RATINGS: Standard & Poor’s: “AAA”
Moody’s: “Aa1”
Fitch: “AAA”
(See “Ratings” herein)

In the opinion of Ice Miller, Indianapolis, Indiana (“Bond Counsel”), under existing laws, regulations, judicial decisions and rulings, interest on the Series 2005A Bonds (hereinafter defined) is exempt from income taxation in the State of Indiana. Interest on the Series 2005A Bonds is NOT excluded from gross income for federal income tax purposes. See "TAX MATTERS" and Appendix B herein.

$100,000,000

THE INDIANAPOLIS LOCAL PUBLIC IMPROVEMENT BOND BANK
TAXABLE BOND BANK BONDS, SERIES 2005A

Dated: Date of Delivery (February 3, 2005) Due: January 15 and July 15, as shown on the inside cover

The Indianapolis Local Public Improvement Bond Bank Taxable Bond Bank Bonds, Series 2005A (the “Series 2005A Bonds”) will be dated the date of delivery, and will bear interest from that date to their respective maturities in the amounts and at the rates set forth on the inside cover hereof. The Series 2005A Bonds are issuable only as fully registered bonds and, when issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York (“DTC”). Purchasers of beneficial interests in the Series 2005A Bonds will be made in book-entry-only form, in the denomination of $5,000 or any integral multiple thereof. Purchasers of beneficial interests in the Series 2005A Bonds (the “Beneficial Owners”) will not receive physical delivery of certificates representing their interests in the Series 2005A Bonds. Interest on the Series 2005A Bonds is payable on January 15 and July 15 of each year, commencing July 15, 2005. Interest, together with the principal and redemption premium, if any, of the Series 2005A Bonds, will be paid directly to DTC by The Bank of New York Trust Company, N.A., in Indianapolis, Indiana, as paying agent (the “Paying Agent”) under the Indenture, as defined and described herein, so long as DTC or its nominee is the registered owner of the Series 2005A Bonds. The final disbursement of such payments to the Beneficial Owners of the Series 2005A Bonds will be the responsibility of the DTC Participants and the Indirect Participants; all as defined and more fully described herein under the caption “THE SERIES 2005A BONDS - Book-Entry-Only System.”

The Series 2005A Bonds are issued by The Indianapolis Local Public Improvement Bond Bank (the “Bond Bank”) for the principal purposes of providing funds to: (i) purchase The City of Indianapolis, Indiana Taxable General Obligation Pension Bonds of 2005, Series A (the “Qualified Obligations”) to be issued by the City of Indianapolis (the “City” or “Qualified Entity”); (ii) pay the costs of issuance of the Series 2005A Bonds; and (iii) pay for certain program expenses of the Bond Bank. The Qualified Entity will use the proceeds of the Qualified Obligations to fund a Pension Stabilization Account (as defined herein), to pay capitalized interest on the Qualified Obligations through January 15, 2006, and to pay issuance costs. Funds to be held in the Pension Stabilization Account will be applied to the unfunded costs of police and fire pension obligations that have been incurred through the Pre 1977 Pension Plans, defined herein (the “Program”). The Qualified Entity has adopted an ordinance authorizing the issuance of the Qualified Obligations and their sale to the Bond Bank and will enter into an agreement with the Bond Bank setting forth the terms of such purchase. The Qualified Obligations are payable from any legally available funds of the City and, if not sufficient, the City shall levy an unlimited ad valorem property tax on all taxable property in the City.

The Series 2005A Bonds are subject to optional and mandatory sinking fund redemption prior to maturity as described herein under the captions “THE SERIES 2005A BONDS - Optional Redemption” and “Mandatory Sinking Fund Redemption”.

The Series 2005A Bonds are limited obligations of the Bond Bank payable solely out of the revenues and funds of the Bond Bank pledged therefor under the Indenture, as more fully described herein. The Series 2005A Bonds do not constitute a debt, obligation, liability or loan of the credit of the State of Indiana or any political subdivision thereof, including any qualified entity, under the constitution and laws of the State of Indiana or a pledge of the faith, credit and taxing power of the City, the State of Indiana or any political subdivision thereof, including any other qualified entity. The sources of payment of, and security for, the Series 2005A Bonds are more fully described herein. The Bond Bank has no taxing power.

A detailed maturity schedule for the Series 2005A Bonds is set forth on the inside cover of this Official Statement.

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

The Series 2005A Bonds are offered when, as and if issued by the Bond Bank and received by the Underwriters and subject to prior sale, to withdrawal or modification of the offer without notice, and to the approval of legality by Ice Miller, Indianapolis, Indiana, Bond Counsel. Ice Miller also serves as bond counsel to the Qualified Entity. Certain legal matters will be passed on for the Bond Bank and the City by the Corporation Counsel for the City, and for the Underwriters by its Co-Underwriters Counsel, J.C. Lewis Group, Inc. and Locke Reynolds L.I.P., both of Indianapolis, Indiana. It is expected that the Series 2005A Bonds will be available for delivery through the facilities of DTC in New York, New York, on or about February 3, 2005.

Bear, Stearns & Co. Inc. SBK-Brooks Investment Corp. First Albany Capital Inc.
Maturity Schedule
(Base CUSIP* 45528S)

The Series 2005A Bonds shall mature on January 15 and July 15 in the years and in the principal amounts, and shall bear interest at the rates per annum, all as set forth below:

<table>
<thead>
<tr>
<th>Date</th>
<th>Principal Amount</th>
<th>Interest Rate</th>
<th>Price</th>
<th>CUSIP</th>
</tr>
</thead>
<tbody>
<tr>
<td>July 15, 2007</td>
<td>$2,390,000</td>
<td>3.6600%</td>
<td>100.00%</td>
<td>GL4</td>
</tr>
<tr>
<td>January 15, 2008</td>
<td>2,435,000</td>
<td>3.7900%</td>
<td>100.00%</td>
<td>GM2</td>
</tr>
<tr>
<td>July 15, 2008</td>
<td>2,480,000</td>
<td>3.8900%</td>
<td>100.00%</td>
<td>GN0</td>
</tr>
<tr>
<td>January 15, 2009</td>
<td>2,530,000</td>
<td>3.9800%</td>
<td>100.00%</td>
<td>GP5</td>
</tr>
<tr>
<td>July 15, 2009</td>
<td>2,580,000</td>
<td>4.0700%</td>
<td>100.00%</td>
<td>GQ3</td>
</tr>
<tr>
<td>January 15, 2010</td>
<td>2,635,000</td>
<td>4.1000%</td>
<td>100.00%</td>
<td>GR1</td>
</tr>
<tr>
<td>July 15, 2010</td>
<td>2,690,000</td>
<td>4.1800%</td>
<td>100.00%</td>
<td>GS9</td>
</tr>
<tr>
<td>January 15, 2011</td>
<td>2,745,000</td>
<td>4.2400%</td>
<td>100.00%</td>
<td>GT7</td>
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<tr>
<td>July 15, 2011</td>
<td>2,800,000</td>
<td>4.3100%</td>
<td>100.00%</td>
<td>GU4</td>
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<tr>
<td>January 15, 2012</td>
<td>2,860,000</td>
<td>4.3800%</td>
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<tr>
<td>July 15, 2012</td>
<td>2,925,000</td>
<td>4.4100%</td>
<td>100.00%</td>
<td>GW0</td>
</tr>
<tr>
<td>January 15, 2013</td>
<td>2,990,000</td>
<td>4.4800%</td>
<td>100.00%</td>
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<tr>
<td>July 15, 2013</td>
<td>3,055,000</td>
<td>4.5600%</td>
<td>100.00%</td>
<td>GY6</td>
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<tr>
<td>January 15, 2014</td>
<td>3,125,000</td>
<td>4.6100%</td>
<td>100.00%</td>
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<tr>
<td>July 15, 2014</td>
<td>3,200,000</td>
<td>4.6600%</td>
<td>100.00%</td>
<td>HA7</td>
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<tr>
<td>January 15, 2015</td>
<td>3,275,000</td>
<td>4.7000%</td>
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<tr>
<td>July 15, 2015</td>
<td>3,350,000</td>
<td>4.7400%</td>
<td>100.00%</td>
<td>HC3</td>
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<tr>
<td>January 15, 2016</td>
<td>3,430,000</td>
<td>4.8400%</td>
<td>100.00%*</td>
<td>HD1</td>
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<tr>
<td>July 15, 2016</td>
<td>3,510,000</td>
<td>4.8700%</td>
<td>100.00%*</td>
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<tr>
<td>January 15, 2017</td>
<td>3,595,000</td>
<td>4.9400%</td>
<td>100.00%*</td>
<td>HF6</td>
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<tr>
<td>July 15, 2017</td>
<td>3,685,000</td>
<td>4.9800%</td>
<td>100.00%*</td>
<td>HG4</td>
</tr>
<tr>
<td>January 15, 2018</td>
<td>3,780,000</td>
<td>5.0500%</td>
<td>100.00%*</td>
<td>HH2</td>
</tr>
<tr>
<td>July 15, 2018</td>
<td>3,875,000</td>
<td>5.0900%</td>
<td>100.00%*</td>
<td>HJ8</td>
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<tr>
<td>January 15, 2019</td>
<td>3,970,000</td>
<td>5.1300%</td>
<td>100.00%*</td>
<td>HK5</td>
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<tr>
<td>July 15, 2019</td>
<td>4,075,000</td>
<td>5.1700%</td>
<td>100.00%*</td>
<td>HL3</td>
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<tr>
<td>January 15, 2020</td>
<td>4,180,000</td>
<td>5.1800%</td>
<td>100.00%*</td>
<td>HM1</td>
</tr>
<tr>
<td>July 15, 2020</td>
<td>4,285,000</td>
<td>5.2200%</td>
<td>100.00%*</td>
<td>HN9</td>
</tr>
</tbody>
</table>

Term Bonds
$13,550,000 of Term Bonds @ 5.2800% due January 15, 2022, Price 100.00%, CUSIP HP4

No dealer, broker, salesperson or other person has been authorized by the Bond Bank or by the Underwriters to give any information or to make any representations other than those contained in this Official Statement in connection with the offering of the Series 2005A Bonds, and if given or made, such information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Series 2005A Bonds by any person, in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained from sources which are believed to be reliable but it is not guaranteed as to accuracy or completeness, and is not to be construed as a representation, by the Underwriters. 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 have been no changes in the information presented herein since the date hereof.

*Copyright 2005 American Bankers Association. CUSIP data herein provided by Standard & Poor’s, CUSIP Service Bureau, a division of The McGraw-Hill Companies, Inc.
IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2005A BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZATION, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.


THE UNDERWRITER HAS PROVIDED THE FOLLOWING SENTENCE FOR INCLUSION IN THIS OFFICIAL STATEMENT. THE UNDERWRITER HAS REVIEWED THE INFORMATION IN THIS OFFICIAL STATEMENT IN ACCORDANCE WITH, AND AS PART OF, THEIR RESPECTIVE RESPONSIBILITIES TO INVESTORS UNDER THE FEDERAL SECURITIES LAWS AS APPLIED TO THE FACTS AND CIRCUMSTANCE OF THIS TRANSACTION, BUT THE UNDERWRITER DOES NOT GUARANTEE THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION.

Pursuant to continuing disclosure requirements promulgated by the Securities and Exchange Commission in Securities and Exchange Commission Rule 15c2-12, as amended, the Bond Bank will enter into a Continuing Disclosure Undertaking Agreement. For a description of the Continuing Disclosure Undertaking Agreement, see “CONTINUING DISCLOSURE”.
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FINAL OFFICIAL STATEMENT

$100,000,000
The Indianapolis Local Public Improvement Bond Bank
Taxable Bond Bank Bonds, Series 2005A

INTRODUCTION

The purpose of this Official Statement, including the cover page and appendices, is to set forth certain information concerning the issuance and sale by The Indianapolis Local Public Improvement Bond Bank (the "Bond Bank") of its $100,000,000 aggregate principal amount of Taxable Bond Bank Bonds, Series 2005A (the "Series 2005A Bonds") to be issued by the Bond Bank. The Series 2005A Bonds are authorized by a resolution adopted by the Board of Directors of the Bond Bank on October 18, 2004, and are issued pursuant to the provisions of a Trust Indenture, dated as of February 1, 2005 (the "Indenture"), and the laws of the State of Indiana, including particularly Indiana Code 5-1.4 (the "Act"). The Bank of New York Trust Company, N.A., Indianapolis, Indiana is the Trustee (the "Trustee") and the Registrar and Paying Agent ("Registrar" or "Paying Agent") under the Indenture.

The Qualified Obligations

The proceeds from the sale of the Series 2005A Bonds will be used to provide funds to: (i) purchase the $100,000,000 City of Indianapolis, Indiana Taxable General Obligation Pension Bonds of 2005, Series A (the "Qualified Obligations") to be issued by the City of Indianapolis (the "City" or "Qualified Entity"); (ii) pay for certain costs of issuance of the Series 2005A Bonds, including Underwriter's discount; and (iii) pay for certain program expenses of the Bond Bank. The Qualified Entity will use the proceeds from the sale of the Qualified Obligations to fund a Pension Stabilization Account (as hereinafter defined), to pay capitalized interest on the Qualified Obligations through January 15, 2006 and to pay issuance expenses. See "FINANCING PLAN - Sources and Uses of Qualified Obligations Proceeds."

