The Indianapolis Local Public Improvement Taxable Bond Bank, Series 2007G (the “Series 2007G Bonds”) being issued by The Indianapolis Local Public Improvement Bond Bank (the “Bond Bank”), will bear interest from the date of delivery of the Series 2007G Bonds, to their respective maturities in the amounts and at the rates set forth on the inside front cover hereof. The Series 2007G 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"). Purchases of beneficial interests in the Series 2007G Bonds will be made in book-entry-only form, in the denomination of $5,000 or any integral multiple thereof. Beneficial Owners of the Series 2007G Bonds will not receive physical delivery of certificates representing their interests in the Series 2007G Bonds. The Series 2007G Bonds are subject to optional and mandatory sinking fund redemption prior to maturity as described herein under the caption “THE SERIES 2007G BONDS-Redemption.”

The Series 2007G Bonds are limited obligations of the Bond Bank payable solely from the revenues and funds of the Bond Bank pledged therefor under the Indenture, including the Bond Bank Reserve Fund, as more fully described herein. The Series 2007G Bonds do not constitute a debt, liability or loan of the credit of the State of Indiana (the “State”), any political subdivision thereof, including the Qualified Entity, or Marion County (the “County”), under the constitution and laws of the State, or a pledge of the faith and credit or the taxing power of the State, any political subdivision thereof, the Qualified Entity, or the County. The sources of payment of, and security for, the Series 2007G Bonds are more fully described herein. The Bond Bank has no taxing power. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2007G BONDS”.

Pursuant to the Act and the Indenture, the Bond Bank has agreed to request the City-County Council of the City of Indianapolis and Marion County, Indiana (the “City-County Council”) to appropriate amounts to restore the Series 2007G Bond Bank Reserve Fund to the Series 2007G Bond Bank Reserve Requirement (as such terms are defined herein) in accordance with Indiana Code 5-1.4-5 if a deficiency in the Series 2007G Bond Bank Reserve Fund exists. See “SECURITY AND SOURCES OF PAYMENT OF THE SERIES 2007G BONDS – Series 2007G Bond Bank Reserve Fund and the Replenishment Thereof.”

The Series 2007G Bonds are offered when, as and if issued by the Bond Bank and received by the Underwriter, subject to prior sale, to withdrawal or modification of the offer without notice, and to the approval of legality by Bingham McHale LLP, Indianapolis, Indiana, Bond Counsel. Certain legal matters will be passed on for the Bond Bank and the City by the Corporation Counsel for the City. It is expected that the Series 2007G Bonds will be available for delivery to DTC in New York, New York on or about May 10, 2007.

(A detailed maturity schedule is set forth on the inside cover)
The Series 2007G Bonds will mature on dates and in the amounts as follows:

Maturity Schedule  
(Base CUSIP* 45528S)

<table>
<thead>
<tr>
<th>Maturity</th>
<th>Principal</th>
<th>Interest Rate</th>
<th>Price</th>
<th>CUSIP</th>
</tr>
</thead>
<tbody>
<tr>
<td>February 1, 2008</td>
<td>$750,000</td>
<td>5.45</td>
<td>100.00</td>
<td>VP8</td>
</tr>
</tbody>
</table>

Term Bonds

$1,685,000 of Term Bonds at 5.64% due August 1, 2017, Price 100.00, CUSIP VQ6  
$3,565,000 of Term Bonds at 6.21% due February 1, 2027, Price 100.00, CUSIP VR4

*Copyright 2007, American Bankers Association. CUSIP data herein provided by Standard & Poor’s, CUSIP Service Bureau, a division of The McGraw-Hill Companies, Inc.
No dealer, broker, salesperson or other person has been authorized by the Bond Bank or by the Underwriter 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 2007G 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 2007G Bonds by any person, in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. 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.

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 responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVERALLOCATE OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2007G BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZATION, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.


# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>INTRODUCTION</td>
<td>1</td>
</tr>
<tr>
<td>THE SERIES 2007G BONDS</td>
<td>2</td>
</tr>
<tr>
<td>SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2007G BONDS</td>
<td>8</td>
</tr>
<tr>
<td>TAX INCREMENT</td>
<td>11</td>
</tr>
<tr>
<td>PROCEDURES FOR PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION</td>
<td>14</td>
</tr>
<tr>
<td>PLAN OF FINANCING</td>
<td>17</td>
</tr>
<tr>
<td>APPLICATION OF PROCEEDS OF THE SERIES 2007 BONDS</td>
<td>17</td>
</tr>
<tr>
<td>THE INDIANAPOLIS LOCAL PUBLIC IMPROVEMENT BOND BANK</td>
<td>18</td>
</tr>
<tr>
<td>THE CITY OF INDIANAPOLIS AND MARION COUNTY</td>
<td>19</td>
</tr>
<tr>
<td>REVENUES, FUNDS AND ACCOUNTS</td>
<td>21</td>
</tr>
<tr>
<td>OPERATION OF FUNDS AND ACCOUNTS</td>
<td>22</td>
</tr>
<tr>
<td>LITIGATION</td>
<td>26</td>
</tr>
<tr>
<td>TAX MATTERS</td>
<td>26</td>
</tr>
<tr>
<td>ENFORCEABILITY OF REMEDIES</td>
<td>26</td>
</tr>
<tr>
<td>APPROVAL OF LEGAL PROCEEDINGS</td>
<td>27</td>
</tr>
<tr>
<td>UNDERWRITING</td>
<td>27</td>
</tr>
<tr>
<td>SERIES 2007G BONDS AS LEGAL INVESTMENTS</td>
<td>27</td>
</tr>
<tr>
<td>AGREEMENT WITH THE STATE</td>
<td>27</td>
</tr>
<tr>
<td>AVAILABILITY OF DOCUMENTS AND FINANCIAL INFORMATION</td>
<td>28</td>
</tr>
<tr>
<td>CONTINUING DISCLOSURE</td>
<td>28</td>
</tr>
<tr>
<td>BOND RATING</td>
<td>31</td>
</tr>
<tr>
<td>MISCELLANEOUS</td>
<td>31</td>
</tr>
</tbody>
</table>

APPENDIX A: ACCOUNTING REPORT                                       A-1
APPENDIX B: FORM OF BOND COUNSEL OPINION                            B-1
APPENDIX C: SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE          C-1
APPENDIX D: DEFINITIONS                                             D-1
OFFICIAL STATEMENT  
$6,000,000  
The Indianapolis Local Public Improvement Bond Bank  
Taxable Bonds, Series 2007G  

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 $6,000,000 aggregate principal amount of Taxable Bonds, Series 2007G (the “Series 2007G Bonds”), to be issued by the Bond Bank. The Series 2007G Bonds have been authorized by a Resolution adopted by the Board of Directors of the Bond Bank on March 19, 2007 (the “Resolution”), and will be issued pursuant to the provisions of a Trust Indenture, dated as of April 1, 2007, between the Bond Bank and the Trustee (as hereinafter defined) (the “Indenture”), and the laws of the State of Indiana, including particularly Indiana Code 5-1.4 (the “Act”). Hoosier Trust Company, Indianapolis, Indiana is the trustee, registrar and paying agent (the “Trustee” “Registrar and Paying Agent”) under the Indenture.  

