, properties or collateral to enhance the Pledged Revenues;

c. To permit or effectuate the issuance of Parity Obligations as set forth in the Lease; or

d. For any other purpose, including conforming the Lease to the Master Lease Agreement, which in the sole discretion of the Authority Trustee, does not have a material adverse impact on the interests of the owners of the Authority Bonds.

Subject to the terms and provisions contained in Lease, and not otherwise, the owners of not less than sixty-six and two-thirds percent (66-2/3%) in aggregate principal amount of the Authority Bonds then outstanding will have the right from time to time, anything contained in the Authority Indenture to the contrary notwithstanding, to consent to and approve the execution by the Authority and the Commission of such amendments as will be deemed necessary or desirable by the Authority and the Commission for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in the Lease; provided, however, that nothing in the Lease contained will permit or be construed as permitting:
a. an extension of the payment date for any Fixed Rentals;
b. changes in the timing of deposits into, or uses of the moneys in, the Lease Rental Fund;
c. a reduction in the Fixed Rentals, except as specifically provided in the Lease;
d. the creation of a lien upon the Pledged Revenues or the Lease Rental Fund ranking prior to or on a parity with the lien created by the Lease (except for Parity Obligations); or
e. a reduction in the aggregate principal amount of the Authority Bonds required for consent to such amendment.

Notwithstanding the foregoing, the Authority Indenture permits the Lease to be amended or modified to permit the issuance of obligations which are on a parity with the Lease, but are not subject to the restrictions described in the preceding paragraphs. See "THE AUTHORITY INDENTURE -- General Covenants of the Authority" in this Appendix B.

Indemnification of Authority and Exculpation of Directors and Officers

No recourse under or upon any obligation, covenant or agreement contained in the Lease, or because of the creation of any indebtedness hereby secured, will be had against any trustee, officer, director or employee, present or future, of the Authority or the Commission or of any successor thereto, either directly or through the Authority or the Commission by the enforcement of any assessment or by any legal or equitable proceeding or by virtue of any statute or otherwise; it being expressly agreed and understood that the Lease and the obligations thereby secured are solely corporate obligations, and that no personal liability whatever will attach to or be incurred by such officers, directors or employees of the Authority or the Commission, or of any successor thereto, or any of them, because of the incurring of the indebtedness authorized by the Lease, or under or by reason of any of the obligations, covenants or agreements contained in the Lease, or implied therefrom; and that any and all personal liability of every name and nature, and any and all rights and claims against every such officer, director or employee, whether arising at common law or in equity, or created by statute or constitution, are hereby expressly released and waived as a condition of, and as a part of the consideration for, the execution of the Lease.

The Commission covenants and agrees, to the extent permitted by law, to indemnify, defend and hold harmless at all times the Authority and its employees, agents, directors and trustees against any and all liability, cost, damages, expenses, penalties, causes of action, claims or judgments (including reasonable attorneys fees) arising out of or relating to the Leased Premises, its use, operation or ownership, or by reason of any accident, injury (including death), loss, casualty or damage resulting to any person or property through any use, misuse or non-use of the Leased Premises or by reason of any act or thing done or not done on, in or about the Leased Premises or in relation thereto. Such liability will, however, be limited to any loss or damage in excess of any amount recovered by the Authority from any insurance carrier or other source by reason of such causes. This indemnification will continue in effect notwithstanding the termination of the Lease, whether by expiration of time or otherwise.
The Initial Liquidity Facility Provider

The following information has been provided by the Initial Liquidity Facility Provider (at times referred to hereinafter as “DEPFA”) for use in this Official Statement. Such information is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by, the Bond Bank, the Authority, the City, the County, the Redevelopment District, the Underwriter or the Remarketing Agent. This information has not been independently verified by the Bond Bank, the Authority, the City, the County, the Redevelopment District, the Underwriter or the Remarketing Agent. No representation is made by the Bond Bank, the Authority, the City, the County, the Redevelopment District, the Underwriter or the Remarketing Agent as to the accuracy or adequacy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof.