The City-County Council of Indianapolis and Marion County (the "City-County Council") adopted Special Ordinance No. 7 on September 13, 2004 (the "Authorizing Instrument" or "Ordinance") authorizing the issuance of the Qualified Obligations and their sale to the Bond Bank and will enter into a Qualified Entity Purchase Agreement (the "Purchase Agreement") with the Bond Bank setting forth the terms of the purchase of such Qualified Obligations by the Bond Bank. The Qualified Obligations are general obligations of the Qualified Entity payable from any legally available funds of the City, and, to the extent legally available funds are not sufficient, the City shall levy an unlimited ad valorem property tax on all taxable property in the City.

Proceeds of the Qualified Obligations will be deposited into a Pension Stabilization Account and used to fund a portion of the annual contributions required to be made by the City to pay for pension benefits due to retirees and their families under IC 36-8-7 and IC 36-8-7.5 (the "Pre 1977 Pension Plans"). Funds to be held in the Pension Stabilization Account will be applied to the unfunded costs of police and fire pension obligations that have been incurred through pension plans in existence prior to 1977 (the "Pre 1977 Pension Plans").

Security and Sources of Payment for the Series 2005A Bonds

The Series 2005A Bonds will be issued under and secured by the Indenture. The principal of and interest on any and all of the Series 2005A Bonds, together with any bonds that may be authorized and issued by the Bond Bank under the Indenture on a parity with the Series 2005A Bonds (collectively, the "Bonds"), are payable from those revenues and funds of the Bond Bank which, together with the Qualified Obligations, are pledged pursuant to the Indenture for the benefit of the owners of the 2005A Bonds without priority. Neither the faith, credit nor taxing power of the State of Indiana (the "State") or any political subdivision thereof, including the City or any qualified entity, are pledged to the payment of the principal of, premium, if any, and interest on any of the 2005A Bonds. The 2005A Bonds are not a debt, obligation, liability, loan of the credit or pledge of the faith or taxing power of the State, or of any political subdivision thereof, the City or any qualified entity. The Bond Bank has no taxing power and has only those powers and sources of revenue set forth in the Act. The Bond Bank will not maintain a debt service reserve fund for the 2005A Bonds and the provisions of Indiana Code 5-1.4-5 regarding the Bond Bank's obligation to request the City-County Council to replenish the debt service reserve do not apply to the 2005A Bonds. The 2005A Bonds are issued and secured separately from any other obligations issued by the Bond Bank.
Security and Sources of Payment for the Series 2005A Bonds (cont’d)

The Series 2005A Bonds are secured by the pledge of the Trust Estate established under the Indenture (the “Trust Estate”), defined to be all cash and securities in the funds and accounts established by the Indenture (except the Rebate Fund and accounts therein, as described herein) (hereinafter the “Funds” and “Accounts”) and the investment earnings thereon and all proceeds thereof and the Qualified Obligations and any parity obligations and the earnings thereon and the proceeds thereof. All Series 2005A Bonds will be secured equally and ratably by all of the foregoing. The sources of payment for the Series 2005A Bonds are further described under the caption “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2005A BONDS.”

The Series 2005A Bonds

Interest on the Series 2005A Bonds will accrue over time at the rates per annum set forth on the inside cover page hereof and will be payable on July 15, 2005, and semiannually on each January 15 and July 15 thereafter. The Series 2005A Bonds will be issued in fully registered form in denominations of $5,000 or any integral multiple thereof. See “THE SERIES 2005A BONDS.”

The Series 2005A Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York (“DTC”). Purchases of beneficial interests in the Series 2005A Bonds will be made in book-entry-only form. Purchasers of beneficial interests in the Series 2005A Bonds (the “Beneficial Owners”) will not receive physical delivery of certificates representing their interest in the Series 2005A Bonds. Interest on the Series 2005A Bonds, together with principal of the Series 2005A Bonds, will be paid by the Paying Agent directly to DTC, so long as DTC or its nominee is the registered owner of the Series 2005A Bonds. The final disbursement of such payments to Beneficial Owners of the Series 2005A Bonds will be the responsibility of the DTC Participants and Indirect Participants, all as defined and more fully described herein. See “THE SERIES 2005A BONDS - Book-Entry-Only System.”

Certain Series 2005A Bonds are subject to optional and mandatory sinking fund redemption prior to maturity as described herein under the caption “THE SERIES 2005A BONDS - Optional Redemption and Mandatory Sinking Fund Redemption.”

The Bond Bank and the Act

The Bond Bank is a body corporate and politic, separate from the City, established for the public purposes set forth in the Act. The Bond Bank has no taxing power. The Bond Bank is governed by a five-member Board of Directors, each appointed by the Mayor of the City.

Pursuant to the Act, the purpose of the Bond Bank is to buy and sell securities of “qualified entities”, defined in the Act to be the consolidated city, the consolidated city’s county, any special taxing district located wholly within the county, any entity whose tax levies are subject to review and modification by the city-county legislative body under Indiana Code 36-3-6-9, a charter school sponsored by the Mayor of the City and any authority created under Indiana Code Title 36 that leases land or facilities to any of the foregoing qualified entities. The Qualified Entity is a “qualified entity” as defined in the Act.

The Official Statement; Additional Information

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. Summaries of certain provisions of the Indenture are set forth in Appendix B.
The Comprehensive Annual Financial Report of the Qualified Entity, including financial statements and statistical tables for the year ended December 31, 2003, has been filed with the nationally recognized municipal securities information repositories and are incorporated herein by reference. Copies of this document are available upon request from the Indianapolis City Controller, 200 East Washington Street, Room 2222, City-County Building, Indianapolis, Indiana 46204, telephone (317) 327-4310, and may also be viewed electronically at http://www6.indy.gov/controller/pdf/Caf_r_2003.pdf. See "AVAILABILITY OF DOCUMENTS AND FINANCIAL INFORMATION" herein.

Information contained in this Official Statement with respect to the Bond Bank and copies of the Indenture and the Authorizing Instrument may be obtained from The Indianapolis Local Public Improvement Bond Bank, 200 East Washington Street, Room 2421, City-County Building, Indianapolis, Indiana 46204. The Bond Bank's telephone number is (317) 327-4078.

THE SERIES 2005A BONDS

General Description

The Series 2005A Bonds are issuable as fully registered bonds in denominations of $5,000 or any integral multiple thereof. The Series 2005A Bonds will be dated as of the date of their delivery, anticipated to be February 3, 2005.

Interest on the Series 2005A Bonds will be payable on January 15 and July 15 of each year, commencing July 15, 2005 (each an “Interest Payment Date”). The Series 2005A Bonds will bear interest (calculated on the basis of a 30-day month and a 360-day year) at the rates and will mature on the dates and in the principal amounts set forth on the inside cover page of this Official Statement. Each Series 2005A Bond will bear interest from the Interest Payment Date next preceding the date on which it is authenticated unless it is (a) authenticated prior to the closing of business on June 30, 2005, in which event it will bear interest from the date of delivery, or (b) authenticated after the fifteenth day immediately preceding an Interest Payment Date (a “Record Date”), in which event it will bear interest from such Interest Payment Date; provided, however, that if, at the time of authentication of any Series 2005A Bond, interest is in default, such Series 2005A Bond will bear interest from the date to which interest has been paid.

When issued, all Series 2005A Bonds will be registered in the name of and held by Cede & Co., as nominee for DTC. Purchases of beneficial interests from DTC in the Series 2005A Bonds will be made in book-entry-only form (without certificates) in the denomination of $5,000 or any integral multiple thereof. So long as DTC or its nominee is the registered owner of the Series 2005A Bonds, payments of the principal of and interest on the Series 2005A Bonds will be made directly by the Paying Agent 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 2005A 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.

If DTC or its nominee is not the registered owner of the Series 2005A Bonds, principal of and premium, if any, on all of the Series 2005A Bonds will be payable at maturity upon the surrender thereof at the delivery office of the Paying Agent. Interest on the Series 2005A Bonds, when due and payable, will be paid by check dated the due date mailed by the Paying Agent one business day before the due date (or, in the case of an owner of Series 2005A Bonds in an aggregate principal amount of at least $1,000,000, by wire transfer on such due date, upon written direction of such registered owner to the Paying Agent not less than five business days before the Record Date immediately prior to such Interest Payment Date, which direction shall remain in effect until revoked in writing by such owner) to the persons in whose names such Series 2005A Bonds are registered, at their addresses as they appear on the bond registration books maintained by the Registrar on the Record Date, irrespective of any transfer or exchange of such Series 2005A Bonds subsequent to such Record Date and prior to such Interest Payment Date, unless the Bond Bank shall default in payment of interest due on such Interest Payment Date.
General Description (Cont’d)

Except as provided under “Book-Entry-Only System,” in all cases in which the privilege of exchanging or transferring Series 2005A Bonds is exercised, the Bond Bank will execute and the Registrar will deliver Series 2005A Bonds in accordance with the provisions of the Indenture. The Series 2005A Bonds will be exchanged or transferred at the principal corporate trust office of the Registrar only for Series 2005A Bonds of the same tenor and maturity. In connection with any transfer or exchange of Series 2005A Bonds, the Bond Bank, the Registrar and Paying Agent 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 2005A Bond is registered will be deemed and regarded as its absolute owner for all purposes and payment of principal and interest thereon will 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 2005A Bond to the extent of the sum or sums so paid.

Optional Redemption

The Series 2005A Bonds maturing on or after July 15, 2015 are subject to redemption prior to maturity in whole or in part on any date commencing January 15, 2015 at par value, plus in each case accrued interest to the date fixed for redemption.

Mandatory Sinking Fund Redemption

The Series 2005A Bonds maturing on January 15, 2022 are subject to mandatory sinking fund redemption prior to maturity at the redemption price of 100% of the principal amount thereof, plus accrued interest to the date of redemption, on January 15 in accordance with the following schedule:

<table>
<thead>
<tr>
<th>Year</th>
<th>Principal Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>January 15, 2021</td>
<td>$4,400,000</td>
</tr>
<tr>
<td>July 15, 2021</td>
<td>4,515,000</td>
</tr>
</tbody>
</table>

Such mandatory sinking fund redemption schedule will leave $4,635,000 in principal amount of the Series 2005A Bonds to mature January 15, 2022.

Selection of Bonds to be Redeemed

If fewer than all of the Series 2005A Bonds shall be called for redemption, the principal amount and maturity of the particular Series 2005A Bonds to be redeemed shall be selected by the Bond Bank, provided that the Series 2005A Bonds shall be redeemed only in whole multiples of $5,000 principal amount. If the Series 2005A Bonds are held in a book entry only system, the Series 2005A Bonds within maturity to be redeemed shall be selected by the depository company in such manner as the depository company may determine. If the Series 2005A Bonds are not held in the book entry system, the Registrar shall select the particular Series 2005A Bonds to be redeemed within maturity by lot in such manner as the Registrar in its sole discretion may deem fair and appropriate. If any of the Series 2005A Bonds are simultaneously subject to both optional and mandatory redemption, the Trustee shall first select by lot the Series 2005A Bonds to be redeemed under the optional redemption provisions.

Notice of Redemption

In the case of redemption of the Series 2005A Bonds, notice of the call for any such redemption identifying the Series 2005A Bonds, or portions of fully registered Series 2005A Bonds to be redeemed shall be given by the Registrar by mailing a copy of the redemption notice by first class mail at least 30 days but not more than 45 days prior to the date fixed for redemption to the registered owner of each Series 2005A Bond to be redeemed at the address shown on the registration books. Failure to give such notice by mailing to any bondholder, or any defect in the notice, shall not affect the validity of any proceeding for the redemption of any other Series 2005A Bonds. On and after the redemption date specified in the aforementioned notices, such Series 2005A Bonds, or portions thereof, thus called (provided
THE SERIES 2005A BONDS (cont’d)

Notice of Redemption (cont’d)

funds for their redemption are on deposit at the place of payment) shall not bear interest, shall no longer be protected by the Indenture and shall not be deemed to be outstanding under the provisions of the Indenture, and the owners thereof shall have the right only to receive the redemption price thereof plus accrued interest thereon to the date fixed for redemption from the funds deposited with the Trustee for the redemption of such Series 2005A Bonds.

BOOK-ENTRY-ONLY SYSTEM

The Series 2005A Bonds will be available only in book-entry form in the principal amount of $5,000 or any integral multiple thereof. DTC will act as the initial securities depository for the Series 2005A Bonds. The ownership of one fully registered Series 2005A Bond for each maturity will be registered in the name of Cede & Co., as nominee for DTC.

SO LONG AS Cede & Co., AS NOMINEE OF DTC, IS THE REGISTERED OWNER OF THE SERIES 2005A BONDS, REFERENCES IN THIS OFFICIAL STATEMENT TO THE REGISTERED OWNERS (OR THE OWNERS) WILL MEAN Cede & Co. AND WILL NOT MEAN THE BENEFICIAL OWNERS.