The Program  
The proceeds from the sale of the Series 2007G Bonds will be used to provide funds to (i) purchase the $6,000,000 City of Indianapolis, Indiana Taxable Economic Development Revenue Bonds, Series 2007 (Glendale Mall Project) (the “Qualified Obligations”) to be issued by the City of Indianapolis (the “City” or “Qualified Entity”) in Marion County, Indiana (the “County”); (ii) to pay the other costs of issuance of the Series 2007G Bonds, including underwriter’s discount; and (iii) pay certain program expense of the Bond Bank. The City will use the proceeds from the sale of the Qualified Obligations to make funds available to Glendale Centre LLC (the “Developer”) pursuant to a financing agreement, dated as of April 1, 2007, between the Developer and the City (the “Financing Agreement”), to pay a portion of the costs of economic development facilities in the Glendale Redevelopment Area and Allocation Area (the “Area”) (the “Project”) and to pay costs of issuance on the Qualified Obligations. No portion of the Project nor any operating revenues therefrom will be mortgaged or pledged or otherwise serve as security for the Qualified Obligations or the Series 2007G Bonds. See the captions “PLAN OF FINANCING” AND “SECURITY AND SOURCES OF PAYMENTS FOR THE QUALIFIED OBLIGATIONS” for a discussion of the plan of finance, Qualified Entity and the Qualified Obligations. See the caption “PLAN OF FINANCING.” 

The City-County Council of the City of Indianapolis and of Marion County, Indiana (the “Council”) adopted Special Ordinance No. 1, 2007 on January 29, 2007 (the “Authorizing Instrument”) authorizing the issuance of the Qualified Obligations and their sale to the Bond Bank. The City will enter into a Qualified Entity Purchase Agreement (the “Purchase Agreement”) with the Bond Bank setting forth the terms of the purchase of the Qualified Obligations by the Bond Bank. The Qualified Obligations are obligations of the Qualified Entity payable solely out of Tax Increment (hereinafter defined) and investment earnings on cash and securities held in any of the funds and accounts (the “Qualified Entity’s Trust Estate”) established under the Trust Indenture, dated as of April 1, 2007, between the City and Hoosier Trust Company (the “City Indenture”).
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 Board of five 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, and special taxing district located wholly within the county, any entity whose tax levies are subject to review and modification by the Council under Indiana Code 36-3-6-9 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 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 and definitions of some of the capitalized words and terms used in this Official Statement are set forth in Appendix C and Appendix D, respectively. Terms not defined herein shall have the respective meanings ascribed thereto in the Indenture.

Information contained in this Official Statement with respect to the Bond Bank and the Qualified Entity and copies of the Indenture, the City Indenture and the Authorizing Instrument may be obtained from The Indianapolis Local Public Improvement Bond Bank, Suite 2342, 200 East Washington Street, Indianapolis, Indiana 46204. The Bond Bank's telephone number is (317) 327-4220.

THE SERIES 2007G BONDS

General Description

The Series 2007G Bonds are issuable as fully registered bonds in denominations of $5,000 or any integral multiple thereof. The Series 2007G Bonds will be dated the date of delivery thereof and will also carry the date of authentication thereof.

Interest on the Series 2007G Bonds will be payable semiannually on February 1 and August 1 of each year, commencing February 1, 2008 (each an “Interest Payment Date”). The Series 2007G 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.

When issued, all Series 2007G Bonds will be registered in the name of and held by Cede & Co., as nominee for The Depository Trust Company, New York, New York (“DTC”). Purchases of beneficial interests from DTC in the Series 2007G 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 2007G Bonds, payments of the
principal of and interest on the Series 2007G Bonds will be made directly by the Trustee by wire transfer of funds to Cede & Co., as nominee for DTC. Disbursement of such payments to the participants of DTC (the “DTC Participants”) will be the sole responsibility of DTC, and the ultimate disbursement of such payments to the Beneficial Owners, as defined herein, of the Series 2007G Bonds will be the responsibility of the Direct 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 2007G Bonds, the principal of the Series 2007G Bonds will be payable at maturity upon the surrender thereof at the principal corporate trust office of the Trustee. Interest on the Series 2007G Bonds, when due and payable, will be paid by check dated the due date mailed by the Trustee one business day prior to the due date (or, in the case of an owner of Series 2007G 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 Trustee 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 2007G Bonds are registered, at their addresses as they appear on the bond registration books maintained by the Trustee on the Record Date, irrespective of any transfer or exchange of such Series 2007G Bonds subsequent to such Record Date and prior to such Interest Payment Date unless the Bond Bank shall default in the payment of interest due on such Interest Payment Date.

Except as provided under “Book-Entry-Only System,” in all cases in which the privilege of exchanging or transferring Series 2007G Bonds is exercised, the Bond Bank will execute and the Trustee will deliver Series 2007G Bonds in accordance with the provisions of the Indenture. The Series 2007G Bonds will be exchanged or transferred at the principal corporate trust office of the Trustee only for Series 2007G Bonds of the same tenor and maturity. In connection with any transfer or exchange of Series 2007G Bonds, the Bond Bank or the Trustee may impose a charge for any applicable tax, fee or other governmental charge incurred in connection with such transfer or exchange, which sums are payable by the person requesting such transfer or exchange.

The person in whose name a Series 2007G Bond is registered will be deemed and regarded as its absolute owner for all purposes and payment of principal thereof 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 2007G Bond to the extent of the sum or sums so paid.

**Redemption**

*Optional Redemption.* The Series 2007G Bonds maturing on or after February 1, 2018, are subject to redemption prior to maturity on or after August 1, 2017, in whole or in part, in amounts and any order of maturity as selected by the Bond Bank, and by lot, if within a maturity, on any date, at face value, at a redemption price equal to the principal amount of each Series 2007G Bond to be redeemed, plus accrued interest to the redemption date, and without any redemption premium.

*Mandatory Redemption.* The Series 2007G Bonds (or any portions thereof in integral multiples of $5,000 each) maturing on August 1, 2017 and February 1, 2027 (the “Series 2007G Term Bonds”), are also subject to mandatory sinking fund redemption prior to their maturity date at a
redemption price equal to the principal amount of such Series 2007G Term Bonds, plus accrued interest of each year as shown in the following table:

<table>
<thead>
<tr>
<th>Date</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>08/01/10</td>
<td>$90,000</td>
</tr>
<tr>
<td>02/01/11</td>
<td>95,000</td>
</tr>
<tr>
<td>08/01/11</td>
<td>95,000</td>
</tr>
<tr>
<td>02/01/12</td>
<td>100,000</td>
</tr>
<tr>
<td>08/01/12</td>
<td>105,000</td>
</tr>
<tr>
<td>02/01/13</td>
<td>105,000</td>
</tr>
<tr>
<td>08/01/13</td>
<td>110,000</td>
</tr>
<tr>
<td>02/01/14</td>
<td>110,000</td>
</tr>
<tr>
<td>08/01/14</td>
<td>115,000</td>
</tr>
<tr>
<td>02/01/15</td>
<td>120,000</td>
</tr>
<tr>
<td>08/01/15</td>
<td>120,000</td>
</tr>
<tr>
<td>02/01/16</td>
<td>125,000</td>
</tr>
<tr>
<td>08/01/16</td>
<td>130,000</td>
</tr>
<tr>
<td>02/01/17</td>
<td>130,000</td>
</tr>
<tr>
<td>08/01/17*</td>
<td>135,000</td>
</tr>
<tr>
<td>Total</td>
<td>$1,685,000</td>
</tr>
</tbody>
</table>

**Term Bond due February 1, 2027**

<table>
<thead>
<tr>
<th>Date</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>02/01/18</td>
<td>140,000</td>
</tr>
<tr>
<td>08/01/18</td>
<td>145,000</td>
</tr>
<tr>
<td>02/01/19</td>
<td>150,000</td>
</tr>
<tr>
<td>08/01/19</td>
<td>155,000</td>
</tr>
<tr>
<td>02/01/20</td>
<td>160,000</td>
</tr>
<tr>
<td>08/01/20</td>
<td>165,000</td>
</tr>
<tr>
<td>02/01/21</td>
<td>170,000</td>
</tr>
<tr>
<td>08/01/21</td>
<td>175,000</td>
</tr>
<tr>
<td>02/01/22</td>
<td>180,000</td>
</tr>
<tr>
<td>08/01/22</td>
<td>185,000</td>
</tr>
<tr>
<td>02/01/23</td>
<td>190,000</td>
</tr>
<tr>
<td>08/01/23</td>
<td>195,000</td>
</tr>
<tr>
<td>02/01/24</td>
<td>200,000</td>
</tr>
<tr>
<td>08/01/24</td>
<td>210,000</td>
</tr>
<tr>
<td>02/01/25</td>
<td>215,000</td>
</tr>
<tr>
<td>08/01/25</td>
<td>220,000</td>
</tr>
<tr>
<td>02/01/26</td>
<td>230,000</td>
</tr>
<tr>
<td>08/01/26</td>
<td>235,000</td>
</tr>
<tr>
<td>02/01/27*</td>
<td>245,000</td>
</tr>
<tr>
<td>Total</td>
<td>$3,565,000</td>
</tr>
</tbody>
</table>

*Final Maturity.