DEPFA BANK plc (“DEPFA”) is the parent company of the DEPFA BANK plc group of companies comprising DEPFA and its consolidated subsidiaries (the “Group”). DEPFA will act through its New York Branch, which is licensed by the Banking Department of the State of New York as an unincorporated branch of DEPFA BANK plc, Dublin. DEPFA is based in Dublin and has a banking license from the Irish Financial Services Regulatory Authority as part of the Central Bank and Financial Services Authority of Ireland (formerly the Central Bank of Ireland). It is registered in the Irish companies Registration Office with company number 348819 and its shares are listed on the Frankfurt Stock Exchange. DEPFA has a network of subsidiaries, branches and offices across many European countries, as well as in North America and Asia.

The Group provides a broad range of products and services to public sector entities, from governmental budget financing and financing of infrastructure projects to placing of public sector assets and investment banking and other advisory services. The Group has direct client contacts with many state entities and focuses on those public sector entities involved in large volume business. The Group advises individual public sector borrowers on their international capital market transactions and preparations for the ratings process.

As of December 31, 2004, DEPFA had total consolidated assets of Euro 190.4 billion, shareholders’ equity of Euro 1.9 billion and consolidated net income of Euro 540 million, determined in accordance with the United States generally accepted accounting principles (US GAAP). DEPFA maintains its records and prepares its financial statements in Euro. At December 31, 2004, the exchange rate was 1.0000 Euro equals 1.3621 United States dollars. Such exchange rate fluctuates from time to time.

DEPFA is rated “Aa3” long-term and “P-1” short-term by Moody’s, “AA-” long-term and “A-1+” short-term by S&P, and “AA-” long-term and “F1+” short-term by Fitch. Currently, the long-term ratings of DEPFA BANK plc and related entities are on negative outlook at Moody’s, although DEPFA’s short-term ratings have not been affected.

DEPFA will provide without charge a copy of its most recent publicly available annual report. Written requests should be directed to: DEPFA BANK plc, New York Branch, 623 Fifth Avenue, 22nd Floor, New York, New York 10022, Attention: General Manager. The delivery of this information shall not create any implication that the information contained or referred to herein is correct as of any time subsequent to its date. In addition, updated financial information may be found from the DEPFA website at: www.depfa.com.

Summary of the Initial Liquidity Facility

General. The Standby Bond Purchase Agreement provides that the Initial Liquidity Facility Provider will purchase those Series 2005 E Bonds in a Daily Mode or a Weekly Mode that are tendered or deemed tendered from time to time pursuant to an optional or mandatory tender by owners thereof in accordance with the terms and provisions of the Indenture, in each case, to the extent such Bonds are not remarketed by the Remarketing Agent.
The Standby Bond Purchase Agreement will expire on January 1, 2017, prior to the scheduled date of maturity of the Bonds unless extended or terminated as described in the Standby Bond Purchase Agreement.

Under certain circumstances described below, the obligation of the Initial Liquidity Facility Provider to purchase Series 2005 E Bonds tendered or deemed tendered by the owners thereof pursuant to an optional or mandatory tender may be suspended or terminated. In such event, sufficient funds may not be available to purchase Series 2005 E Bonds tendered or deemed tendered by the owners thereof pursuant to an optional or mandatory tender. In addition, the Standby Bond Purchase Agreement does not provide security for the payment of principal of or interest or premium, if any, on the Series 2005 E Bonds.

**Purchase of Tendered Bonds by the Initial Liquidity Facility Provider.** The Initial Liquidity Facility Provider will purchase from time to time during the period prior to the expiration or earlier termination of the Standby Bond Purchase Agreement, Series 2005 E Bonds tendered or deemed tendered from time to time during the Commitment Period (as defined in the Standby Bond Purchase Agreement) pursuant to an optional or mandatory tender by owners thereof in accordance with the terms and provisions of the Indenture, in each case, to the extent such Series 2005 E Bonds are not remarketed in accordance with the terms and provisions of the Remarketing Agreement. The price to be paid by the Initial Liquidity Facility Provider for such Series 2005 E Bonds will be equal to the aggregate principal amount of each such Bond (provided that the aggregate principal amount of all Series 2005 E Bonds so purchased will not exceed the Available Principal Commitment as defined in the Standby Bond Purchase Agreement) plus the lesser of (i) the Available Interest Commitment (as defined in the Standby Bond Purchase Agreement) and (ii) interest accrued thereon to but excluding the date of such purchase. The Available Principal Commitment initially means $56,355,000, the original principal amount of the Series 2005 E Bonds. The Available Interest Commitment initially means $3,390,564, which constitutes an amount equal to 183 days’ interest on the Series 2005 E Bonds at a rate of 12% per annum, calculated on the basis of a year of 365 days.