The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Series 2005A Bonds. The Series 2005A 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 Series 2005A Bond for each maturity will be issued for the Series 2005A Bonds, 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, GSCC, 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 2005A Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2005A Bonds on DTC’s records. The ownership interest of each actual purchaser of each Series 2005A 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 2005A 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 Series 2005A Bonds, except in the event that use of the book-entry system for the Series 2005A Bonds is discontinued.
BOOK-ENTRY-ONLY SYSTEM (cont’d)

To facilitate subsequent transfers, all Series 2005A Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2005A 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 2005A Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Series 2005A Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

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

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2005A 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 2005A Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

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

DTC may discontinue providing its services as securities depository with respect to the Series 2005A Bonds at any time by giving reasonable notice to the Bond Bank or the Paying Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Series 2005A 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 contained 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 neither the Bond Bank nor the Underwriters take any responsibility for the accuracy thereof.

In the event that the book-entry system for the Series 2005A Bonds is discontinued, the Paying Agent will provide for the registration of the Series 2005A Bonds in the name of the Beneficial Owners thereof. The Bond Bank, the Paying Agent and any other Fiduciary would treat the person in whose name any Series 2005A Bond is registered as the absolute owner of such Series 2005A Bond for the purposes of making and receiving payment of the principal thereof and interest thereon, and for all other purposes, and none of these parties would be bound by any notice or knowledge to the contrary.
REVISION OF BOOK-ENTRY-ONLY SYSTEM

In the event that either (1) the Bond Bank receives notice from DTC to the effect that DTC is unable or unwilling to discharge its responsibilities as a clearing agency for the Series 2005A Bonds or (2) the Bond Bank elects to discontinue its use of DTC as a clearing agency for the Series 2005A Bonds, then the Bond Bank and the Paying Agent will do or perform or cause to be done or performed all acts or things, not adverse to the rights of the holders of the Series 2005A Bonds, as are necessary or appropriate to discontinue use of DTC as a clearing agency for the Series 2005A Bonds and to transfer the ownership of each of the Bonds to such person or persons, including any other clearing agency, as the holder of such Series 2005A Bonds may direct. Any expenses of such a discontinuation and transfer, including any expenses of printing new certificates to evidence the Series 2005A Bonds will be paid by the Bond Bank.

SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2005A BONDS

The 2005A Bonds are payable solely from the Trust Estate. 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. The Series 2005A Bonds do not constitute a debt, obligation or liability, or loan of the credit of the State or any political subdivision thereof, including the City and any other qualified entity, under the constitution of the State or a pledge of the faith, credit or taxing power of the City, the State or any political subdivision thereof, or any other qualified entity. The Bond Bank has no taxing power. The sources of payment of, and security for, the Bonds are more fully described below.

Under the Indenture, the Series 2005A Bonds are secured by a pledge to the Trustee of the Qualified Obligations and all principal and interest payments made or required to be made on the Qualified Obligations (the “Qualified Obligation Payments”), as described herein. In addition, the Indenture pledges to the payment of the Bonds all proceeds of the Trust Estate, including without limitation all cash and securities held in the Funds and Accounts created by the Indenture, except for the Rebate Fund and the accounts thereunder, together with investment earnings thereon and proceeds thereof (except to the extent transferred to the Rebate Fund from such Funds and Accounts under the Indenture), and all other funds, accounts and moneys to be pledged by the Bond Bank to the Trustee as security under the Indenture, to the extent of any such pledge. 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 Series 2005A Bonds under the Indenture and such Qualified Obligations and the Qualified Obligation Payments thereon shall 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.

The Qualified Entity and the Qualified Obligations

The Qualified Entity. The City of Indianapolis is a qualified entity, pursuant to the provisions of Indiana Code 5-1.4-1-10(1). For more information regarding the Qualified Entity, see “THE CITY OF INDIANAPOLIS” herein.

The Qualified Obligations. A portion of the proceeds of the Series 2005A Bonds will be used by the Bond Bank to purchase the Qualified Obligations from the Qualified Entity. The Qualified Obligations have been authorized in a principal amount not to exceed $100,000,000 and are designated “City of Indianapolis, Indiana Taxable General Obligation Pension Bonds of 2005, Series A.” The Qualified Obligations were authorized by the Qualified Entity by its Special Ordinance No. 7 adopted by the City-County Council on September 13, 2004 (the "Authorizing Instrument"). The Qualified Obligations are general obligations of the Qualified Entity, secured by the full faith and credit and taxing power of the Qualified Entity. See "Provisions for Payment of the Qualified Obligations" below.

The Qualified Obligations are being issued for the purpose of funding a Pension Stabilization Account, to pay capitalized interest and issuance costs. Funds held in the Pension Stabilization Account will be applied to the unfunded costs of police and fire pension obligations of the City that have been incurred through the Pre 1977 Pension Plans (the “Program”).
SECURITY AND SOURCES OF PAYMENT
FOR THE SERIES 2005A BONDS (cont’d)

The Qualified Entity and the Qualified Obligations (cont’d)

The Qualified Obligations will be issued in a principal amount equal to the aggregate principal amount of the Series 2005A Bonds, and will be dated as of their date of delivery. The Qualified Obligations will mature in the same amounts and on the same maturity dates as the Series 2005A Bonds, and will bear interest payable on each January 15 and July 15 beginning July 15, 2005 and at the same interest rates per annum as the Series 2005A Bonds. Interest on the Qualified Obligations will be paid to the Trustee under the Indenture. Principal of and premium, if any, on the Qualified Obligations will be paid directly to the Trustee (for the account of the Bond Bank). The Qualified Obligations are subject to redemption prior to maturity upon terms substantially identical to the terms of redemption of the Series 2005A Bonds. See “THE SERIES 2005A BONDS.”

The Qualified Obligations are general obligations of the Qualified Entity, payable from and secured by any legally available funds of the City and, to the extent such funds are not sufficient, from an unlimited ad valorem property tax levied and pledged therefor under the Authorizing Instrument. See “Provisions for Payment of the Qualified Obligations” below. Payments on the Qualified Obligations are the only source of revenue pledged to repay the Series 2005A Bonds. The Qualified Obligations do not constitute a debt, obligation, liability or loan of the credit of the State under the constitution and laws of the State or a pledge of the faith, credit or taxing power of the State, but constitute debt of the Qualified Entity backed by a pledge of the full faith and credit of the Qualified Entity.

Provisions for Payment of the Qualified Obligations

General. The Qualified Obligations will be payable out of any legally available funds of the City and, to the extent such legally available funds are not sufficient, from an unlimited levy of ad valorem property tax on all taxable property within the boundaries of the City. See “Procedures for Property Assessment, Tax Levy and Collection” below.

Procedures for Property Assessment, Tax Levy and Collection

Authorizing Instrument. In the Authorizing Instrument, the Qualified Entity authorizes issuance of the Qualified Obligations and covenants to pay the Qualified Obligation Payments as a general obligation of the Qualified Entity payable from all legally available funds and to the extent that funds are unavailable, from an unlimited ad valorem property tax on all taxable property within the boundaries of the Qualified Entity.

The Qualified Obligations are payable from any legally available funds of the City, and, to the extent those funds are insufficient, from unlimited ad valorem property taxes required by law to be levied by the Qualified Entity on all taxable property within the boundaries of the Qualified Entity. Real and personal property in the State is assessed each year as of March 1. On or before August 1st each year, the County Auditor must submit to each underlying unit a statement of (i) the estimated assessed value of the unit as of March 1st of that year, and (ii) an estimate of the taxes to be distributed to the unit during the last six months of the current budget year. The estimated value is based on property tax lists delivered to the Auditor by the Township Assessors in Marion County and the County Assessor in all other counties on or before July 15.

The estimated value is used when the governing body of a local taxing unit meets to establish its budget for the next fiscal year (January 1 through December 31), and to set tax rates and levies. By statute, the budget, tax rate and levy must be established no later than the last meeting of the fiscal body in September for Marion County; no later than September 30 for all second class cities; and no later than September 20th for all other units. The budget, tax levy and tax rate are subject to review and revision by the Department of Local Government Finance (“DLGF”) which can lower, but not raise, the tax levy or tax rate unless the levy proposed by the Qualified Entity is not sufficient to make its Qualified Obligation Payments. The DLGF must complete its actions on or before February 15th of the year the taxes are to be collected.
SECURITY AND SOURCES OF PAYMENT
FOR THE SERIES 2005A BONDS (cont'd)

On or before March 15, the County Auditor prepares and delivers the final abstract of property taxes to the State Auditor. The County Treasurer mails tax statements the following April (but mailing may be delayed due to reassessment or other factors). Property taxes are due and payable to the County Treasurer in two installments on May 10 and November 10. If an installment of taxes is not completely paid on or before the due date, a penalty of 10% of the amount delinquent is added to the amount due. On May 10 and November 10 of each year thereafter, an additional penalty equal to 10% of any taxes remaining unpaid is added. The penalties are imposed only on the principal amount of the delinquency. Property becomes subject to tax sale procedures after 15 months of delinquency. The County Auditor distributes property taxes collected to the various taxing units on or about the July 1st or January 1st after the due date of the tax payment.

Pursuant to State law, real property is valued for assessment purposes at its “true tax value” as defined in the 2002 Real Property Assessment Manual adopted by the DLGF (“Manual”), and as interpreted in the rules and regulations of the DLGF, including the 2002 Real Property Assessment Guidelines, Version A (“Guidelines”) and the Real Property Assessment Rule, 50 IAC 2.3. The Manual defines “true tax value” as “the market value in use of property for its current use, as reflected by the utility received by the owner or a similar user from that property less that portion of use value representing subsistence housing for its owner”. The Manual permits assessing officials in each county to choose any acceptable mass appraisal method to determine true tax value, taking into consideration the ease of administration and the uniformity of the assessments produced by that method. The Guidelines were adopted to provide assessing officials with an acceptable appraisal methodology, although the Manual makes it clear that assessing officials are free to select from any number of appraisal methods, provided that they are capable of producing accurate and uniform values throughout the jurisdiction and across all classes of property. The Manual specifies the standards for accuracy and validation that the DLGF will use to determine the acceptability of any alternate appraisal method.

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

If a change in assessed value occurs, a written notification is sent by either the township assessor or the County Board of Review to the affected property owner. Upon notification, if the owner wishes to appeal this action, the owner may file a petition requesting a review of the action. This petition must be filed with the County Assessor within 45 days after the written notification was mailed. While the appeal is pending, any taxes on real property that becomes due on the property in question must be paid in an amount based on the immediately preceding year’s assessment or it may be paid based on the amount that is billed.

IC 6-1.1-21-5 provides each taxpayer with a property tax credit in an amount equal to the sum of the following: (a) sixty percent (60%) of a taxpayer’s tax liability in a calendar year for taxes imposed by a school corporation for its general fund for a stated assessment year on all real and personal property; (b) approximately twenty percent (20%) of a taxpayer’s tax liability for a stated assessment year for a total county tax levy (less sixty percent (60%) of the levy for the general fund of a school corporation that is part of the total county tax levy) on real property; (c) and approximately twenty percent (20%) of a taxpayer’s tax liability for a stated assessment year for a total county tax levy (less sixty percent (60%) of the levy for the general fund of a school corporation that is part of the total county tax levy) on tangible personal property other than business personal property.

Additional Bonds

Additional bonds of the Bond Bank may be issued on a parity with the Series 2005A Bonds pursuant to the Indenture only for the purpose of (a) refunding (in whole or in part) Bonds issued by the Bond Bank pursuant to the Indenture or (b) purchasing additional qualified obligations of the Qualified Entity which are general obligation bonds (“Additional Qualified Obligations”) to provide for additional projects of the Qualified Entity or for the refunding (in whole or in part) of the Qualified Obligations or other Additional Qualified Obligations, or both.
Enforcement of the Qualified Obligations

As owner of the Qualified Obligations, the Bond Bank has 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 if 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 Bond Bank has also determined to consult with the Qualified Entity, as necessary from time to time, with regard to the action needed to be taken by the Qualified Entity to preserve the exclusion of the interest on the Series 2005A Bonds from the gross income of the holders of the Series 2005A Bonds. See the caption “TAX MATTERS.”

The Bond Bank will monitor the compliance and consult regularly with the Qualified Entity with respect to its requirements under the Qualified Obligations, including the making of Qualified Obligation Payments to the Bond Bank.

FINANCING PLAN

The Series 2005A Bonds and the Qualified Obligations

The proceeds from the sale of the Series 2005A Bonds will be used to provide funds for the purposes of: (i) purchasing the Qualified Obligations; (ii) paying costs of issuance of the Series 2005A Bonds; and (iii) paying for certain program expenses of the Bond Bank. The Qualified Entity will use the proceeds of the Qualified Obligations to fund the Pension Stabilization Account, to pay capitalized interest on the Qualified Obligations through January 15, 2006 and to pay issuance expenses.