Under the Indenture, selection of Term Bonds to be redeemed will be made by lot by the Trustee. In accordance with DTC’s standard practices and its agreement with the Bond Bank, DTC and the Direct Participants will make this selection so long as the Series 2007G Bonds are in book entry form. The principal amount of Term Bonds to be redeemed on each date set forth above will be subject to reduction by the principal amount of any such Term Bonds of the same
maturity which, not less than 45 days prior to a sinking fund redemption date, have been theretofore surrendered to or purchased by the Trustee for cancellation and canceled, all in accordance with the Indenture. The principal amount of any Term Bonds so surrendered and canceled in excess of the principal amount scheduled for redemption in any one year will be credited against future redemption obligations and the principal amounts of Term Bonds subject to sinking fund redemption at such times will be accordingly reduced.

Cash Flow Certificate. Prior to any optional redemption of any Series 2007G Bonds, the Bond Bank will be required under the Indenture to deliver or to cause to be delivered to the Trustee a Cash Flow Certificate (as defined in Appendix D) to the effect that, giving effect to such redemption, Revenues (as defined in Appendix D) expected to be received, together with moneys expected to be held in the Funds and Accounts, will at least equal debt service on all Outstanding Bonds along with Program Expenses, if any.

Notice of Redemption. In the case of redemption of the Series 2007G Bonds, notice of the call for any such redemption identifying the Series 2007G Bonds, or portions of fully registered Series 2007G Bonds, to be redeemed will be given by mailing a copy of the redemption notice by first class, registered or certified mail not less than 45 days prior to the date fixed for redemption (or such shorter period as shall be acceptable to the Trustee) to the Registered Owner of the Series 2007G Bonds to be redeemed at the address shown on the registration books of the Trustee. Failure to give such notice by mailing, or any defect thereof with respect to any Series 2007G Bonds, shall not affect the validity of any proceedings for the redemption of any other Series 2007G Bonds. All Series 2007G Bonds so called for redemption shall cease to bear interest on the specified redemption date, shall no longer be protected by the Indenture and shall not be deemed to be outstanding under the provisions of the Indenture, provided funds for their redemption are on deposit at the place of payment at that time.

Redemption Payments. Prior to the date fixed for redemption, there must be on deposit with the Trustee sufficient funds to pay the Redemption Price of the Series 2007G Bonds called, together with accrued interest on the Series 2007G Bonds to the redemption date.

Book-Entry-Only System

The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the 2007G Bonds. The 2007G 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 2007G Bond will be issued for each maturity of the 2007G Bonds and will be deposited with DTC.

SO LONG AS CEDE & CO, AS NOMINEE OF DTC, IS THE REGISTERED OWNER OF THE 2007G BONDS, REFERENCES IN THIS OFFICIAL STATEMENT TO THE REGISTERED OWNERS (OR THE OWNERS) WILL MEAN CEDE & CO. AND WILL NOT MEAN THE BENEFICIAL OWNERS.

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, Fixed Income Clearing Corporation and Emerging Markets Clearing Corporation (NSCC, FICC and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange, LLC, and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has Standard & Poor’s highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of 2007G Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2007G Bonds on DTC’s records. The ownership interest of each actual purchaser of each 2007G 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 2007G 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 2007G Bonds, except in the event that use of the book-entry system for the 2007G Bonds is discontinued.

To facilitate subsequent transfers, all 2007G 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 2007G Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the 2007G Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such 2007G 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 2007G 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 2007G 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 2007G Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal of and interest payments on the 2007G 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 Direct and Indirect 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 2007G 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, 2007G Bond certificates are required to be printed and delivered to DTC.

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, 2007G 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 none of the Bond Bank, the City, the Qualified Entity or the Underwriters take any responsibility for the accuracy thereof, including any information contained on DTC’s website.

In the event that the book-entry system for the 2007G Bonds is discontinued, the Paying Agent will provide for the registration of the 2007G Bonds in the name of the Beneficial Owners thereof. The Bond Bank, the Trustee, the Paying Agent and any other Fiduciary would treat the person in whose name any 2007G Bond is registered as the absolute owner of such 2007G 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 the Bond Bank and the Trustee receive written notice from DTC to the effect that DTC is unable or unwilling to discharge its responsibilities as a clearing agency for the 2007G Bonds or the Bond Bank elects to discontinue its use of DTC as a clearing agency for the 2007G Bonds, then the Bond Bank and the Trustee, Paying Agent or Registrar 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 2007G Bonds, as are necessary or appropriate to discontinue use of DTC as a clearing agency for the 2007G Bonds and to transfer the ownership of each of the 2007G Bonds to such person or persons, including any other clearing agency, as the holder of such 2007G Bonds may direct in accordance with the Indenture. Any expenses of such a discontinuation and transfer, including any expenses of printing new certificates to evidence the 2007G Bonds will be paid by the Bond Bank.

SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2007G BONDS

The Series 2007G Bonds will be issued under and secured by the Indenture. The Series 2007G Bonds are issued and secured separately from any other obligations issued by the Bond Bank. The principal of and interest on any and all of the Series 2007G Bonds, together with any Bonds that may be authorized and issued by the Bond Bank under the Indenture on a parity with the Series 2007G 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 Bonds without priority. Additional bonds may be issued on a parity with the Series 2007G Bonds only to purchase additional qualified obligations of the Qualified Entity payable from Tax Increment on a parity with the Qualified Obligations. Neither the faith, credit nor taxing power of the State or any political subdivision thereof, including the City, the County or the District are pledged to the payment of the principal of, premium, if any, and interest on any of the Series 2007G Bonds. The Series 2007G Bonds are not a debt, liability, loan of the credit or pledge of the faith and credit of the State or of any political subdivision thereof, including the City, the County or the District. The Bond Bank has no taxing power and has only those powers and sources of revenue set forth in the Act.

Under the Indenture, the 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 therein. 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, together with investment earnings thereon and proceeds thereof, 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 2007G 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 Obligation Payments with respect to the Qualified Obligations have been structured as of the date of issuance of the Series 2007G Bonds to be sufficient along with earnings thereon, and other money in the Funds and Accounts under the Indenture and the earnings thereon, to pay the principal of and interest on the Series 2007G Bonds when due.

Series 2007G Bond Bank Reserve Fund and the Replenishment Thereof

Pursuant to the Indenture, the Bond Bank has established the Series 2007G Bond Bank Reserve Fund, which will be held as security for the Series 2007G Bonds and is required to be maintained in an amount at least equal to the Series 2007G Bond Bank Reserve Requirement (as defined in
The Series 2007G Bond Bank Reserve Requirement is $504,688.25. Of this amount, $500,000 will be funded initially with Tax Increment revenues on hand.