**Events of Default.** The following events constitute Events of Default under the Standby Bond Purchase Agreement. Reference is made to the Standby Bond Purchase Agreement for a complete listing of all Events of Default.

(a) a Bond Insurer Event of Insolvency shall have occurred; or

(b) any scheduled principal or interest due on the Series 2005 E Bonds is not paid by the Bond Bank when due and such principal or interest is not paid by the Series 2005 E Bond Insurer when due pursuant to the terms of the Series 2005 E Bond Insurance Policy, or the Series 2005 E Bond Insurance Policy is surrendered, canceled, terminated, amended or modified without the prior written consent of the Initial Liquidity Facility Provider, or a new Series 2005 E Bond Insurer is substituted for the initial Series 2005 E Bond Insurer as the Series 2005 E Bond Insurer without the prior written consent of the Initial Liquidity Facility Provider; or

(c) (i) any material provision of the Series 2005 E Bond Insurance Policy relating to the obligation of the Series 2005 E Bond Insurer to make payments thereunder at any time for any reason ceases to be valid and binding on the Series 2005 E Bond Insurer in accordance with the terms of the Series 2005 E Bond Insurance Policy or is declared to be null and void by the Insurance Commissioner of the State of Wisconsin or by a court or other governmental authority of appropriate jurisdiction, or (ii) the Series 2005 E Bond Insurer shall (A) claim that the Series 2005 E Bond Insurance Policy is not valid and binding on the Series 2005 E Bond Insurer, (B) repudiate the Series 2005 E Bond Insurer’s obligations under the Series 2005 E Bond Insurance Policy or (C) initiate legal proceedings seeking an adjudication that the Series 2005 E Bond Insurance Policy is not valid and binding on the Series 2005 E Bond Insurer; or

(d) the Series 2005 E Bond Insurer fails to make any payment required under any insurance policy (other than the Series 2005 E Bond Insurance Policy) or surety bond (other than a fee surety bond) issued by the Series 2005 E Bond Insurer insuring obligations rated by Moody’s and S&P when due and such failure continues for a period of five (5) Business Days (it being understood by the Initial Liquidity Facility Provider that default, for purposes of this paragraph, will not mean a situation whereby the Series
2005 E Bond Insurer contests in good faith its liability under any such policy or policies in light of claims made thereunder); or

(e) the Series 2005 E Bond Insurer defaults in any payment of amounts payable by it under any insurance policy or policies not covered by Section (d) above (it being understood by the Initial Liquidity Facility Provider that default for purposes of this Section (e) shall not mean a situation whereby the Series 2005 E Bond Insurer contests in good faith its liability under any such policy or policies in light of the claims made thereunder); or

(f) (i) the Bond Bank commences any case, proceeding or other action (A) under any existing or future law of any jurisdiction, domestic or foreign, relating to bankruptcy, insolvency, reorganization or relief of debtors, seeking to have an order for relief entered with respect to it, or seeking to adjudicate it as bankrupt or insolvent, or seeking re-organization, arrangement, adjustment, winding-up, liquidation, dissolution, composition or other relief with respect to it or its debts; or (B) seeking appointment of a receiver, trustee, custodian or other similar official for it or for all or any substantial part of its assets, or the Bond Bank makes a general assignment for the benefit of its creditors; or (ii) there is commenced against the Bond Bank any case, proceeding or other action of a nature referred to in clause (f) (i) above which (A) results in an order for such relief or in the appointment of a receiver or similar official or (B) remains undischarged, undischarged or unbonded for a period of sixty (60) days; or (iii) there is commenced against the Bond Bank any case, proceeding or other action seeking the issuance of a warrant of attachment, execution, distraint or other process against all or any substantial part of its assets, which results in the entry of an order for any such relief which shall not have been vacated, discharged or stayed, or bonded pending appeal within sixty (60) days from the entry thereof; or (iv) the Bond Bank takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts set forth in clause (f)(i), (f)(ii) or (f)(iii) above; or (v) the Bond Bank shall generally not, or shall be unable to, or shall admit in writing its inability to, pay its debts; or