Application of Series 2005A Bond Proceeds

The proceeds of the sale of the Series 2005A Bonds are expected to be applied as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Original Principal Amount Of Series 2005A Bonds</td>
<td>$100,000,000.00</td>
</tr>
<tr>
<td>Underwriter’s Discount and Other Costs of Issuance</td>
<td>$(1,007,395.37)</td>
</tr>
<tr>
<td>Purchase Price of Qualified Obligations</td>
<td>$98,992,604.63</td>
</tr>
</tbody>
</table>

Sources and Uses of Qualified Obligations Proceeds

Sources for the Program are expected to be as follows:

Proceeds of Qualified Obligations

Uses of such funds are expected to be as follows:

Deposit to 2005 Capitalized Interest Account    $4,492,604.63
Deposit to Pension Stabilization Account         $94,500,000.00

Total                                           $98,992,604.63
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 Suite 2421, City-County Building, 200 East Washington Street, 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, Marion County, all special taxing districts of the City, all entities whose tax levies are subject to review and modification by the City-County Council of Indianapolis and of Marion County ("City-County 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. 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>Term Expires</th>
<th>Occupation</th>
</tr>
</thead>
<tbody>
<tr>
<td>John J. Dillon III</td>
<td>Chairman</td>
<td>December 31, 2005</td>
<td>Business Executive</td>
</tr>
<tr>
<td>Mary Titsworth Chandler</td>
<td>Vice Chairman</td>
<td>April 30, 2006</td>
<td>Attorney, Retired, Wooden &amp; McLaughlin</td>
</tr>
<tr>
<td>Jacob E. Hall</td>
<td>Member</td>
<td>April 30, 2006</td>
<td>Engineer, Retired, United Consulting Engineers &amp; Architects</td>
</tr>
<tr>
<td>Arnold Pinkston</td>
<td>Member</td>
<td>April 30, 2006</td>
<td>Deputy General Counsel, Eli Lilly &amp; Company</td>
</tr>
<tr>
<td>Thomas J. O’Donnell</td>
<td>Member</td>
<td>April 30, 2006</td>
<td>Business Manager of International Brotherhood of Electrical Workers</td>
</tr>
</tbody>
</table>

Robert J. Clifford was appointed the Executive Director of the Bond Bank on March 20, 2000. Mr. Clifford served as Vice President of Finance, Accounting and Marketing of the Indiana Municipal Power Agency (IMPA) from 1992 through March 2000. He holds a B.S. and M.B.A. from Indiana University and is a Certified Public Accountant.

Jennifer Wefien serves as Deputy Executive Director. Prior to this appointment, Ms. Wefien served in the office of Corporation Counsel for the City. She holds a B.A. from DePauw University and J.D. from Indiana University.

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 had outstanding as of January 7, 2005 an aggregate long-term principal amount of approximately $1,935,727,716 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 2005A 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 is considering undertaking other types of financings for qualified entities for purposes authorized by and in accordance with the procedures set forth in the Act. The obligations issued by the Bond Bank in connection with any and all such financings, if any, will be secured separately from the 2005A Bonds and will not constitute Bonds under the Indenture for purposes of this Official Statement.
THE CITY OF INDIANAPOLIS

The Qualified Entity is a municipal corporation located in Marion County (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 six departments: Administration, Metropolitan Development, Parks and Recreation, Capital Asset Management, Public Safety and Public Works.

The legislative body of the City and the County is the City-County Council. The City-County Council is comprised of twenty-nine members. Twenty-five of the members of the City-County Council are elected from districts and four are elected by the votes of the entire County. 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 currently includes the counties of Marion, Boone, Hamilton, Hancock, Hendricks, Johnson, Madison, 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. In 2000, the United States Census Bureau estimated the population of the Indianapolis MSA at 1,536,665. This represents growth of 16.4% since 1990. The Indianapolis MSA is the 29th largest metropolitan area in the United States, while the City of Indianapolis is the twelfth largest city with a population of 791,926. The economy of the Indianapolis MSA continues to be strong: per capita income was $30,523 in 2001, nearly 7.0% higher than the State average, while the rate of unemployment remained under 4% from 1995 through 2001. The economy of the Indianapolis MSA is increasingly diversified, with the industry distribution of employment similar to that of the nation as a whole.

Currently Outstanding Obligations. As of January 7, 2005, the City has $11,126,000 in aggregate principal amount of general obligation bonds outstanding, which are payable from ad valorem property taxes. Under Indiana law, the City is required to levy, each year, ad valorem property taxes, upon all of the property within the City, to meet and pay the principal of its general obligation bonds (including the Qualified Obligations) as such mature, together with all accrued interest thereon. See “The Qualified Entity and the Qualified Obligations” and “Provisions for Payment of the Qualified Obligations” under the caption “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2005A BONDS”.

Under the Indiana Constitution and Statutes, the City may issue bonds in an aggregate amount not to exceed two percent (2%) of the adjusted value of the taxable property within the City boundaries. The outstanding bonds, together with the Qualified Obligations, are within the foregoing limitation in conformity with Indiana law.

The City may issue additional bonds to finance or refinance projects in furtherance of its purpose. However, the amount and timing of the issuance of any such additional bonds are subject to a number of conditions that cannot be predicted at the present time.

Availability of Financial Statements. The Comprehensive Annual Financial Report of the Qualified Entity, including financial statements and statistical tables for the year ended December 31, 2003, has been filed with the nationally recognized municipal securities information repositories and are incorporated herein by reference. Copies of this document are available upon request from the Indianapolis City Controller, 200 East Washington Street, Room 2222, City-County Building, Indianapolis, Indiana 46204, telephone (317) 327-4310, and may also be viewed electronically at http://www6.indygov.org/controller/pdf/Cafir_2003.pdf See “AVAILABILITY OF DOCUMENTS AND FINANCIAL INFORMATION” herein.
LITIGATION

There is not now pending or, to the Bond Bank's or Qualified Entity's respective knowledge, threatened any litigation restraining or enjoining the issuance, sale, execution or delivery of the Series 2005A Bonds or the Qualified Obligations, or the execution and delivery of, and performance by the respective parties to, the Indenture, the Authorizing Instrument or the Purchase Agreement; prohibiting the Bond Bank from purchasing the Qualified Obligations with the proceeds of the Series 2005A Bonds; in any way contesting or affecting the validity of the Series 2005A Bonds or the Qualified Obligations or any proceedings of the Bond Bank taken with respect to the issuance or sale thereof, or the Pledges (as hereinafter defined under the caption “ENFORCEABILITY OF REMEDIES”) or application of any moneys or security provided for payment of the Series 2005A Bonds or the Qualified Obligations. Neither the creation, organization or existence of the Bond Bank or the Qualified Entity nor the title of any of the present directors or other officers of the Bond Bank or Qualified Entity to their respective offices is being contested.

TAX MATTERS

Interest on the Series 2005 A Bonds is NOT excludable from gross income for federal income tax purposes.

In the opinion of Ice Miller, Indianapolis, Indiana, Bond Counsel, under existing laws, regulations, judicial decisions and rulings, interest on the Series 2005A Bonds is exempt from income taxation in the State. See Appendix B for the form of Bond Counsel opinion.

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 2005A Bonds is exempt from State income tax, the accrual or receipt of interest on the Series 2005A Bonds may otherwise affect a bondholder’s state tax liability. The nature and extent of these other tax consequences will depend upon the bondholder’s particular tax status and a bondholder’s other items of income or deduction. Bond Counsel expresses no opinion regarding any other such tax consequences. Prospective purchasers of the Series 2005A Bonds should consult their own tax advisors with regard to the state tax consequences of owning the Series 2005A Bonds other than those consequences set forth in the form of opinion of Bond Counsel.

ENFORCEABILITY OF REMEDIES

The various legal opinions to be delivered concurrently with the delivery of the Series 2005A Bonds express the professional judgment of the attorneys rendering the opinions on the legal issues explicitly addressed therein. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or of the future performance of parties to such transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

The remedies available to the Trustee or the bondholders of the Series 2005A Bonds upon a default under the Indenture; to the Trustee or the Bond Bank under the Qualified Obligations, the Purchase Agreement for the Qualified Obligations and the Authorizing Instrument; or to any party seeking to enforce the pledges securing the Series 2005A Bonds or the Qualified Obligations 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 United States Bankruptcy Code), the remedies provided in the Indenture, the purchase agreement for the Qualified Obligations, the Qualified Obligations and the Authorizing Instrument, 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 or the Qualified Entity 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 Qualified Obligations Payments pledged to owners of the Series 2005A Bonds under the Indenture or over the liens on the legally available revenues or property taxes pledged to the owner of the Qualified Obligations under the Authorizing Instrument.
ENFORCEABILITY OF REMEDIES (cont'd)

The various legal opinions to be delivered concurrently with the delivery of the Series 2005A 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 City, the County, the State and the United States of America and by 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 for the Qualified Obligations, the Authorizing Instrument 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 2005A Bonds are subject to the approval of Ice Miller, Indianapolis, Indiana, Bond Counsel, whose approving legal opinion will be delivered with the Series 2005A Bonds, substantially in the form found as Appendix B. Certain legal matters will be passed on by the Corporation Counsel of the City of Indianapolis, Indiana, as General Counsel to the Bond Bank and the City, and by Co-Underwriters Counsel, J.C. Lewis Group, Inc. and Locke Reynolds LLP, both of Indianapolis, Indiana. Ice Miller also serves as bond counsel to the Qualified Entity.

BOND RATINGS

Standard & Poor's Credit Market Services (Standard & Poor's), Moody's Investors Service Inc. (Moody's) and Fitch Ratings (Fitch) have assigned a bond rating of "AAA", "Aaa", and "AAA", respectively, to the Series 2005A Bonds. Such ratings reflect only the views of Standard & Poor's, Moody's and Fitch and any explanation of the significance of such ratings may only be obtained from Standard & Poor's, Moody's and Fitch.

The ratings are not a recommendation to buy, sell or hold the Series 2005A Bonds, and such ratings may be subject to revision or withdrawal at any time by Standard & Poor's, Moody's and Fitch. Any downward revision or withdrawal of the ratings may have an adverse effect upon the market price of the Series 2005A Bonds.

UNDERWRITING

The Series 2005A Bonds are being purchased by the Underwriters set forth on the cover page of this Official Statement. The Underwriters have agreed to purchase the Series 2005A Bonds at an aggregate purchase price of $99,465,000.00 which represents the par amounts set forth on the inside cover page hereof, less an underwriting fee of $535,000.00, pursuant to a contract of purchase entered into by and between the Bond Bank and the Underwriters. Such contract of purchase provides that the Underwriters will purchase all of the Series 2005A Bonds if they are purchased. The initial offering price may be changed from time to time by the Underwriters.

The Underwriters have agreed to make a bona fide public offering of all of the Series 2005A Bonds at prices not in excess of the initial public offering prices set forth or reflected on the inside cover page of this Official Statement. The Underwriters may sell the Series 2005A Bonds to certain dealers (including dealers depositing Series 2005A Bonds into investments trusts) and others at prices lower than the offering prices set forth on the inside cover page hereof.

SERIES 2005A 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 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 2005A Bonds or in any way impair the rights or remedies of the owners of the Series 2005A Bonds for so long as the Series 2005A Bonds are outstanding.

AVAILABILITY OF DOCUMENTS AND FINANCIAL INFORMATION

The Qualified Entity has available a Comprehensive Annual Financial Report of the City of Indianapolis (the “Comprehensive Financial Report”) for the year ended December 31, 2003 and certain prior years. Audited financial statements of the Bond Bank are prepared annually and are presently available for the year ended December 31, 2003 and prior years. Copies of the Qualified Entity’s audited financial statements for the year ended December 31, 2003 are available upon request from the City of Indianapolis Controller’s Office and may also be viewed electronically at http://www6.indy.gov/controller/pdf/CafR_2003.pdf. No financial reports related to the Qualified Entity are prepared on an interim basis and there can be no assurance that there have not been material changes in the financial position of the Qualified Entity since the date of the most recent available Comprehensive Financial Report. Certain statistical tables incorporated herein by reference are prepared annually and are available in such form as part of the Comprehensive Financial Report, which is presently available for the year ended December 31, 2003 and certain prior years. Upon request and receipt of payment for reasonable copying, mailing and handling charges, the Bond Bank will make available copies of the most recent Comprehensive Annual Financial Report, any authorizing or governing instruments defining the rights of owners of the Series 2005A Bonds or the owners of the Qualified Obligations and available financial and statistical information regarding the Bond Bank and the Qualified Entity. Requests for documents and payments therefor should be directed and payable to Mr. Robert J. Clifford, Executive Director, The Indianapolis Local Public Improvement Bond Bank, Suite 2421, 200 East Washington Street, Indianapolis, Indiana 46204.