The Act provides that, in order to maintain the Series 2007G Bond Bank Reserve Fund at the Series 2007G Bond Bank Reserve Requirement, the Council may annually appropriate to the Bond Bank for deposit in the Series 2007G Bond Bank Reserve Fund a sum, certified by the Chair of the Bond Bank to the Council, that is necessary to restore the Series 2007G Bond Bank Reserve Fund to the Series 2007G Bond Bank Reserve Requirement. The Chair of the Bond Bank, before December 1 of each year, is required under the Act and the Indenture to make and deliver to the Council a certificate stating the sum required to restore the Series 2007G Bond Bank Reserve Fund to the Series 2007 Bond Bank Reserve Requirement. Neither the Act nor the Indenture creates any debt or liability of the City or an obligation of the Council to make any such appropriation. Although the Council is not obligated to make such appropriations to replenish the Series 2007G Bond Bank Reserve Fund, the Council adopted an ordinance in 1985 indicating its general intention to consider such appropriations, if necessary. Further, the Council has approved the issuance of the Qualified Obligations.

Moneys in the Series 2007G Bond Bank Reserve Fund up to the amount of the Series 2007G Bond Bank Reserve Requirement are required under the Indenture to be held and disbursed solely to the General Account for the payment of the interest on and principal of the Series 2007G Bonds as provided in the Indenture. If moneys held in the Series 2007G Bond Bank Reserve Fund exceed the Series 2007G Bond Bank Reserve Requirement, such excess may be transferred in accordance with the Indenture.

In lieu of the required deposit of moneys in the Series 2007G Bond Bank Reserve Fund, the Bond Bank may cause to be deposited therein a Series 2007G Bond Bank Reserve Fund Credit Facility meeting the requirements set forth in the Indenture, which shall be in an amount equal to the difference between the Series 2007 Bond Bank Reserve Requirement and the amount of cash or Investment Securities, if any, then on deposit in the Series 2007 Bond Bank Reserve Fund.

The Qualified Entity and the Qualified Obligations

The Qualified Entity. The City of Indianapolis, Indiana is a duly organized and validly existing municipal corporation located in Marion County, Indiana and is authorized by Indiana Code 36-7-11.9 and -12 to issue the Qualified Obligations and use the proceeds therefrom to assist in the payment of costs of the Project. For more detailed information regarding the Qualified Entity, see “THE CITY OF INDIANAPOLIS AND MARION COUNTY” herein.

Qualified Obligations. A portion of the proceeds of the Series 2007G 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 $6.5 million and are designated “City of Indianapolis, Indiana Taxable Economic Development Revenue Bonds, Series 2007” (Glendale Mall Project). After consideration and approval by the City’s Economic Development Commission, the Qualified Obligations were authorized by the Council by Special Ordinance No. 1, 2007 on January 29, 2007. On February 7, 2007, the Commission, acting as governing body of the District, pledged the Tax Increment to the repayment of the Qualified Obligations. The Qualified Obligations are limited obligations of the Qualified Entity, secured only by the pledge of the Tax Increment. See “Provisions for Payment of the Qualified Obligations.” No portion of the Project nor any operating revenues therefrom will be
mortgaged or pledged or otherwise serve as security for the Qualified Obligations or the Series 2007G Bonds.

The Qualified Obligations are being issued for the purpose of providing funds to finance a portion of the costs of the Project in the Area and pursuant to a financing agreement by and between the City and the Developer.

The Qualified Obligations will be issued in an aggregate principal amount equal to the aggregate principal amount of the Series 2007G Bonds, and will be dated as of their date of delivery. The Qualified Obligations will mature in the same amounts and on the same dates as the Series 2007G Bonds, and will bear interest payable on the same dates and at the same interest rates per annum as the Series 2007G Bonds. Interest on the Qualified Obligations will be paid by wire transfer to the Trustee under the Indenture prior to each Interest Payment Date. 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 2007G Bonds. See “SERIES 2007G BONDS.”

The Qualified Obligations are obligations of the Qualified Entity, payable from and secured by the Qualified Entity’s Trust Estate under the City Indenture. See “Provisions for Payment of the Qualified Obligations.” Payments on the Qualified Obligations are the only source of revenue pledged to repay the Series 2007G Bonds. There can be no assurance that the revenues and assets pledged under the City Indenture will be sufficient to pay the principal of and interest on the Qualified Obligations, and thereby provide the Bond Bank sufficient revenues to pay the principal of and interest on the Series 2007G Bonds. The Qualified Obligations do not constitute a debt, liability or loan of the credit of the State, the City, the County or the District under the constitution and laws of the State or a pledge of the faith, credit or taxing power of the State, the City, the County or the District, but constitute a limited obligation of the Qualified Entity payable only from the Qualified Entity’s Trust Estate.

Provisions for Payment of the Qualified Obligations

General. The Qualified Obligations will be paid out of the Qualified Entity’s Trust Estate, which consists of Tax Increment and investment earnings on and any cash or securities held in any of the funds and accounts established by the City Indenture.

Authorizing Instrument and City Indenture. In the Authorizing Instrument and City Indenture, the Qualified Entity authorizes the issuance of the Qualified Obligations and covenants to pay the Qualified Obligations Payments as an obligation of the Qualified Entity payable from the Qualified Entity’s Trust Estate.

The City will cause the proceeds of the Qualified Obligations to be made available to the Developer pursuant to a Financing Agreement between the City and the Developer, for the purpose of paying a portion of the costs of economic development facilities consisting of the Project. No portion of the Project nor any operating revenues therefrom will be mortgaged or pledged or otherwise serve as security for the Qualified Obligations or the Series 2007G Bonds.
Project

The Project consists of the construction, installation, partial demolition and equipping of a 10.2 acre portion of the current Glendale Mall shopping center located at 62nd Street and Keystone Avenue, Indianapolis, Marion County, Indiana, in order to facilitate the construction and completion of a retail store thereon, consisting of approximately 129,000 square feet, to be owned and operated by a nationally recognized anchor retailer. In addition to the anchor retailer, approximately 59,000 square feet of retail, office and restaurant space will be constructed in the Area.

Enforcement of Qualified Obligations. As purchaser of the Qualified Obligations, the Bond Bank will have available to it all remedies available to owners or holders of the Qualified Obligations. The Act provides that upon the sale and delivery of any qualified obligation to the Bond Bank, a qualified entity will be deemed to have agreed that all statutory defenses to nonpayment are waived in the event that such qualified entity fails to pay principal of or interest on such qualified obligations 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 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.

TAX INCREMENT

Debt service is payable from the Tax Increment resulting from the increase in assessed value of all real property with the Area, in excess of the base net assessed value, multiplied by the gross property tax rate (per $100 assessed value), reduced by the Additional Credit and collected in the Allocation Fund by the Commission. The based assessed value for purposes of this allocation means the net assessed value of all the property in the Area as finally determined for the assessment date immediately preceding the effective date of a declaratory resolution adopted pursuant to IC 36-7-14-39 establishing the allocation area. The base assessment date for the Area is March 1, 1999. The Tax Increment distribution for taxes payable in 2007 is estimated to be $517,920 based on property tax records provided by the Marion County Auditor’s office. For additional information on Tax Increment as it relates to the Series 2007G Bonds, please refer to the “Accounting Report” in Appendix A.