(g) any Event of Default under the Indenture or any “event of default” which is not cured within any applicable cure period under any of the Related Documents occurs which, if not cured, would give rise to remedies available thereunder; or

(h) the Bond Bank defaults in any payment of principal of or premium, if any, or interest on any of its debt in excess of $1,000,000 and such default continues beyond the expiration of the applicable grace period, if any, or the Bond Bank fails to perform any other agreement, term or condition contained in any agreement under which any such obligation is created or secured, which permits or results in the declaring due and payable of such obligation prior to the date on which it would otherwise have become due and payable; or

(i) one or more final, unappealable judgments against the Bond Bank for the payment of money not covered by insurance, or attachments against the property of the Bond Bank, the operation or result of which, individually or in the aggregate, equal or exceed $5,000,000, remains unpaid, unstayed, undischarged, unbonded or undischarmed for a period of thirty (30) days; or

(j) each of Moody’s, S&P and Fitch downgrade the rating of the financial strength or claims-paying ability of the Series 2005 E Bond Insurer to below investment grade or each of Moody’s, S&P and Fitch suspend or withdraw such financial strength or claims-paying ability rating; or

(k) the Bond Bank fails to pay (i) certain fees required to be paid to the Initial Liquidity Facility Provider under the Standby Bond Purchase Agreement when due (or, if no due date is specified, upon demand) or (ii) any other obligation due and payable under the Standby Bond Purchase Agreement (not otherwise referred to in this Section), in each case within five (5) Business Days after written notice has been given to the Series 2005 E Bond Insurer, the Bond Bank and the Trustee; or

(l) any representation or warranty made by or on behalf of the Bond Bank in the Standby Bond Purchase Agreement or in any Related Document or in any certificate or statement delivered
hereunder or thereunder is incorrect or untrue in any material respect when made or deemed to have been made; or

(m) the Bond Bank defaults in the due performance or observance of any of certain covenants set forth in the Standby Bond Purchase Agreement; or

(n) the Bond Bank defaults in the due performance or observance of certain other terms, covenants or agreements contained in the Standby Bond Purchase Agreement and such default remains unremedied for a period of thirty (30) days after the Initial Liquidity Facility Provider has given written notice thereof to the Bond Bank; or

(o) any material provision of the Standby Bond Purchase Agreement or any Related Document (other than the Series 2005 E Bond Insurance Policy) relating to the Bond Bank or the Series 2005 E Bond Insurer’s payment obligations to the Initial Liquidity Facility Provider or with respect to the Series 2005 E Bonds will at any time for any reason cease to be valid and binding on the Bond Bank or is declared to be null and void, or the validity or enforceability thereof is contested by the Bond Bank or by any Governmental Authority having jurisdiction, or the Bond Bank denies that it has any or further liability or obligation under any such document; or

(p) any rating agency gives the Series 2005 E Bonds a Non-Investment Grade Shadow Rating; or

(q) the occurrence of a Series 2005 E Bond Insurer Adverse Change.

“Series 2005 E Bond Insurer Event of Insolvency” means the occurrence and continuance of one or more of the following events: (a) the issuance of an order of rehabilitation, liquidation or dissolution of the Series 2005 E Bond Insurer; (b) the commencement by the Series 2005 E Bond Insurer of a voluntary case or other proceeding seeking liquidation, reorganization, or other relief with respect to itself or its Debts under any bankruptcy, insolvency or other similar law now or hereafter in effect including, without limitation, the appointment of a trustee, receiver, liquidator, custodian or other similar official for itself or any substantial part of its property; (c) the commencement against the Series 2005 E Bond Insurer of any involuntary case or other proceeding seeking any relief, referred to in the preceding clause (b) and such case or proceeding is not dismissed within sixty (60) days following the commencement thereof; (d) the making by the Bond Insurer of an assignment for the benefit of creditors; (e) the failure of the Series 2005 E Bond Insurer to generally pay its Debts (provided that for purposes of this definition, “Debts” will not include any obligation of the Series 2005 E Bond Insurer under any insurance policy or surety bond) as they become due; or (f) the initiation by the Bond Insurer of any actions to authorize any of the foregoing.