CONTINUING DISCLOSURE

Pursuant to continuing disclosure requirements promulgated by the Securities and Exchange Commission in SEC Rule 15c2-12, as amended (the “SEC Rule”), the Qualified Entity will enter into a Continuing Disclosure Undertaking Agreement (the “ Undertaking”) with the Trustee (“Counterparty”), to be dated the date of delivery of the Series 2005A Bonds. The Qualified Entity is the only obligor under the SEC Rule. Pursuant to the terms of the Undertaking, the Qualified Entity will agree to provide the following information while any of the Series 2005A Bonds are outstanding:

Audited Financial Statements. To the Bond Bank, each nationally recognized municipal securities information repository (“NRMSIR”) then in existence and to the Indiana state information depository then in existence, if any (“SID”), when and if available, the audited comprehensive annual financial report of the Qualified Entity for each twelve (12) month period ending December 31st, beginning with the twelve (12) month period ending December 31, 2004, together with the opinion of such accountants and all notes thereto, within sixty (60) days of receipt from the certified public accountants; and

Financial Information in this Official Statement. To the Bond Bank, each NRMSIR then in existence and to the SID, within 210 days of each December 31st, beginning with the calendar year ending December 31, 2004, unaudited annual financial information for the Qualified Entity for such calendar year including (i) unaudited financial information of the Qualified Entity if audited financial statements are not available; (ii) operating data of the type including information contained in Appendix E of the Final Official Statement (collectively, the “Annual Information”).

Event Notices. In a timely manner, to the Bond Bank, to each NRMSIR or to the Municipal Securities Rulemaking Board (MSRB), and to the SID notice of certain events listed in the Rule, if material with respect to the Series 2005A Bonds (which determination of materiality shall be made by the Qualified Entity in accordance with the standards established by federal securities laws).
CONTINUING DISCLOSURE (cont’d)

Failure to Disclose. In a timely manner, to the Bond Bank, each NRMSIR or to the MSRB, and to the SID notice of the Qualified Entity failing to provide the audited financial statements or Annual Information as described earlier.

The Qualified Entity and the Counterparty may, from time to time, amend or modify the Undertaking without the consent of or notice to the owners of the Series 2005A Bonds if either (a)(i) such amendment or modification is made in connection with a change in circumstances that arises from a change in legal requirements, change in law or change in the identity, nature or status of the Qualified Entity, or type of business conducted; (ii) the Undertaking, as so amended or modified, would have complied with the requirements of the SEC Rule on the date of execution of the Undertaking, after taking into account any amendments or interpretations of the SEC Rule, as well as any change in circumstances; and (iii) such amendment or modification does not materially impair the interests of the holders of the Series 2005A Bonds, as determined either by (A) the Counterparty, the Trustee under the Indenture or nationally recognized bond counsel or (B) an approving vote of the holders of the Series 2005A Bonds pursuant to the terms of the Indenture at the time of such amendment or modification; or (C) such amendment or modification (including an amendment or modification which rescinds the Undertaking) is permitted by the SEC Rule, as then in effect.

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

The purpose of the Undertaking is to enable the Underwriters to purchase the Series 2005A Bonds by providing for an undertaking by the Qualified Entity in satisfaction of the SEC Rule. The Undertaking is solely for the benefit of the owners of the Series 2005A Bonds and creates no new contractual or other rights for, nor can it be relied upon by, the SEC, underwriters, brokers, dealers, municipal securities dealers, potential customers, other obligated persons or any other third party. The sole remedy against the Qualified Entity for any failure to carry out any provision of the Undertaking shall be for specific performance of the Qualified Entity’s disclosure obligations under the Undertaking and not for money damages of any kind or in any amount or any other remedy. The Qualified Entity’s failure to honor its covenants under the Undertaking shall not constitute a breach or default of the Series 2005A Bonds, the Indenture, the Qualified Obligations, the Authorizing Instrument or any other agreement to which the Qualified Entity or Bond Bank is a party.

The Qualified Entity has been in compliance with previously executed continuing disclosure contracts.

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 2005A Bonds, the security for the payment of the Series 2005A 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 Underwriters; following delivery of the Series 2005A 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 2005A 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 Qualified Entity, the Trustee, the Registrar and Paying Agent or the Underwriter and the purchasers or owners of any Series 2005A 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/s John J. Dillon III
    John J. Dillon III, Chairman
January 21, 2004

Mr. Robert J. Clifford, Executive Director
The Indianapolis Local Public Improvement
Bond Bank
200 East Washington Street, #2501
City County Building
Indianapolis, IN 46204

In connection with the issuance by The Indianapolis Local Public Improvement Bond Bank (the “Bond Bank”) of Taxable Bond Bank Bonds, Series 2005 A (the “2005 Bonds”) being issued to purchase the City of Indianapolis (the “City”) Taxable General Obligation Pension Bonds of 2005, Series A (the “Qualified Obligations”), we have, at your request, compiled this special purpose report including the following schedules:

Page(s)
A-2 - A-3 General Comments
A-4 Estimated Sources and Uses of Funds
A-5 Preliminary Amortization of $100,000,000 of Taxable General Obligation Pension Bonds of 2005, Series A
A-6 Estimated Annual Pension Obligations
A-7 Estimated Pension Stabilization Fund Cash Flows
A-8 Comparison of Estimated Annual County Option Income Tax Revenues to Debt Service Requirements
A-9 Constitutional Debt Limit

The schedules and underlying assumptions are based upon information provided to us by City officials and their advisors. In the preparation of these schedules, assumptions were made as noted regarding certain future events. As is the case with such assumptions regarding future events and transactions, some or all may not occur as expected and the resulting differences could be material. We have not examined the underlying assumptions nor have we audited or reviewed the historical data. Consequently, we express no opinion nor provide any other form of assurance thereon nor do we have a responsibility to prepare subsequent reports.

[Signature]
CITY OF INDIANAPOLIS, INDIANA

GENERAL COMMENTS

The Indianapolis Local Public Improvement Bond Bank (the “Bond Bank”) will issue $100,000,000 of Taxable Bond Bank Bonds, Series 2005 A (the “2005 Bonds”) and use the proceeds from the 2005 Bonds to purchase $100,000,000 of the City of Indianapolis (the “City”) Taxable General Obligation Pension Bonds of 2005, Series A (the “Qualified Obligations”). Proceeds from the Qualified Obligations will be used to fund a Pension Stabilization Account, pay interest through January 15, 2006 and pay costs of issuance. Funds to be held in the Pension Stabilization Account will be applied to the unfunded costs of police and fire pension obligations that have been incurred through the Pre 1977 Pension Plan (the “Program”).

The Qualified Obligations are payable from any legally available funds of the City and, to the extent these funds are not sufficient, the City shall levy an ad valorem property tax upon all taxable property throughout the Consolidated City of Indianapolis.

This Special Purpose Report provides financial information relating to the 2005 Bonds and the Qualified Obligations.

Sources and Uses of Funds – Page 4

The expected sources and uses of funds relating to the Qualified Obligations are shown in this schedule.

The costs of the Program, including interest through January 15, 2006 and costs of issuance, are shown at $100,000,000. These costs are to be funded from the proceeds of the proposed Qualified Obligations, together with interest earnings.

Schedule of Amortization of $100,000,000 of Taxable General Obligation Pension Bonds of 2005, Series A – Page 5

The semiannual principal and interest payments of the Qualified Obligations are shown in this schedule at taxable interest rates. Interest will be payable semiannually beginning July 15, 2005 while semiannual principal payments will begin July 15, 2007.

Estimated Annual Pension Obligations – Page 6

Annual pension obligations are shown as estimated by the Public Employees Retirement Fund of the State of Indiana (“State”). The schedule shows the annual obligations, together with the portions to be funded from pension relief funds by the State. The remaining unfunded obligations must be funded by the City. Historically, the City has funded these obligations through property tax revenues and County Option Income Tax (“COIT”) revenues.

(Continued on next page)
CITY OF INDIANAPOLIS, INDIANA

GENERAL COMMENTS

Estimated Pension Stabilization Fund Cash Flows – Page 7

The annual cash receipts and disbursements from the Pension Stabilization Fund are estimated in this schedule. Annual receipts include interest earnings estimated at 4.0% while estimated payments consist of unfunded pension obligations. Without additional funding, the Pension Stabilization Account is expected to be sufficient to fund the City’s share of the Pre 1977 Police and Fire Pension Obligations through mid-2009.

Comparison of Estimated Annual County Option Income Tax Revenues to Debt Service Requirements – Page 8

This schedule compares the annual debt service requirements of the proposed Qualified Obligations with the City’s share of the COIT revenues. While the City has pledged its general revenues to the repayment of the Qualified Obligations, it expects to use its distributive share of COIT revenues. In the event that general revenues, including COIT revenues, are insufficient to pay debt service, the City has pledged to levy an ad valorem property tax upon all taxable property throughout the Consolidated City of Indianapolis.

Constitutional Debt Limit – Page 9

The constitutional debt limit and remaining debt margin are shown in this schedule.
CITY OF INDIANAPOLIS, INDIANA

SOURCES AND USES OF FUNDS

Sources of funds

Taxable General Obligation
  Pension Bonds of 2005, Series A $ 100,000,000

Uses of funds

Deposit to Pension Stabilization Account $ 94,500,000
Capitalized interest (1) 4,492,605
Allowance for bond issuance costs 1,007,395

Total uses of funds $ 100,000,000

(1) Capitalized interest through January 15, 2006.

(Subject to the comments in the accompanying report dated January 21, 2005 of Umbaugh.)

A-4
CITY OF INDIANAPOLIS, INDIANA

SCHEDULE OF AMORTIZATION OF $100,000,000 OF 2005, SERIES A
OF TAXABLE GENERAL OBLIGATION PENSION BONDS

Dating of Bonds, February 3, 2005

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<th>Date</th>
<th>Principal</th>
<th>Interest Rates</th>
<th>Interest</th>
<th>Total Principal &amp; Interest</th>
<th>Fiscal Total</th>
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<td>$2,128,075.88</td>
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<td>-</td>
<td>2,364,528.75</td>
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<td>$4,492,604.63</td>
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<td>01/15/2007</td>
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<td>-</td>
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<td>1,767,659.75</td>
<td>4,757,659.75</td>
<td></td>
</tr>
<tr>
<td>07/15/2013</td>
<td>3,055,000</td>
<td>4.560%</td>
<td>1,700,683.75</td>
<td>4,755,683.75</td>
<td></td>
</tr>
<tr>
<td>01/15/2014</td>
<td>3,125,000</td>
<td>4.610%</td>
<td>1,631,029.75</td>
<td>4,756,029.75</td>
<td></td>
</tr>
<tr>
<td>07/15/2014</td>
<td>3,200,000</td>
<td>4.660%</td>
<td>1,558,998.50</td>
<td>4,758,998.50</td>
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<tr>
<td>01/15/2015</td>
<td>3,275,000</td>
<td>4.700%</td>
<td>1,484,438.50</td>
<td>4,759,438.50</td>
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<tr>
<td>07/15/2015</td>
<td>3,350,000</td>
<td>4.740%</td>
<td>1,407,476.00</td>
<td>4,757,476.00</td>
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<tr>
<td>01/15/2016</td>
<td>3,430,000</td>
<td>4.840%</td>
<td>1,328,081.00</td>
<td>4,758,081.00</td>
<td></td>
</tr>
<tr>
<td>07/15/2016</td>
<td>3,510,000</td>
<td>4.870%</td>
<td>1,245,075.00</td>
<td>4,755,075.00</td>
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<tr>
<td>01/15/2017</td>
<td>3,595,000</td>
<td>4.940%</td>
<td>1,159,606.50</td>
<td>4,754,606.50</td>
<td></td>
</tr>
<tr>
<td>07/15/2017</td>
<td>3,685,000</td>
<td>4.980%</td>
<td>1,070,810.00</td>
<td>4,755,810.00</td>
<td></td>
</tr>
<tr>
<td>01/15/2018</td>
<td>3,780,000</td>
<td>5.050%</td>
<td>979,053.30</td>
<td>4,759,053.30</td>
<td></td>
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<tr>
<td>07/15/2018</td>
<td>3,875,000</td>
<td>5.090%</td>
<td>883,608.50</td>
<td>4,758,608.50</td>
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<tr>
<td>01/15/2019</td>
<td>3,970,000</td>
<td>5.130%</td>
<td>784,989.75</td>
<td>4,754,989.75</td>
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<tr>
<td>07/15/2019</td>
<td>4,075,000</td>
<td>5.170%</td>
<td>683,159.25</td>
<td>4,758,159.25</td>
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<tr>
<td>01/15/2020</td>
<td>4,180,000</td>
<td>5.180%</td>
<td>577,820.50</td>
<td>4,757,820.50</td>
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<tr>
<td>07/15/2020</td>
<td>4,285,000</td>
<td>5.220%</td>
<td>469,558.50</td>
<td>4,754,558.50</td>
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<tr>
<td>01/15/2021</td>
<td>4,400,000</td>
<td>(1) 5.280%</td>
<td>357,720.00</td>
<td>4,757,720.00</td>
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<tr>
<td>07/15/2021</td>
<td>4,515,000</td>
<td>(1) 5.280%</td>
<td>241,560.00</td>
<td>4,756,560.00</td>
<td></td>
</tr>
<tr>
<td>01/15/2022</td>
<td>4,635,000</td>
<td>(1) 5.280%</td>
<td>122,364.00</td>
<td>4,757,364.00</td>
<td></td>
</tr>
</tbody>
</table>

Totals $100,000,000 $51,926,309.38 $151,926,309.38 $151,926,309.38

(1) $13,550,000 of Term Bonds @ 5.280% due January 15, 2022.