Pursuant to Indiana Law, property taxes are due and payable to the County Treasurer each May 10 and November 10. After property taxes are paid to the County Treasurer as described above, on or before each June 30 and December 31, such taxes are paid over to the Auditor who, based on the previous year’s certification, pays the portion of property tax receipts which represents Tax Increment into the Allocation Fund. See “Procedures for Property Assessments, Tax Levy and Collection.”
Risk Factors Related to Tax Increment and the Qualified Obligations

**Tax Increment-Related Risks**

The estimate of Tax Increment is dependent on certain assumptions as to future events, the occurrence of which cannot be guaranteed. In relying on estimates of Tax Increment contained herein, consideration should be given to risk factors which could result in reductions in the estimated Tax Increment. Risk factors include, but are not limited to, the following:

(a) **General Risks of Tax Increment include:** Tax Increment available to pay debt service due on the Qualified Obligations is based on increases in assessed valuation of development in the Area since the base assessment date. There are certain risks associated with the Tax Increment estimates such as, but not limited to, the following: (i) destruction of property in the Area caused by natural disaster; (ii) delinquent taxes or adjustments of or appeals on assessments by property owners in the Area; (iii) a decrease in the assessed value of properties in the Area due to increases in depreciation, obsolescence or other factors by the assessor; (iv) acquisition of property in the Area by a tax-exempt entity; (v) removal or demolition of real property improvements by property owners in the Area; (vi) delayed billing, collection, or distribution of Tax Increment by the county auditor; (vii) a decrease in property tax rates or increase in the State of Indiana’s (“State”) property tax replacement credit (the “PTRC”) which would increase the Additional Credit (as defined below) applied to Tax Increment; (viii) the General Assembly, the courts, the Department of Local Government Finance (the “DLGF”) or other administrative agencies with jurisdiction in the matter to enact new laws or regulations or interpret, amend, alter, change or modify the laws or regulations governing the calculation, collection, definition or distribution of Tax Increment including laws or regulations relating to reassessment, the Additional Credit or a revision in the property tax system; or (ix) a change in any of the civil unit’s funding mechanisms (i.e., no longer funding it with property taxes) could adversely affect Tax Increment. Any such changes could cause the Tax Increment to fall below the levels set forth in the “Estimated Annual Tax Increment” Schedule shown in Appendix A, which would reduce the Tax Increment available to pay the Qualified Obligations.

(b) **Reduction of Tax Rates or Tax Collection Rates.** Any substantial increase in the State or federal aid or other sources of local revenues which would reduce local required fiscal support for certain public programs or any substantial increase in assessments outside the Area could reduce the rates of taxation by the taxing bodies levying taxes upon property within the Area and have an adverse effect on the amount of Tax Increment. Economic conditions or administrative action could reduce the collection rate achieved by the City within its jurisdiction, including the Area.

(c) **Circuit Breaker Tax Credit.** In 2006, the General Assembly enacted the Circuit Breaker Tax Credit providing for a reduction in property tax bills to an amount not to exceed two percent (2%) of a taxpayer’s gross assessed valuation. Recently, the General Assembly passed House Enrolled Act 1478 (“HEA 1478”) amending certain provisions of the Circuit Breaker Tax Credit (the “Circuit Breaker Amendments”). HEA 1478 has been signed by the Speaker of the Indiana House of Representatives and the President Pro Tempore of the Indiana Senate and will be presented to the Governor for approval. The Governor has seven (7) days from presentment to either approve or veto HEA 1478 (if the Governor neither approves nor vetoes a bill it becomes law
without his signature). The Bond Bank expects that the Governor will approve HEA 1478. Upon approval by the Governor, HEA 1478 will become law and the amendments to the Circuit Breaker Tax Credit will become effective on July 1, 2007. Pursuant to the Circuit Breaker Amendments, for property other than homestead property (a principal place of residence), the Circuit Breaker Tax Credit would provide for a reduction in property tax bills to an amount not to exceed three percent (3%) of a taxpayer’s gross assessed valuation. For property taxes due and payable in 2008 and 2009, the Circuit Breaker Tax Credit is automatically applied only to the property taxes attributable for a taxpayer’s homestead property. Beginning with taxes payable in 2010, it will apply to all taxpayers’ property. Future events, such as the loss of a major taxpayer or reductions in assessed value, increases in property tax rates of overlapping taxing units, or the reduction in the amount of Property Tax Replacement paid by the State of Indiana, could increase the effective property tax rate sufficiently to limit the property taxes paid by taxpayers within the Area. The Tax Increment projected in Appendix A has been reduced by the estimated impact of the Circuit Breaker Tax Credit as amended by the Circuit Breaker Amendments. Should the Governor veto HEA 1478, the Circuit Breaker Amendments will not become effective which would result in a material reduction in the Tax Increment projected in Appendix A.

(d) **Prior Reassessment.** At the time of the last general reassessment which was for taxes payable 2003, the base assessed value for the Area was decreased from $19,988,400 to $5,239,300, which resulted in a change from a negative production of Tax Increment for the Area to a positive production of Tax Increment for the Area. Such base values were certified by the Marion County Auditor’s office and the DLGF. If the base adjustment completed in 2003 were to be increased above it’s current level, the resulting loss of Tax Increment could be material.

(e) **Reassessment and Trending.** The next general reassessment of property in the State is scheduled to be effective for property assessed March 1, 2011, for taxes payable in 2012. Reassessments are scheduled to occur every four years thereafter. Trending (see “Procedures for Property Assessments, Tax Levy and Collection”) is scheduled to occur on an annual basis. The DLGF is required by law to make a one-time adjustment to neutralize the effect of reassessment and trending on property within tax increment allocation areas, including the Area, so that owners of obligations secured by tax increment revenues will not be adversely affected. Delays in the reassessment and trending process, the inability to neutralize the effect of reassessment, or appeals of assessments and reassessments could adversely affect the Tax Increment.

(f) **Additional Credit and Tax Rates Assumed in the Tax Increment Estimate.** The Tax Increment estimate assumes that the gross property tax rates and PTRC (on which the calculation of the Additional Credit is based) will remain at approximately the same level throughout the term of the Series 2007G Bonds. The amount of the PTRC could change if, among other things, property taxes are levied to pay debt service on the bonds issued by any taxing units overlapping the Area. The General Assembly could also enact legislation changing the method of calculating, or the size of, the PTRC. Any decrease in the tax rate or increase in the PTRC could result in a decrease in the amount of Tax Increment.

(g) **Tax Increment Replacement Levy.** IC 6-1.1-21-2, impacted property taxes and Tax Increment beginning with taxes payable in 2003. Under IC 6-1.1-21-2, real property
received an increased PTRC on the school general fund from 20% to 60%. IC 6-1.1-21-2 also authorizes a property tax levy in the District ("Replacement Levy") to replace the Tax Increment lost from the increase in the PTRC unless the local legislative body acts to eliminate or reduce the Replacement Levy. It is assumed that the Council will not rescind or reduce this State imposed Replacement Levy. The Commission can not predict the exact effect that this or any other property tax changes by the Indiana General Assembly may have on Tax Increment.

(h) *Delays in or Lower Assessment of Development.* Projections of Tax Increment in Appendix A assume that certain levels of development will occur at certain times. If this development does not occur, is delayed or is assessed at a lower level than anticipated, Tax Increment collected may be less than projected.

**Bond-Related Risks**

*Limited Liability of the City: No Additional Security/Enhancement.* The Qualified Obligations are payable solely from the Qualified Entity’s Trust Estate, which includes the Tax Increment. The Commission has no source of moneys from which to pay the Qualified Obligations other than Tax Increment and current or potential moneys and investments (together with interest and other earnings) which are held as part of the Qualified Entity’s Trust Estate.

*Bond Bank Reserve Fund.* A portion of Tax Increment currently on-hand, in the amount of $500,000, will be used to fund a portion of the Bond Bank Reserve Fund, which will be used to pay any shortfall in principal or interest which may occur. The Bond Bank Reserve Requirement will be funded in the amount of $504,688.25.

In order to maintain the Bond Bank Reserve Fund at the Bond Bank Reserve Requirement, the Council may make annual appropriations to replenish the Bond Bank Reserve Fund. Under the Act, the Council is not obligated to make such appropriations to replenish the Bond Bank Reserve Fund, although it adopted an ordinance in 1985 indicating its general intention to consider such appropriations if necessary.