“Series 2005 E Bond Insurer Adverse Change” means the lowering of the Series 2005 E Bond Insurer’s claims-paying ability or financial strength rating below “AA-“ (or its equivalent) by Fitch or S&P, or “Aa3” (or its equivalent) by Moodys.

“Non-Investment Grade Shadow Rating” means a shadow rating on the Series 2005 E Bonds (without bond insurance ) of, in the case of Moody’s, “Ba1” (or its equivalent) or lower, or in the case of S&P, “BB+” (or its equivalent) or lower.

Remedies. Following the occurrence of the above described Events of Default, the Initial Liquidity Facility Provider may take any one or more of the following actions, among others. Reference is made to the Standby Bond Purchase Agreement for a complete listing of all consequences of Events of Default.

(i) Upon the occurrence of an event of default under subsection (a), (b), (c)(i), (d) or (j) above (each, a “Series 2005 E Bond Insurer Event of Default”), the Available Commitment and the obligation of the Initial Liquidity Facility Provider under the Standby Bond Purchase Agreement to purchase Series 2005 E Bonds will be immediately and automatically terminated, without notice, and thereafter the Initial Liquidity Facility Provider will have no further obligation to purchase any Series 2005
E Bonds and, by notice to the Bond Bank, the Trustee and the Series 2005 E Bond Insurer, declare the principal of and interest on any Bank Bonds to be immediately due and payable without presentment, demand, protest or notice of any kind, all of which are waived by the Bond Bank. Promptly upon obtaining knowledge of any such Series 2005 E Bond Insurer Event of Default (whether from the Bond Bank, the Trustee or otherwise), and without affecting the termination of the obligations of the Initial Liquidity Facility Provider to purchase Series 2005 E Bonds or incurring liability or responsibility to any Person by reason of its failure to do so, the Initial Liquidity Facility Provider must give the Bond Bank, the Trustee, the Series 2005 E Bond Insurer and the Remarketing Agent written notice of such Series 2005 E Bond Insurer Event of Default. The Bond Bank must promptly direct the Trustee to notify all bondholders of any termination of the obligations of the Initial Liquidity Facility Provider to purchase Series 2005 E Bonds as a result of the occurrence of any such Series 2005 E Bond Insurer Event of Default.

(ii) Upon the occurrence of an Event of Default specified in subsection (e), (k)(i), (m) or (q) above, the Initial Liquidity Facility Provider may terminate the Available Commitment by giving written notice of such Event of Default (a “Notice of Termination”) to the Trustee, the Bond Bank and the Series 2005 E Bond Insurer, requesting a mandatory tender of the Series 2005 E Bonds as a result of the Initial Liquidity Facility Provider’s delivery of such Notice of Termination. The Notice of Termination must also specify the date on which the Available Commitment will terminate (the “Termination Date”), which will be not less than thirty (30) days from the date of receipt of such notice by the Trustee, and on and after the Termination Date, the Initial Liquidity Facility Provider will be under no further obligation to purchase Bonds under the Standby Bond Purchase Agreement.