(Subject to the comments in the accompanying report dated January 21, 2005 of Umbaugh.)

A-5
**CITY OF INDIANAPOLIS, INDIANA**

**ESTIMATED ANNUAL PENSION OBLIGATIONS**
*(Based upon information provided by the Public Employee Retirement Fund of Indiana)*

<table>
<thead>
<tr>
<th>Year</th>
<th>Estimated Benefits</th>
<th>State Pension Relief Payments</th>
<th>Estimated City Payments</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>K</td>
<td>M</td>
</tr>
<tr>
<td>2005</td>
<td>$50,260,830</td>
<td>$14,457,930</td>
<td>$14,159,040</td>
</tr>
<tr>
<td>2006</td>
<td>53,322,670</td>
<td>14,245,500</td>
<td>16,520,360</td>
</tr>
<tr>
<td>2007</td>
<td>56,156,160</td>
<td>13,580,690</td>
<td>19,060,070</td>
</tr>
<tr>
<td>2008</td>
<td>55,454,470</td>
<td>12,476,170</td>
<td>21,841,380</td>
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<tr>
<td>2009</td>
<td>58,105,770</td>
<td>10,875,250</td>
<td>25,036,760</td>
</tr>
<tr>
<td>2010</td>
<td>60,546,550</td>
<td>9,503,620</td>
<td>27,739,480</td>
</tr>
<tr>
<td>2011</td>
<td>62,951,010</td>
<td>9,553,040</td>
<td>28,929,350</td>
</tr>
<tr>
<td>2012</td>
<td>65,203,200</td>
<td>9,594,640</td>
<td>29,916,510</td>
</tr>
<tr>
<td>2013</td>
<td>67,204,980</td>
<td>9,609,950</td>
<td>30,618,370</td>
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<tr>
<td>2014</td>
<td>68,830,850</td>
<td>9,602,710</td>
<td>30,902,650</td>
</tr>
<tr>
<td>2015</td>
<td>70,400,660</td>
<td>9,600,910</td>
<td>31,057,990</td>
</tr>
<tr>
<td>2016</td>
<td>71,873,770</td>
<td>9,596,350</td>
<td>31,048,570</td>
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<tr>
<td>2017</td>
<td>73,231,950</td>
<td>9,592,740</td>
<td>30,848,910</td>
</tr>
<tr>
<td>2018</td>
<td>74,471,640</td>
<td>9,586,780</td>
<td>30,455,050</td>
</tr>
<tr>
<td>2019</td>
<td>75,587,680</td>
<td>9,582,630</td>
<td>29,853,750</td>
</tr>
<tr>
<td>2020</td>
<td>76,557,130</td>
<td>9,574,510</td>
<td>29,023,750</td>
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<tr>
<td>2021</td>
<td>77,391,390</td>
<td>9,564,910</td>
<td>27,969,670</td>
</tr>
<tr>
<td>2022</td>
<td>78,122,190</td>
<td>9,559,720</td>
<td>26,712,820</td>
</tr>
<tr>
<td>2023</td>
<td>78,664,940</td>
<td>9,550,450</td>
<td>25,172,360</td>
</tr>
<tr>
<td>2024</td>
<td>79,036,110</td>
<td>9,540,160</td>
<td>23,356,710</td>
</tr>
<tr>
<td>2025</td>
<td>79,216,670</td>
<td>9,528,730</td>
<td>21,241,740</td>
</tr>
<tr>
<td>2026</td>
<td>79,187,310</td>
<td>9,516,050</td>
<td>18,802,750</td>
</tr>
<tr>
<td>2027</td>
<td>78,929,120</td>
<td>9,501,870</td>
<td>16,015,310</td>
</tr>
<tr>
<td>2028</td>
<td>78,423,350</td>
<td>9,486,180</td>
<td>12,854,640</td>
</tr>
<tr>
<td>2029</td>
<td>77,654,330</td>
<td>9,469,000</td>
<td>9,298,670</td>
</tr>
<tr>
<td>2030</td>
<td>76,607,760</td>
<td>9,450,290</td>
<td>5,326,480</td>
</tr>
<tr>
<td>2031</td>
<td>75,271,060</td>
<td>9,430,000</td>
<td>9,185,520</td>
</tr>
<tr>
<td>2032</td>
<td>73,636,410</td>
<td>9,408,130</td>
<td>-</td>
</tr>
<tr>
<td>2033</td>
<td>71,699,190</td>
<td>9,384,830</td>
<td>-</td>
</tr>
<tr>
<td>2034</td>
<td>69,459,460</td>
<td>9,359,940</td>
<td>-</td>
</tr>
<tr>
<td>2035</td>
<td>66,922,620</td>
<td>9,333,270</td>
<td>-</td>
</tr>
<tr>
<td>2036</td>
<td>64,100,420</td>
<td>9,304,840</td>
<td>-</td>
</tr>
</tbody>
</table>

Totals $2,244,481,650 $322,421,790 $614,681,660 $937,103,450 $1,307,378,200

(1) Includes estimated cost of DROP payments, net of State pension relief, equal to $3,398,000.

*(Subject to the comments in the accompanying report dated January 21, 2005 of Umbaugh.)*

A-6
CITY OF INDIANAPOLIS, INDIANA

ESTIMATED PENSION STABILIZATION FUND CASH FLOWS

<table>
<thead>
<tr>
<th>Calendar Year</th>
<th>Estimated Interest Income (1)</th>
<th>Total Receipts (2)</th>
<th>Estimated Payments (3)</th>
<th>Estimated Fund Balance</th>
<th>Estimated Shortfall</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>$3,347,123</td>
<td>$3,347,123</td>
<td>$21,643,860</td>
<td>76,203,263</td>
<td>-</td>
</tr>
<tr>
<td>2006</td>
<td>2,596,994</td>
<td>2,596,994</td>
<td>22,556,810</td>
<td>56,243,447</td>
<td>-</td>
</tr>
<tr>
<td>2007</td>
<td>1,779,430</td>
<td>1,779,430</td>
<td>23,515,400</td>
<td>34,507,477</td>
<td>-</td>
</tr>
<tr>
<td>2008</td>
<td>957,561</td>
<td>957,561</td>
<td>21,136,920</td>
<td>14,328,118</td>
<td>-</td>
</tr>
<tr>
<td>2009</td>
<td>-</td>
<td>-</td>
<td>22,193,760</td>
<td>-</td>
<td>$7,865,642</td>
</tr>
<tr>
<td>2010</td>
<td>-</td>
<td>-</td>
<td>23,303,450</td>
<td>-</td>
<td>23,303,450</td>
</tr>
<tr>
<td>2011</td>
<td>-</td>
<td>-</td>
<td>24,468,620</td>
<td>-</td>
<td>24,468,620</td>
</tr>
<tr>
<td>2012</td>
<td>-</td>
<td>-</td>
<td>25,692,050</td>
<td>-</td>
<td>25,692,050</td>
</tr>
<tr>
<td>2013</td>
<td>-</td>
<td>-</td>
<td>26,976,660</td>
<td>-</td>
<td>26,976,660</td>
</tr>
<tr>
<td>2014</td>
<td>-</td>
<td>-</td>
<td>28,325,490</td>
<td>-</td>
<td>28,325,490</td>
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<tr>
<td>2015</td>
<td>-</td>
<td>-</td>
<td>29,741,760</td>
<td>-</td>
<td>29,741,760</td>
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<tr>
<td>2016</td>
<td>-</td>
<td>-</td>
<td>31,228,850</td>
<td>-</td>
<td>31,228,850</td>
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<tr>
<td>2017</td>
<td>-</td>
<td>-</td>
<td>32,790,300</td>
<td>-</td>
<td>32,790,300</td>
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<tr>
<td>2018</td>
<td>-</td>
<td>-</td>
<td>34,429,810</td>
<td>-</td>
<td>34,429,810</td>
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<tr>
<td>2019</td>
<td>-</td>
<td>-</td>
<td>36,151,300</td>
<td>-</td>
<td>36,151,300</td>
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<tr>
<td>2020</td>
<td>-</td>
<td>-</td>
<td>37,958,870</td>
<td>-</td>
<td>37,958,870</td>
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<tr>
<td>2021</td>
<td>-</td>
<td>-</td>
<td>39,856,810</td>
<td>-</td>
<td>39,856,810</td>
</tr>
</tbody>
</table>

Beginning Balance $94,500,000

Assumptions:
(1) Assumes interest earnings at 4.0%
(2) No additional revenues are available to fund the Pension Stabilization Account.
(3) See page 6.

(Subject to the comments in the accompanying report dated January 21, 2005 of Umbaugh.)

A-7
## CITY OF INDIANAPOLIS, INDIANA

### COMPARISON OF ESTIMATED ANNUAL COUNTY OPTION INCOME TAX REVENUES TO DEBT SERVICE REQUIREMENTS

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>$44,795,000</td>
<td>$14,606,000</td>
<td>$0 (4)</td>
<td>$30,189,000</td>
<td>538%</td>
<td>847%</td>
</tr>
<tr>
<td>2006</td>
<td>44,795,000</td>
<td>14,606,000</td>
<td>4,729,058</td>
<td>25,459,943</td>
<td>217%</td>
<td>371%</td>
</tr>
<tr>
<td>2007</td>
<td>44,795,000</td>
<td>14,606,000</td>
<td>9,510,321</td>
<td>20,678,680</td>
<td>217%</td>
<td>371%</td>
</tr>
<tr>
<td>2008</td>
<td>44,795,000</td>
<td>14,606,000</td>
<td>9,511,061</td>
<td>20,677,939</td>
<td>217%</td>
<td>371%</td>
</tr>
<tr>
<td>2009</td>
<td>44,795,000</td>
<td>14,606,000</td>
<td>9,514,628</td>
<td>20,674,372</td>
<td>217%</td>
<td>371%</td>
</tr>
<tr>
<td>2010</td>
<td>44,795,000</td>
<td>14,606,000</td>
<td>9,517,869</td>
<td>20,671,131</td>
<td>217%</td>
<td>371%</td>
</tr>
<tr>
<td>2011</td>
<td>44,795,000</td>
<td>14,606,000</td>
<td>9,509,920</td>
<td>20,679,080</td>
<td>217%</td>
<td>371%</td>
</tr>
<tr>
<td>2012</td>
<td>44,795,000</td>
<td>14,606,000</td>
<td>9,514,816</td>
<td>20,674,184</td>
<td>217%</td>
<td>371%</td>
</tr>
<tr>
<td>2013</td>
<td>44,795,000</td>
<td>14,606,000</td>
<td>9,511,714</td>
<td>20,677,287</td>
<td>217%</td>
<td>371%</td>
</tr>
<tr>
<td>2014</td>
<td>44,795,000</td>
<td>14,606,000</td>
<td>9,518,437</td>
<td>20,670,563</td>
<td>217%</td>
<td>371%</td>
</tr>
<tr>
<td>2015</td>
<td>44,795,000</td>
<td>14,606,000</td>
<td>9,515,557</td>
<td>20,673,443</td>
<td>217%</td>
<td>371%</td>
</tr>
<tr>
<td>2016</td>
<td>44,795,000</td>
<td>14,606,000</td>
<td>9,509,682</td>
<td>20,679,319</td>
<td>217%</td>
<td>371%</td>
</tr>
<tr>
<td>2017</td>
<td>44,795,000</td>
<td>14,606,000</td>
<td>9,514,864</td>
<td>35,280,137</td>
<td>371%</td>
<td>371%</td>
</tr>
<tr>
<td>2018</td>
<td>44,795,000</td>
<td>14,606,000</td>
<td>9,513,598</td>
<td>35,281,402</td>
<td>371%</td>
<td>371%</td>
</tr>
<tr>
<td>2019</td>
<td>44,795,000</td>
<td>14,606,000</td>
<td>9,515,980</td>
<td>35,279,020</td>
<td>371%</td>
<td>371%</td>
</tr>
<tr>
<td>2020</td>
<td>44,795,000</td>
<td>14,606,000</td>
<td>9,512,279</td>
<td>35,282,722</td>
<td>371%</td>
<td>371%</td>
</tr>
<tr>
<td>2021</td>
<td>44,795,000</td>
<td>14,606,000</td>
<td>9,513,924</td>
<td>35,281,076</td>
<td>371%</td>
<td>371%</td>
</tr>
</tbody>
</table>

(1) 2005 Certified Share of the County Option Income Tax for the City of Indianapolis, exclusive of portion distributed to Marion County.

(2) While COIT revenues are pledged to the payment of lease rentals up to $14,606,000 relating to the Refunding Bonds, Series 2004 F, COIT revenues are not currently being used for debt service.

(3) See page 7.

(4) Interest due July 15, 2005 and January 15, 2006 will be paid from bond proceeds.