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

Debt Service on the Series 2007G Bonds is payable from Tax Increment. In 2006, the Indiana General Assembly has enacted the Circuit Breaker Tax Credit, which prohibits counties from collecting property taxes from a taxpayer in an amount that exceeds two percent (2%) of the gross assessed value of eligible property. Recently, the General Assembly passed HEA 1478 amending certain provisions of the Circuit Breaker Tax Credit. HEA 1478 has been signed by the Speaker of the Indiana House of Representatives and the President Pro Tempore of the Indiana Senate and will be presented to the Governor for approval. The Governor has seven (7) days from presentment to either approve or veto HEA 1478 (if the Governor neither approves nor vetoes a bill it becomes law without his signature). The Bond Bank expects that the Governor will approve HEA 1478. Upon approval by the Governor, HEA 1478 will become law and the amendments to the Circuit Breaker Tax Credit will become effective on July 1, 2007. Pursuant to the Circuit Breaker Amendments, for property other than homestead property (a principal place of residence), the Circuit Breaker Tax Credit would provide for a reduction in property tax bills to an amount not to exceed three percent (3%) of a taxpayer’s gross assessed
valuation. See “Circuit Breaker Tax Credit” herein for further details on the levy and collection of property taxes.

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

The estimated value is used when the governing body of a local taxing unit meets to establish its budget for the next fiscal year (January 1 through December 31), and to set tax rates and levies.

By statute, the budget, tax rate and levy must be established no later than the last meeting of the fiscal body in September for Marion County; no later than September 30th for all other cities and towns; and no later than September 20th for most other units. The budget, tax levy and tax rate are subject to review and revision by the DLGF which, under certain circumstances, may revise, reduce or increase the budget, tax rate, or levy of a taxing unit. The DLGF may increase the tax rate and levy if the tax rate and levy proposed by the City is not sufficient to make its debt service payments. The DLGF must complete its actions on or before February 15; however, taxing units have until March 1st to file a shortfall appeal, which may delay the DLGF’s actions.

On or before March 1, the County Auditor prepares and delivers the tax duplicate, which is a roll of property taxes payable in that year, to the County Treasurer. Upon receipt of the tax duplicate, the County Treasurer publishes notice of the tax rate in accordance with Indiana statutes. The County Treasurer mails tax statements at least 15 days prior to the date that the first installment is due (due dates may be delayed due to a general reassessment or other factors). Property taxes are due and payable to the County Treasurer in two installments on May 10 and November 10, unless a later due date is established by order of the DLGF. If an installment of taxes is not completely paid on or before the due date, a penalty of 10% of the amount delinquent is added to the amount due; provided, that, effective January 1, 2007, so long as the installment is completely paid within thirty (30) days of the due date and the taxpayer is not liable for delinquent property taxes first due and payable in a previous year for the same parcel, the amount of the penalty is five percent (5%) of the amount of the delinquent taxes. On May 10 and November 10 of each year thereafter, an additional penalty equal to 10% of any taxes remaining unpaid is added. The penalties are imposed only on the principal amount of the delinquency. Property becomes subject to tax sale procedures after 15 months of delinquency. The County Auditor distributes property tax collections to the various taxing units on or about June 30 after the May 10 payment date and December 31 after the November 10 payment date.

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

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

Changes in assessed values of real property occur periodically as a result of general reassessments scheduled by the State legislature, as well as when changes occur in the property due to new construction demolition of improvements. The next reassessment is scheduled to be effective as of the March 1, 2011 assessment date and affects taxes payable beginning in 2012, and reassessments are scheduled to occur every four years thereafter. Beginning in 2006 tax year payable 2007, all real property assessments will be revalued annually to reflect market value based on comparable sales data (“Trending”). When a change in assessed value occurs, a written notification is sent to the affected property owner. If the owner wishes to appeal this action, the owner may file a petition requesting a review of the action. This petition must be filed with the county assessor in which the property is located within 45 days after the written notification is given to the taxpayer or May 10 of that year, whichever is later. While the appeal is pending, the taxpayer may pay taxes based on the current year's tax rate and the previous or current year’s assessed value.

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

The State does not pay the PTRC on Tax Increment. However, IC 36-7-14-39.5(c) entitles taxpayers in an allocation area to an additional credit (the “Additional Credit”) payable from Tax Increment in an amount equal to the State PTRC. Since 2003, under State law, IC 6-1.1-21.2, the portion of the State PTRC relating to school general funds was increased from 20% to 60% of the school general fund tax rate. For TIF Areas created prior to December 31, 2002, the Tax Increment lost from this increase in the Additional Credit (equal to the PTRC) may be replaced by a property tax levy throughout the District (TIF Replacement Levy). This TIF Replacement
Levy is initiated annually by the State of Indiana, unless the City Council reduces or eliminates the TIF Replacement Levy. To date, the Council has not rescinded the TIF Replacement Levy.

_Circuit Breaker Tax Credit._ In 2006, the General Assembly enacted the Circuit Breaker Tax Credit providing for a reduction in property tax bills to an amount not to exceed two percent (2%) of a taxpayer’s gross assessed valuation. Recently, the General Assembly passed HEA 1478 amending certain provisions of the Circuit Breaker Tax Credit. HEA 1478 has been signed by the Speaker of the Indiana House of Representatives and the President Pro Tempore of the Indiana Senate and will be presented to the Governor for approval. The Governor has seven (7) days from presentment to either approve or veto HEA 1478 (if the Governor neither approves nor vetoes a bill it becomes law without his signature). The Bond Bank expects that the Governor will approve HEA 1478. Upon approval by the Governor, HEA 1478 will become law and the amendments to the Circuit Breaker Tax Credit will become effective on July 1, 2007. Pursuant to the Circuit Breaker Amendments, for property other than homestead property (a principal place of residence), the Circuit Breaker Tax Credit would provide for a reduction in property tax bills to an amount not to exceed three percent (3%) of a taxpayer’s gross assessed valuation. For property taxes due and payable in 2008 and 2009, the Circuit Breaker Tax Credit is automatically applied only to the property taxes attributable for a taxpayer’s homestead property. Beginning with taxes payable in 2010, it will apply to all taxpayers’ property. The Circuit Breaker Tax Credit will result in a reduction of property tax collections for each political subdivision in which the Circuit Breaker Tax Credit is applied. A political subdivision may not increase its property tax levy or borrow money to make up for any property tax revenue shortfall due to the application of the Circuit Breaker Tax Credit. The Tax Increment projected in Appendix A has been reduced by the estimated impact of the Circuit Breaker Tax Credit as amended by the Circuit Breaker Amendments. Should the Governor veto HEA 1478, the Circuit Breaker Amendments will not become effective which would result in a material reduction in the Tax Increment projected in Appendix A.

**PLAN OF FINANCING**

The Bond Bank will use a portion of the proceeds of Series 2007G Bonds to acquire the Qualified Obligations. The Qualified Entity has represented to the Bond Bank that the Qualified Entity will use the proceeds received by it from the sale of the Qualified Obligations to the Bond Bank to pay a portion of the costs of the Project.

**APPLICATION OF PROCEEDS OF THE SERIES 2007G BONDS**

Set forth below is a summary of the estimated sources and uses of the proceeds of the Series 2007G Bonds.