(iii) Upon the occurrence of an Event of Default specified in subsection (c)(ii) above or the occurrence of an event which the giving of notice or passage of time, or both, would constitute an Event of Default (a “Default”) specified in subsection (d), the obligation of the Initial Liquidity Facility Provider under the Standby Bond Purchase Agreement to purchase Series 2005 E Bonds will be immediately and automatically suspended, without notice, and the Initial Liquidity Facility Provider will be under no further obligation under the Standby Bond Purchase Agreement to purchase Series 2005 E Bonds unless and until the obligation of the Initial Liquidity Facility Provider to purchase Series 2005 E Bonds is reinstated as described below. Promptly upon obtaining knowledge of any such Event of Default or Default (whether from the Bond Bank, the Trustee or otherwise), the Initial Liquidity Facility Provider must give the Bond Bank, the Trustee and the Series 2005 E Bond Insurer written notice of such Event of Default or Default; provided that the Initial Liquidity Facility Provider will not incur any liability or responsibility whatsoever by reason of its failure to give such notice and such failure will in no way affect the suspension of the Available Commitment and of the obligations of the Initial Liquidity Facility Provider to purchase Series 2005 E Bonds pursuant to the Standby Bond Purchase Agreement. The Bond Bank must promptly direct the Trustee in writing to notify all Bondholders of any suspension of the obligation of the Initial Liquidity Facility Provider to purchase Series 2005 E Bonds as a result of the occurrence of such Event of Default or Default. If at any time prior to the earlier of (i) the then current Expiration Date and (ii) the date that is three years following the suspension of the obligation of the Initial Liquidity Facility Provider to purchase Series 2005 E Bonds, (x) the Default or Event of Default which gave rise to such suspension is cured or ceases to be continuing and (y) the obligation of the Initial Liquidity Facility Provider to purchase Series 2005 E Bonds under the Standby Bond Purchase Agreement has not otherwise terminated, then, upon written notice from the Trustee to the Initial Liquidity Facility Provider to such effect, the obligation of the Initial Liquidity Facility Provider to purchase Series 2005 E Bonds under the Standby Bond Purchase Agreement will be automatically reinstated. If the Default or Event of Default which gave rise to the suspension of the obligations of the Initial Liquidity Facility Provider to purchase Series 2005 E Bonds under the Standby Bond Purchase Agreement has not been cured prior to, or is continuing on, the date that is three years following the suspension of the obligation of the Initial Liquidity Facility Provider to purchase Series 2005 E Bonds, then the obligations of the Initial Liquidity Facility Provider to purchase Series 2005 E Bonds will be terminated upon written notice from the Initial Liquidity Facility Provider to the Bond Bank, the Trustee and the Series 2005 E Bond Insurer, and thereafter the Initial Liquidity Facility Provider will have no further obligations to purchase any Series 2005 E Bonds; provided that the Initial Liquidity Facility Provider will not incur any liability or responsibility whatsoever by reason of its failure to give such notice and such failure will in no way affect the termination of the Available Commitment and
of the obligations of the Initial Liquidity Facility Provider to purchase Series 2005 E Bonds under the
Standby Bond Purchase Agreement.

(iv) Upon the occurrence and during the continuance of a Default described in Section (a)
above, the obligation of the Initial Liquidity Facility Provider to purchase Series 2005 E Bonds under the
Standby Bond Purchase Agreement will be immediately and automatically suspended, without notice, and
the Initial Liquidity Facility Provider will be under no further obligation under the Standby Bond Purchase
Agreement to purchase Series 2005 E Bonds, until the bankruptcy, insolvency or similar proceeding
referred to therein is terminated prior to the court entering an order granting the relief sought in such
proceeding. In the event such proceeding is terminated, then the obligations of the Initial Liquidity Facility
Provider under the Standby Bond Purchase Agreement will be automatically reinstated and the terms of the
Standby Bond Purchase Agreement will continue in full force and effect (unless the obligation of the Initial
Liquidity Facility Provider to purchase Series 2005 E Bonds under the Standby Bond Purchase Agreement
will otherwise have terminated or there has occurred a Series 2005 E Bond Insurer Event of Default) as if
there had been no such suspension.