(Subject to the comments in the accompanying report dated January 21, 2005 of Umbaugh.)

A-8
CITY OF INDIANAPOLIS, INDIANA

CONSTITUTIONAL DEBT LIMIT

Net assessed value of the Consolidated City of Indianapolis for taxes payable in 2004 $ 36,808,011,015

Times constitutional debt limit 0.6667%

Constitutional Debt Limit $ 245,386,740

Outstanding General Obligation Debt:

General Obligation Refunding Bonds, Series 2003 $ 1,111,000
Public Safety Communications Systems and Computer Facilities District Bonds, Series 1999 A 10,015,000

Proposed Taxable General Obligation
Pension Bonds of 2005, Series A 100,000,000

Total general obligation debt, including proposed bond issue $ 111,126,000

Available Debt Margin $ 134,260,740

(Subject to the comments in the accompanying report dated January 21, 2005 of Umbaugh.)
APPENDIX B
FORM OF BOND COUNSEL OPINION

Upon delivery of the Bonds in definitive form, Ice Miller, Bond Counsel, proposes to render the following opinion with respect to the Bonds substantially in the form set forth below.

February 3, 2005

City Securities Corporation
Indianapolis, Indiana

The Indianapolis Local Public Improvement Bond Bank
Indianapolis, Indiana

Re: The Indianapolis Local Public Improvement Bond Bank
Taxable Bond Bank Bonds, Series 2005 A ("Bonds")
Total Issue: $100,000,000

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by The Indianapolis Local Public Improvement Bond Bank ("Issuer") of its Bonds, dated February 3, 2005, in the aggregate principal amount of $100,000,000 pursuant to a Trust Indenture, dated as of February 1, 2005 ("Indenture"), between the Issuer and The Bank of New York Trust Company, N.A., as Trustee. We have examined the law and the certified transcript of proceedings of the Issuer had relative to the authorization, issuance and sale of the Bonds and such other papers as we deem necessary to render this opinion. We have relied upon the certified transcript of proceedings and other certificates of public officials and we have not undertaken to verify any facts by independent investigation.

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

1. The Bonds are valid and binding limited obligations of the Issuer enforceable in accordance with their respective terms and are payable from and secured only by payments received on the City of Indianapolis, Indiana Taxable General Obligation Pension Bonds of 2005, Series A.

2. Under statutes, decisions, regulations and rulings existing on this date, interest on the Bonds is exempt from income taxation in the State of Indiana ("State"). This opinion relates only to the exemption of interest on the Bonds from State income taxes.
We have not been engaged nor have we undertaken to review the accuracy, completeness or sufficiency of the Official Statement or any other offering material relating to the Bonds and we express no opinion thereon.

It is to be understood that the rights of the owners of the Bonds and the enforceability thereof and of the Indenture may be subject to the valid exercise of the constitutional powers of the Issuer, the City of Indianapolis, Marion County, the State and the United States of America. It is to be further understood that the rights of the owners of the Bonds 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 and that their enforcement may be subject to the exercise of judicial discretion in accordance with general principles of equity.

Very truly yours,
APPENDIX C
SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE

The following is a summary of certain provisions of the Trust Indenture between The Indianapolis Local Public Improvement Bond Bank ("Bond Bank") and The Bank of New York Trust Company, N.A., as trustee ("Trustee"), dated as of February 1, 2005 ("Indenture"). This summary does not purport to be complete and is subject in all respects to the provisions of, and is qualified in its entirety by reference to, the Indenture. Certain capitalized terms used in this summary are defined at the end of this Appendix C.

INDENTURE

The Bond Bank will issue its Taxable Bond Bank Bonds, Series 2005 A ("Series 2005 A Bonds"), pursuant to the Indenture.

Security for Bonds

To secure the payment of the principal of, premium, if any, and interest on the outstanding Series 2005 A Bonds and any Additional Bonds (the Series 2005 A Bonds and any Additional Bonds are hereinafter collectively referred to as the "Bonds"), and the performance of the covenants contained in the Bonds and the Indenture, the Bond Bank, grants to the Trustee a security interest in the following property ("Trust Estate":)

(i) All cash and securities held for the credit of the Funds and Accounts established under the Indenture, the Investment Earnings thereon and the proceeds thereof; and

(ii) All Qualified Obligations acquired and held pursuant to the Indenture and the earnings thereon and all proceeds thereof (including all Qualified Obligation Payments); and

(iii) All Revenues and any moneys hereinafter pledged as security by the Bond Bank.

The Trust Estate is to be held by the Trustee for the equal and proportionate benefit and security of the owners from time to time of all the outstanding Bonds without any priority of any such Bond over any other such Bond, except as otherwise expressly provided in the Indenture.

Accounts

Creation of Funds and Accounts. Under the Indenture, the Bond Bank creates and establishes the General Fund. There is created and established in the General Fund a "General Account," "Bond Issuance Expense Account," "Capitalized Interest Account," "Pension Stabilization Account" and a "Redemption Account".

All such Funds and Accounts will be held and maintained by the Trustee. All moneys or securities held by the Trustee pursuant to the Indenture will be held in trust and applied only in accordance with the provisions of the Indenture. The Bond Bank and the Trustee may establish such additional Funds, Accounts or subaccounts as they may in their discretion determine to be appropriate to comply with the provisions of the Indenture.
General Account. There will be deposited in the General Account: (i) the proceeds of the sale of the Bonds, other than the amounts deposited in the Bond Issuance Expense Account, the Capitalized Interest Account and the Pension Program Account as described below; and (ii) any other amounts required to be deposited in the General Account pursuant to the Indenture. The Trustee will apply the moneys in the General Account (i) to purchase the Qualified Obligations; (ii) to pay principal and interest coming due on the Bonds; (iii) to pay, as necessary, Program Expenses; and (iv) to transfer to any other fund or account of the Bond Bank any moneys in excess of the amounts needed to pay principal and interest on the Bonds within the immediately succeeding twelve month period pursuant to the Indenture.

Redemption Account. There will be deposited in the Redemption Account (i) all moneys received upon the sale or redemption prior to maturity of Qualified Obligations and (ii) such other amounts as may be designated by the Indenture. Funds in the Redemption Account will be disbursed as follows by the Trustee: (1) on such dates as are specified in the Indenture, an amount equal to the principal which would have been payable during the following month for Qualified Obligations sold or redeemed prior to maturity; (2) on such dates as are specified in the Indenture, to the extent moneys in the General Account are not sufficient, for the purpose of paying the principal of and interest on the Bonds as the same become due; (3) after providing for the payments required under (1) and (2) above, moneys may be used (A) on any redemption date, to redeem Bonds; (B) to purchase Qualified Obligations as permitted under the Indenture; (C) to transfer any excess moneys to the General Account; (D) to purchase Bonds at the most advantageous price obtainable with reasonable diligence; or (E) to invest such moneys until the maturity or maturities of Bonds in accordance with Article IX of the Indenture; and (4) if the Trustee is unable to purchase Bonds under (3) above, then, subject to the Indenture, the Trustee shall redeem Bonds to exhaust as nearly as possible the amounts remaining in the Redemption Account under the Indenture after payment of the amounts described in clauses (A), (B), (C) and (D) above. Upon presentation of a Cash Flow Certificate from the Bond Bank, the Trustee may transfer moneys to the General Account (pursuant to the Indenture.)

Bond Issuance Expense Account. There will be deposited in the Bond Issuance Expense Account: (i) a portion of the proceeds of the Bonds in an amount equal to the estimated costs of issuing the Bonds, and (ii) any other amounts required to be deposited therein pursuant to the Indenture. Funds in the Bond Issuance Expense Account will be disbursed to pay the costs of issuing the Bonds. Any funds remaining in the Bond Issuance Expense Account ninety days after the issuance of Bonds will be transferred to the General Account and the Bond Issuance Expense Account may, at the direction of the Bond Bank, be closed.

Capitalized Interest Account. There will be deposited in the Capitalized Interest Account an amount sufficient to pay a portion of the interest due on the Bonds through and including January 15, 2006. Funds in the Capitalized Interest Account will be disbursed to pay capitalized interest. Any funds remaining in the Capitalized Interest Account after January 16, 2006, shall be transferred to the General Account and applied to pay debt service on the Bonds.

Pension Stabilization Account. There will be deposited and invested in the Pension Stabilization Account an amount as provided in the Indenture to pay pension benefits due to retirees and their families under IC 36-8-7 and IC 36-8-7.5.
Investment of Money

Subject to the right of the Bond Bank to direct the investment or deposit of funds under the Indenture, moneys in any Fund or Account (except the Redemption Account) shall be continuously invested and reinvested or deposited or redeposited by the Trustee in the Qualified Investments.

Any moneys in the Redemption Account shall be invested only in Governmental Obligations as directed by the Bond Bank. All such investments shall at all times be a part of the Fund or Account in which the moneys used to acquire such investments had been deposited and all Investment Earnings on such investments shall be deposited as received in the General Account.

Additional Bonds

Additional Bonds may be issued from time to time only for the purchase of Additional Qualified Obligations, including but not limited to, Refunding Qualified Obligations, issued by a Qualified Entity or to refund all or a portion of the outstanding Bonds. Any Additional Bonds shall be authorized by a supplemental indenture, will be secured by the supplemental indenture and will be equally and ratably payable from the Trust Estate.

Covenants of Bond Bank

The Bond Bank covenants, among other things, that:

(a) it will faithfully perform all provisions contained in each Bond and the Indenture and will promptly pay or cause to be paid (solely from the Trust Estate) the principal of, and interest on every Bond, on the dates and at the places and in the manner stated in the Bonds;

(b) it is duly authorized under the constitution and laws of the State of Indiana, including particularly the Act, to issue the Bonds and to pledge the Revenues and all other property as pledged in the Indenture;

(c) it will do all acts and things necessary to receive and collect Revenues (including enforcement of the prompt collection of all arrears on Qualified Obligation Payments) and to protect its rights with respect to the Qualified Obligations;

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

(e) all books and documents in its possession relating to the Qualified Obligations shall 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;

(f) it will maintain proper books and records and: (i) within 120 days of each Fiscal Year, file with the Trustee a copy of an annual report and audited financial statements; and (ii) copies of all reports filed with the Bond Bank pursuant to the Purchase Agreement;
(g) it will not (i) permit any material change in any Qualified Obligation; or (ii) sell or dispose of any Qualified Obligations unless it provides a Cash Flow Certificate to the Trustee. The Bond Bank will (i) enforce remedies available to owners of Qualified Obligations and (ii) pursue applicable remedies set forth in IC 5-1.4-8-4, to the extent such action would not adversely affect the validity of the Qualified Obligations.

(h) at least sixty (60) days prior to the beginning of the Fiscal Year prepare and file with the Trustee a preliminary budget for the succeeding Fiscal Year.

(i) it will regularly review investments held by the Trustee in the Funds and Accounts.

Default and Remedies

Events of default under the Indenture include: failure to pay the principal of or interest on any of the Bonds; occurrence of certain events of bankruptcy or insolvency of the Bond Bank; default in the performance or observance of any other of the covenants, agreements of conditions by the Bond Bank under the Indenture and the continuance of such default for sixty (60) days after receipt of written notice; failure to remit to the Trustee any moneys required to be remitted under the Indenture; and any warranty, representation or other statement is found to be false or misleading, when made, in any material respect and failure to remedy the same.

Upon the occurrence of one or more events of default, the Trustee may, and shall upon written request of the holders of at least twenty-five percent (25%) in principal amount of the Bonds then outstanding, pursue any available remedy by suit at law or in equity, whether for specific performance of any covenant or agreement contained in the Indenture or in aid of any power granted therein, to the extent permitted by law, the appointment of a receiver.

No holder of any of the Bonds shall have 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 Indenture without complying with the provisions of the Indenture.

Remedies. In case of an event of default under the Indenture, the Trustee will proceed to protect and enforce its rights and the rights of the owners of the Bonds under the Indenture by a suit, action or proceeding in equity or at law or otherwise. The Trustee will be entitled to the appointment of a receiver of the trust estate and the Revenues.

Acceleration. If the Trustee certifies that there are sufficient moneys on deposit in the funds and accounts under the Indenture to pay the principal and accrued interest on all outstanding Bonds, the Trustee may by notice in writing to the Bond Bank and Corporation Counsel of the City, declare the principal of all the outstanding Bonds, declare the principal of all the outstanding Bonds, and the interest accrued thereon, to be due and payable immediately.

Application of Collection Proceeds. The proceeds of any collection efforts will be deposited in the General Account, and all such moneys in the General Account will be applied by the Trustee as follows:
(i) To the payment of costs and expenses of suit, if any, and of the expenses, liabilities and advances incurred or made under the Indenture by the Trustee and any other moneys owed to the Trustee; then

(ii) Unless the principal of all Bonds shall have become due and payable, in the following order to the payment of: (i) interest then due on the Bonds, including interest on overdue principal of the Bonds; (ii) principal then due of the Bonds; and (iii) principal of and interest on Bonds thereafter due either at maturity or upon call for redemption.