Sources:

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Series 2007G Bonds</td>
<td>$6,000,000.00</td>
</tr>
<tr>
<td>TIF Funds on Hand:</td>
<td></td>
</tr>
<tr>
<td>Deposit to Bond Bank Reserve Fund</td>
<td>$500,000.00</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$6,500,000.00</strong></td>
</tr>
</tbody>
</table>
Uses:

Estimated Net Fundable Improvements $5,700,000.00
Deposit to Bond Bank Reserve Fund 504,688.25
Allowance for bond issuance costs and contingencies 295,311.75

Total $6,500,000.00

THE INDIANAPOLIS LOCAL PUBLIC IMPROVEMENT 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 2342, City-County Building, 200 East Washington Street, Indianapolis, Indiana 46204. The Bond Bank was created by the Act for the purpose of purchasing and selling securities of certain qualified entities, including the City, acting through the Council or its departments, the County, all special taxing districts of the City, and all 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. The Bond Bank has no taxing power.

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, Marion County or any other qualified entity. There currently is one vacancy on the Board. The current members of the board of directors, their positions, their terms and their principal occupations are as follows:

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Term</th>
<th>Occupation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mary Titsworth Chandler</td>
<td>Chairperson</td>
<td>April 30, 2009</td>
<td>Attorney</td>
</tr>
<tr>
<td>Jacob E. Hall</td>
<td>Member</td>
<td>April 30, 2009</td>
<td>Retired Engineer</td>
</tr>
<tr>
<td>Thomas J. O’Donnell</td>
<td>Member</td>
<td>April 30, 2009</td>
<td>Business Manager of International Brotherhood of Electrical Workers</td>
</tr>
<tr>
<td>DeVonne Richburg-Pollard</td>
<td>Member</td>
<td>April 30, 2009</td>
<td>Business Consultant</td>
</tr>
</tbody>
</table>

Barbara A. Lawrence was appointed the Executive Director of the Bond Bank on August 1, 2005. Ms. Lawrence previously served as Controller of the City of Indianapolis, Director of the Department of Public Works of the City of Indianapolis and Deputy Director of the Bond Bank. She holds a B.A. from Indiana University and an M.B.A. from Indiana Wesleyan 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 April 1, 2007, an aggregate long-term principal amount of approximately Three Billion One Hundred Eighty-Seven Million Two Hundred Thirty-Five Thousand Dollars ($3,187,024,109) in separate program obligations (which amount does not include the Series 2007G Bonds). Certain of the foregoing obligations of the Bond Bank may mature or otherwise be defeased prior to the issuance of the Series 2007G Bonds.

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. 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.

THE CITY OF INDIANAPOLIS AND MARION COUNTY

Governance

The City is a municipal corporation located in Marion County, Indiana (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, although the municipalities of Beech Grove, Lawrence, Speedway and Southport were excluded.

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, Executive and Legislative, Metropolitan Development, Parks and Recreation, Public Safety and Public Works. Beginning January 1, 2007, a seventh department, the Indianapolis Metropolitan Police Department (IMPD), became effective.

The legislative body of the City and the County is the Council. The Council approves the annual budget and any tax levies for the City, the Qualified Entity and other special taxing districts of the City and the County. The Council also is empowered to adopt or to review and modify the budgets and tax levies of certain other municipal corporations located within the County. The Council is required to approve the issuance of additional debt of the Qualified Entity. In addition, the Council is required to approve any increases to fees charged by the Qualified Entity.

The City’s Comprehensive Annual Financial Report for the year ended December 31, 2005 is filed with and available from the NRMSIRs. See “AVAILABILITY OF DOCUMENTS AND FINANCIAL INFORMATION.” Certain recent developments regarding the City’s finances are described below.
Recent Developments Regarding City and County Finances

During the 2005 session of the Indiana General Assembly, the City proposed legislation to consolidate certain City and County governmental functions, such as the provision of police protection and the provision of fire protection. The City’s goal in proposing this legislation was to effect cost savings and address projected budget deficits in future years. The Indiana General Assembly adopted a portion of this legislation to permit the Council to approve consolidation of the City’s police department with the law enforcement division of the Marion County Sheriff’s Department. The Council approved the consolidation on December 19, 2005 by adopting General Ordinance 110, 2005. The ordinance created the Indianapolis Metropolitan Police Department effective January 1, 2007.

The 2005 legislation also permits the Council and each township to determine by adoption of similar ordinances to consolidate a township fire department with the City’s fire department. The City’s administration believes that full consolidation of all fire departments could provide significant savings to the City, County and townships. Before this legislation, the City’s fire department served only the central area of the City, and eight other township fire departments served the remainder of the County (except for the excluded municipalities). On July 17, 2006, the Council adopted General Ordinance 71, 2006, which authorized the merger of the Washington Township Fire Department into the Indianapolis Fire Department (“IFD”). This merger was effective January 1, 2007. This merger represents the first of the original eight townships to consolidate with the IFD. In March 2007 the City announced it had reached an agreement with Warren Township to merge the township fire department into IFD effective July 1, 2007. The City has proposed legislation for the 2007 session of the Indiana General Assembly (the “General Assembly”) that would implement the remainder of the consolidation plan, including consolidation of fire departments (without the necessity of adoption of ordinances by the affected townships) and additional consolidation of other components of city and township government.

The City maintains single-employer retirement plans covering police and firefighters hired on or before April 30, 1977. Retirement benefits are available after twenty years of service. State law grants authority for these pension plans and sets the regulations covering benefits. Participants contribute 3% and the City contributes 3% (total of 6%) of base salary, defined as the salary of a first class police officer or firefighter. As these salaries increase year by year, benefits are directly adjusted. After participant contributions and pension assistance from the State are projected, property taxes and county option income taxes (“COIT”) are levied to provide funding for the anticipated benefit payments for the year budgeted, resulting in benefit payments funded on a “pay-as-you-go” basis. No significant plan assets are accumulated for the payment of future benefits, except as discussed below.

The City currently has an aggregate unfunded liability of approximately Four Hundred Fifty Million Dollars ($450,000,000.00) (net present value) over the next twenty-five (25) years in these pension plans. In January 2005, the City issued $100 million in taxable pension funding bonds payable from property taxes. The proceeds were deposited to a pension fund stabilization account and are expected to be used to fund a portion of the annual pension costs through 2008. In addition, the City has received approximately One Hundred Fifty Million Eight Hundred Thousand Dollars ($150,800,000) in pension assistance from the State between 2002 and 2006 and expects to seek additional assistance from the State. The City has the ability to levy ad valorem property taxes to fund deficits in these pension funds on an annual basis.
The Council voted on February 22, 2005, to increase COIT in Marion County from the current rate of 0.7% to 1.0%, the maximum rate permitted by law. The increase will be effected over a three (3) year period, and commenced July 1, 2005, with a 0.1% increase per year. Currently, COIT is used by the City and County to partially fund public safety services and to pay debt service on bonds issued to finance various economic development projects, among other things. The members of the Council have indicated an intention to use the increased COIT revenues to improve the County’s criminal justice system, including potentially funding additional courts and jail facilities.

The Indiana General Assembly adopted legislation in 2005 to withhold distributions of property tax replacement credits (“PTRC”) to governmental units owing money to the State. The legislation provides that the Auditor of the State may reduce distributions of PTRC to any county with an outstanding balance owed to the State’s Department of Correction for the maintenance of juvenile inmates prior to June 2005. The reductions were to be spread equally over the State fiscal years ending 2006 through 2009, commencing in August 2005. At that time, the County owed approximately Sixty-Seven Million Dollars ($67,000,000) to the State for maintenance of the County’s juvenile inmates. After adoption of the legislation, the County filed to enjoin the State from reducing its PTRC distributions. While the preliminary injunction request was pending, the State was ordered to make a full distribution of PTRC in August 2005. However, the request for the injunction was ultimately denied, and the State reduced the County’s PTRC distribution in September 2005. The County has filed a lawsuit against the State challenging the constitutionality of the legislation, and that lawsuit is still pending.