(v) In addition to the rights and remedies set forth in sections (i), (ii), (iii) and (iv) above, in
the case of any Event of Default specified above, the Initial Liquidity Facility Provider may take any other
action or remedy permitted at law or in equity to enforce the rights of the Initial Liquidity Facility Provider
under the Standby Bond Purchase Agreement and under the Series 2005 E Bonds (if the Initial Liquidity
Facility Provider is a Bank Bondowner) and any Related Document, provided that the Initial Liquidity
Facility Provider will not have the right to terminate its obligations to purchase Series 2005 E Bonds or to
accelerate the payment of any amounts except as expressly provided in the Standby Bond Purchase
Agreement. The Initial Liquidity Facility Provider acknowledges and agrees that the rights of the Initial
Liquidity Facility Provider, in its capacity as Bank Bondowner, are subject to any rights of the Series 2005
E Bond Insurer under the Indenture to the extent that the Indenture provides that rights of bondholders
generally are subject to the rights of the Series 2005 E Bond Insurer to control remedies thereunder.
APPENDIX D
SPECIMEN BOND INSURANCE POLICY
Ambac Assurance Corporation (Ambac), a Wisconsin stock insurance corporation, in consideration of the payment of the premium and subject to the terms of this Policy, hereby agrees to pay to The Bank of New York, as trustee, or its successor (the “Insurance Trustee”), for the benefit of the Holders, that portion of the principal of and interest on the above-described obligations (the “Obligations”) which shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Obligor.

Ambac will make such payments to the Insurance Trustee within one (1) business day following written notification to Ambac of Nonpayment. Upon a Holder's presentation and surrender to the Insurance Trustee of such unpaid Obligations or related coupons, uncanceled and in bearer form and free of any adverse claim, the Insurance Trustee will disburse to the Holder the amount of principal and interest which is then Due for Payment but is unpaid. Upon such disbursement, Ambac shall become the owner of the surrendered Obligations and/or coupons and shall be fully subrogated to all of the Holder’s rights to payment thereon.

In cases where the Obligations are issued in registered form, the Insurance Trustee shall disburse principal to the Holder only upon presentation and surrender to the Insurance Trustee of the unpaid Obligation, uncanceled and free of any adverse claim, together with an instrument of assignment, in form satisfactory to Ambac and the Insurance Trustee duly executed by the Holder or such Holder’s duly authorized representative, so as to permit ownership of such Obligation to be registered in the name of Ambac or its nominee. The Insurance Trustee shall disburse interest to a Holder of a registered Obligation only upon presentation to the Insurance Trustee of proof that the claimant is the person entitled to the payment of interest on the Obligation and delivery to the Insurance Trustee of an instrument of assignment, in form satisfactory to Ambac and the Insurance Trustee, duly executed by the Holder or such Holder’s duly authorized representative, transferring to Ambac all rights under such Obligation to receive the interest in respect of which the insurance disbursement was made. Ambac shall be subrogated to all of the Holders’ rights to payment on registered Obligations to the extent of any insurance disbursements made.

In the event that a trustee or paying agent for the Obligations has notice that any payment of principal of or interest on an Obligation which has become Due for Payment and which is made to a Holder by or on behalf of the Obligor has been deemed a preferential transfer and theretofore recovered from the Holder pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court of competent jurisdiction, such Holder will be entitled to payment from Ambac to the extent of such recovery if sufficient funds are otherwise available.

As used herein, the term “Holder” means any person other than (i) the Obligor or (ii) any person whose obligations constitute the underlying security or source of payment for the Obligations who, at the time of Nonpayment, is the owner of an Obligation or of a coupon relating to an Obligation. As used herein, “Due for Payment,” when referring to the principal of Obligations, is when the scheduled maturity date or mandatory redemption date for the application of a required sinking fund installment has been reached and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by application of required sinking fund installments), acceleration or other advancement of maturity; and, when referring to interest on the Obligations, is when the scheduled date for payment of interest has been reached. As used herein, “Nonpayment” means the failure of the Obligor to have provided sufficient funds to the trustee or paying agent for payment in full of all principal of and interest on the Obligations which are Due for Payment.

This Policy is noncancelable. The premium on this Policy is not refundable for any reason, including payment of the Obligations prior to maturity. This Policy does not insure against loss of any prepayment or other acceleration payment which at any time may become due in respect of any Obligation, other than at the sole option of Ambac, nor against any risk other than Nonpayment.

In witness whereof, Ambac has caused this Policy to be affixed with a facsimile of its corporate seal and to be signed by its duly authorized officers in facsimile to become effective as its original seal and signatures and binding upon Ambac by virtue of the countersignature of its duly authorized representative.

Effective Date:

THE BANK OF NEW YORK acknowledges that it has agreed to perform the duties of Insurance Trustee under this Policy.

Form No.: 2B-0012 (1/01)
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