If the principal of all of the Bonds shall have become due and payable, all of such moneys shall be applied to the payment of unpaid principal and interest on the Bonds.

Supplemental Indentures

Supplemental Indentures Not Requiring Bondholder Consent. The Bond Bank and the Trustee may, without obtaining the approval of the holders of the Bonds, enter into supplemental indentures (i) to cure any ambiguity or formal defect or omission in the Indenture; (ii) to grant to the Trustee for the benefit of such holders any additional benefits, rights, remedies, powers or authorities that may be lawfully granted; (iii) to subject to the pledge of the Indenture additional security, revenues, properties, or collateral; (iv) to amend the Indenture or any supplemental indenture to permit qualification under the Trust Indenture Act of 1939, as amended; (v) to evidence the appointment of a separate or co-trustee or the succession of a new trustee, registrar, or paying agent; (vi) to provide for the issuance of each additional series of Bonds permitted by the Indenture; (vii) to refund all or a portion of the Bonds; (viii) to permit compliance with any future federal tax law; and (ix) for any other purpose which the Trustee, in its sole discretion, determines will not have a material adverse effect on the interests of the owners of the Bonds; provided, however, that the Bond Bank and the Trustee will make no amendment permitting the purchase of obligations other than Additional Qualified Obligations.

Supplemental Indentures Requiring Bondholder Consent. With the consent of the owners of not less than a majority of the aggregate principal amount of Bonds outstanding which are affected, the Bond Bank and the Trustee may from time to time enter into a supplemental indenture for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of the Indenture or of any supplemental indenture; provided, however, that no such supplemental indenture shall without the consent of the owners of all of the outstanding Bonds: (i) extend the maturity of any Bond or change the rate of interest thereon or extend the time of payment of interest, or reduce the amount of the principal thereof, or reduce any premium payable on the redemption thereof; (ii) reduce the aforesaid percentage of owners required to approve any such supplemental indenture; (iii) permit a privilege or priority of any Bond or Bonds over any other Bond or Bonds; (iv) permit a reduction in the aggregate principal amount of the Bonds required for consent to such supplemental indenture; (v) permit the creation of any lien securing any Bonds other than a lien ratably securing all of the Bonds outstanding under the Indenture; or (vi) permit any modification of the trusts, powers, rights, obligations, duties, remedies, immunities and privileges of the Trustee without the written consent of the Trustee.
Defeasance

The covenants, liens and pledges entered into, created and pursuant to the Indenture may be fully discharged and satisfied with respect to the Bonds in any one or more of the following ways:

(i) By paying all of the principal, premium, if any, and interest on the Bonds, when the same become due and payable;

(ii) By depositing with the Trustee in the manner provided by the Indenture and for such purpose, at or before the date or dates of maturity or redemption, moneys in the necessary amount to pay or redeem all of the Bonds and the premium, if any, and interest thereon accrued to the date of payment;

(iii) By depositing with the Trustee and for such purpose, at or before the dates of maturity or redemption, noncallable or nonprepayable Governmental Obligations in an amount sufficient, including any income or increment to accrue thereon, but without the necessity of any reinvestment, to pay or redeem all the Bonds and the interest thereon accrued to the date of payment in accordance with their terms; or

(iv) By depositing with the Trustee for such purpose a combination of such moneys and Governmental Obligations and all fees and expenses of the Trustee.

Upon such complete discharge and satisfaction, the Indenture will cease, terminate and be void.

Upon the deposit with the Trustee money or Governmental Obligations in the amount as described above, provided that if the Bonds are to be redeemed prior to the maturity thereof, notice of such redemption has been given as provided in the Indenture, or such provisions satisfactory to the Trustee have been made for the giving of such notice, the Indenture may be discharged in accordance with the provisions of the Indenture, but the limited liability of the Bond Bank with respect to the Bonds to be redeemed shall continue, provided that the owners thereof shall thereafter be entitled only to payment out of the money or Governmental Obligations deposited with the Trustee for their payment.
DEFINITIONS

Certain capitalized terms used in the Indenture summary is defined as follows:

'Act" means the provisions of Indiana Code 5-1.4.

'Additional Bonds" means Bonds issued pursuant to the Indenture and any Supplemental Indenture.

'Additional Qualified Obligations" means any Qualified Obligations which are general obligations issued by a Qualified Entity, other than the 2005 City Bonds, and purchased by the Bond Bank with a portion of the proceeds of a Series of Bonds.

'Bond Counsel" means Counsel that is nationally recognized in the area of municipal law.

'Bondholder" or "holder of Bonds," "owner of Bonds" or "Registered Owner" or any similar term means the registered owner of any Bond, including the Bond Bank, and any purchaser of Bonds being held for resale, including the Bond Bank.

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

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

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

'Governmental Obligations" means (a) direct obligations of the United States of America or obligations the timely 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 (b) 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 (i) are unconditionally guaranteed or insured by the United States of America, or (ii) 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.

'Investment Earnings" means earnings and profits (after consideration of any accrued interest paid and amortization of premium or discount on the investment) on the moneys in the Funds and Accounts established under the Indenture.
"Ordinance" means the City's Special Ordinance No. 7 authorizing the issuance of the 2005 City Bonds.

"Program" means the program for the purchase of 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 and shall include, without limiting the generality of the foregoing, salaries, supplies, utilities, mailing, labor, materials, office rent, maintenance, furnishings, equipment, machinery and apparatus, telephone, insurance premiums, credit enhancement fees, liquidity facility fees, legal, accounting, management, consulting and banking services and expenses, fees and expenses of the Trustee, the Registrar and the Paying Agent (as defined in the Indenture), costs of verifications required under Section 6.13 of the Indenture, Costs of Issuance not paid from the proceeds of Bonds, travel, payments for pension, retirement, health and hospitalization, life and disability insurance benefits, any other costs permitted under the Act, all to the extent properly allocable to the Program.

"Purchase Agreement" means the Qualified Entity Purchase Agreement between the Bond Bank and the City authorizing the Bond Bank's purchase of the 2005 City Bonds, the form of which was approved at the meeting of the Board of Directors of the Bond Bank on October 18, 2004.

"Qualified Entity" means the City of Indianapolis, Indiana, a qualified entity under IC 5-1.4-1-10(1).

"Qualified Investments" means, with respect to the Series 2005 A Bonds, any of the following:

(a) 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, and CATS and TIGRS) or obligations the principal of and interest on which are unconditionally guaranteed by the United States of America.

(b) Debentures, bonds, notes or other evidence of indebtedness issued or guaranteed by any of the following federal agencies and provided such obligations are backed by the full faith and credit of the United States of America (striped securities are only permitted if they have been stripped by the agency itself):

(1) U.S. Export-Import Bank (Eximbank)
Direct obligations or fully guaranteed certificates of beneficial ownership

(2) Farmers Home Administration (FmHA)
Certificates of beneficial ownership

(3) Federal Financing Bank

(4) Federal Housing Administration Debentures (FHA)
(5) General Services Administration
Participation certificates

(6) Government National Mortgage Association (GNMA or "Ginnie Mae")
GNMA – guaranteed mortgage-backed bonds
GNMA – guaranteed pass-through obligations
(not acceptable for certain cash-flow sensitive issues.)

(7) U.S. Maritime Administration
Guaranteed Title XI financing

(8) U.S. Department of Housing and Urban Development (HUD)
Project Notes
Local Authority Bonds
New Communities Debentures – U.S. government guaranteed debentures
U.S. Public Housing Notes and Bonds – U.S. government guaranteed public
housing notes and bonds

(c) Debentures, bonds, notes or other evidence of indebtedness issued or guaranteed
by any of the following non-full faith and credit U.S. government agencies (stripped securities
are only permitted if they have been stripped by the agency itself):

(1) Federal Home Loan Bank System
Senior debt obligations

(2) Federal Home Loan Mortgage Corporation (FHLMC or "Freddie Mac")
Participation Certificates
Senior debt obligations

(3) Federal National Mortgage Association (FNMA or "Fannie Mae")
Senior debt obligations

(4) Student Loan Marketing Association (SMLA or "Sallie Mae")
Senior debt obligations

(5) Resolution Funding Corp. (REFCORP) obligations

(6) Farm Credit System
Consolidated systemwide bonds and notes

(d) Money market funds registered under the Investment Company Act of 1940,
whose shares are registered under the Securities Act of 1933, and either (i) is rated by S&P at
AAAm-G; AAA-m; or AA-m or by Moody's at Aaa, Aa1 or Aa2 or (ii) invests at least 95% of
its assets in obligations of the type described in clause (a) or (b).

(e) Certificates of deposit secured at all times by collateral described in (a) and/or (b)
above. Such certificates must be issued by commercial banks, savings and loan associations or
mutual savings banks. The collateral must be held by a third party and the bondholders must have a perfected first security interest in the collateral.

(f) Certificates of deposit, savings accounts, deposit accounts or money market deposits which are fully insured by FDIC, including BIF and SAIF.

(g) Commercial paper rated, at the time of purchase, "Prime – 1" by Moody's or "A-1" or better by S&P.

(h) Bonds or notes issued by any state or municipality which are rated by Moody's or S&P in one of the two highest rating categories assigned by such agencies.

(i) Federal funds or bankers acceptances with a maximum term of one year of any bank which has an unsecured, uninsured an unguaranteed obligation rating of "Prime -1" or A3 or better by Moody's or "A-1" or "A" or better by S&P.

(j) Repurchase Agreements meeting the following criteria.

Repurchase agreements (repos) provide for the transfer of securities from a dealer bank or securities firm (seller/borrower) to the Bond Bank (buyer/lender), and the transfer of cash from a municipal entity to the dealer bank or securities firm with an agreement that the dealer bank or securities firm will repay the cash plus a yield to the Bond Bank in exchange for the securities at a specified date.

(1) Repos must be between the Bond Bank and a dealer bank or securities firm

1) Primary dealers on the Federal Reserve reporting dealer list which are rated A or better by S&P or Moody's, or

2) Banks rated "A" or above by S&P or Moody's Investor Services.

(2) The written repo contract must include the following:

1) Securities which are acceptable for transfer are:

   a) Direct obligations of the United States of America, or

   b) Federal agencies backed by the full faith and credit of the U.S. government (and FNMA & FHLMC)

2) The collateral must be delivered to the Trustee (if Trustee is not supplying the collateral) or third party acting as agency for the Trustee (if the Trustee is supplying the collateral) before/simultaneous with payment (perfection by possession of certificated securities).

3) Valuation of Collateral
a) The securities must be valued weekly, marked-to-market at current market price plus accrued interest.

   i) The value of collateral must be equal to 104% of the amount of cash transferred by the Bond Bank to the dealer bank or security firm under the repo plus accrued interest. If the value of securities held as collateral slips below 104% of the value of the cash transferred by the Bond Bank, then additional cash and/or acceptable securities must be transferred. If, however, the securities used as collateral are FNMA or FHLMC, then the value of collateral must equal 105%.

(k) Investment Agreements, including Guaranteed Investment Contracts, Forward Purchase Agreements and Reserve Fund Put Agreements, an agreement for an investment of money with a Qualified Institution (as defined below) (an "Investment Agreement"). Such Investment Agreements (or the debt of the Qualified Institution or of the entity guaranteeing its obligations) must (i) be rated in one of the two highest long term rating categories by either S&P or Moody's (without regard to numerical or other modifiers), at the time such Investment Agreement is entered into or (b) be collateralized with cash or securities such that the market value of the collateral (based on a daily valuation) is at least one hundred two percent (102%) of the principal amount of the Investment Agreement; provided if valued on a weekly basis, such collateral level will be at 105% of the principal amount of the Investment Agreement.

"Qualified Institution" means a bank, trust company, national banking association or a corporation subject to registration with the Board of Governors of the Federal Reserve System under the Bank Holding Company Act of 1956, as amended, a federal or state branch of a foreign bank pursuant to the International Banking Act of 1978, as amended, a savings and loan association, an insurance company or association or any other entity, the unsecured or uncollateralized long term debt obligations of which (or the entity guaranteeing its obligations, or obligations secured or supported by a letter of credit, contract agreement or surety bond issued by such Qualified Institution (or the entity guaranteeing its obligations) are rated at least in the two highest rating categories (without regard to numerical or other modifiers), by either Moody's or S&P).

With respect to any subsequent series of Bonds, "Qualified Investments" shall be defined in the Supplemental Indenture authorizing that series of Bonds.

"Qualified Obligation" means a Security (as that term is defined in the Act), including the 2005 City Bonds, which has been acquired by the Bond Bank pursuant to the Indenture.

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

"Revenues" means the income, revenues and profits of the Funds and Accounts referred to in the granting clauses of the Indenture including, without limitation, all Qualified Obligation Payments and Investment Earnings.

"Series of Bonds" or "Bonds of a Series" or "Series" or words of similar meaning means any Series of Bonds authorized by the Indenture or by a supplemental indenture.

"2005 City Bonds" means the City of Indianapolis Taxable General Obligation Pension Bonds of 2005, Series A dated as of their issue date, and issued in the original aggregate principal amount of $______________.