In November 2005, the Council adopted Ordinance 163, 2005 which established the Marion County Juvenile Incarceration Debt Service Fund, set a property tax rate associated with that fund and authorized a Memorandum of Understanding (the “MOU”) with the State of Indiana. Under the MOU, the County agreed to the State’s withholding of certain PTRC to Marion County in 2006, 2007, 2008 and 2009 totaling approximately Sixty-Four Million One Hundred Fifty Thousand Dollars ($64,150,000) for the past due juvenile incarceration charge. The tax levy authorized by the Council Ordinance, together with revenues collected in the Debt Service Fund, will be used to offset the loss of the PTRC for budgetary purposes. A separate levy will be assessed to stay current with the ongoing juvenile incarceration charges. The MOU has no bearing on the pending lawsuit, which the City will continue to pursue.

Economics and Demographics

Indianapolis is Indiana’s largest city and is also the State’s capital. Since 1980, Indianapolis has experienced consistent population growth, increasing from approximately 765,000 persons in 1980 to 863,000 in the 2005 U.S. Census estimate, or 12.8% during the period. Located at roughly the geographic center of the State, Indianapolis is the crossroads for more major interstate highways than any other city in the United States. Based on U.S. Bureau of Labor Statistics data for 2005, three-quarters of businesses are within one day’s truck drive of Indianapolis. Indianapolis’ airport is ranked 8th in North America and 20th in the world for cargo shipments. (Source: The Indianapolis Airport Authority)

REVENUES, FUNDS AND ACCOUNTS

The Indenture creates certain Funds and Accounts identified in more detail below. Pursuant to the Indenture, the Trustee will deposit the net proceeds of the Series 2007G Bonds, together with
other moneys into these Funds and Accounts as described below. Appendix C sets forth a summary of certain provisions of the Indenture.

**Creation of Funds and Accounts**

The Indenture establishes the following Funds and Accounts to be held by the Trustee:

1. **General Fund - comprised of the following:**
   (a) General Account
   (b) Bond Issuance Expense Account
   (c) Redemption Account

2. **Bond Bank Reserve Fund**

**Deposit of Net Proceeds of the Series 2007G Bonds, Revenues and Other Receipts**

Upon the delivery of the Series 2007G Bonds and receipt of the proceeds therefore, the Trustee will deposit the proceeds from the sale of the Series 2007G Bonds, together with other moneys made available by the Bond Bank, as follows:

(a) Into the General Account an amount, if any, equal to the Program Expenses to be paid in connection with the Series 2007G Bonds;

(b) Into the Bond Issuance Expense Account, an amount sufficient to pay the Costs of Issuance in connection with the Series 2007G Bonds (other than underwriter’s discount; and

(c) Into the Series 2007G Bond Bank Reserve Fund (or, by means of any Qualified Surety Bond) an amount sufficient to equal, together with other amounts available for deposit to the Series 2007G Bond Bank Reserve Fund, the Series 2007G Bond Bank Reserve Requirement;

(d) Into the General Account the remainder of the Net Proceeds of the Series 2007G Bonds.

The Trustee will deposit all Revenues and all other receipts (except the proceeds of the Series 2007G Bonds, and moneys received by the Bond Bank from the sale or redemption prior to maturity of the Qualified Obligations) into the General Account of the General Fund and will deposit any moneys received from the sale or redemption prior to maturity of the Qualified Obligations into the Redemption Account of the General Fund. Thereafter, the Trustee will deposit the proceeds of any Refunding Bonds as provided under the Supplemental Indenture authorizing the issuance of such Refunding Bonds.

**OPERATION OF FUNDS AND ACCOUNTS**

**General Fund**

*General Account.* The Trustee will deposit in the General Account of the General Fund all moneys required to be deposited therein pursuant to the Indenture. The Trustee will invest such funds in accordance with the Indenture and will make the following payments from the General Account on the specific dates, and if there are not sufficient funds to make all the payments
required, with the following order of priority:

(a) On the date of initial delivery of the Series 2007G Bonds and upon the submission of requisitions of the Bond Bank signed by an Authorized Officer, stating that all of the requirements with respect to such financing set forth in the Indenture have been or will be complied with, an amount sufficient to acquire the Qualified Obligations;

(b) On or before 10:00 A.M. in the city in which the Trustee is located, on the business day next preceding each Interest Payment Date, to the Trustee such amount as shall be necessary to pay the principal and interest coming due on the Bonds on such Interest Payment Date;

(c) As soon as funds become available, and only to the extent necessary, to the Series 2007G Bond Bank Reserve Fund, sufficient amounts to assure that the Reserve Requirement is met;

(d) As necessary, to the Reserve Fund Credit Provider (as defined in Appendix D), if any, to pay any Reserve Fund Reimbursement Obligation;

(d) At such times as shall be necessary, amounts to pay the Program Expenses, but only to the extent contemplated in the most recent Cash Flow Certificate;

(e) After making such deposits and disbursements and after the Trustee will make a determination of the amounts reasonably expected to be received in the form of Qualified Obligation Payments under the Indenture in the succeeding twelve months, to any other fund or account maintained by the Bond Bank, regardless of whether such fund or account is subject to the lien of the Indenture, all moneys in the General Fund which, together with such expected receipts for the succeeding twelve months, are in excess of the amounts needed to pay principal of and interest on the Bonds within the immediately succeeding twelve-month period. No moneys shall be so transferred unless the Bond Bank provides the Trustee with a Cash Flow Certificate to the effect that after such transfer, Revenues expected to be received, together with moneys expected to be held in the Funds and Accounts, will at least equal debt service on all Outstanding Bonds together with Program Expenses, if any.

**Bond Issuance Expense Account.** The Trustee will disburse the amounts held in the Bond Issuance Expense Account upon receipt of invoices or requisitions certified by the Executive Director of the Bond Bank to pay the Costs of Issuance of the Bonds or to reimburse the Bond Bank for amounts previously advanced for such costs. Any amounts remaining in the Bond Issuance Expense Account will be transferred to the General Account.

**Redemption Account.** (a) The Trustee will deposit in the Redemption Account all moneys received upon the sale or redemption prior to maturity of the Qualified Obligations and will disburse the funds in the Redemption Account as follows:

(1) On the fifteenth day of each month, to the General Account, an amount of moneys equal to the amount of principal which would have been payable during the following month if such Qualified Obligations had not been sold or redeemed prior to maturity.
(2) On the second business day next preceding each Interest Payment Date, if moneys in the General Account are not sufficient to make the payments of principal and interest required to be made on such date, the Trustee shall transfer to the General Account moneys in the Redemption Account not already committed to the redemption of Bonds for which notice of redemption has been given.

(3) After making payments as described in subparagraphs (1) and (2) above, moneys in the Redemption Account may be used (i) to redeem Bonds of such maturity or maturities as directed by an Authorized Officer of the Bond Bank, if such Bonds are then subject to redemption, (ii) to purchase Qualified Obligations permitted by this Indenture, (iii) to the extent there are any excess moneys in the Redemption Account, to transfer to the General Account, (iv) to purchase Bonds of such maturity or maturities as directed by an Authorized Officer at the most advantageous price obtainable with reasonable diligence, whether or not such Bonds are then subject to redemption, or (v) to make investments of such moneys until the payment of Bonds at their maturity or maturities as directed by an Authorized Officer in accordance with the Indenture. Such purchase price may not, however, exceed the Redemption Price which would be payable on the next ensuing date on which the Bonds so purchased are redeemable according to their terms unless the Bond Bank provides the Trustee with a Cash Flow Certificate to the effect that the purchase at a price in excess of the Redemption Price will not result in Revenues, together with moneys expected to be held in the Funds and Accounts, being less than an amount equal to debt service on all Outstanding Bonds together with Program Expenses, if any. The Trustee will pay the interest accrued on the Bonds so purchased to the date of delivery thereof from the General Account and the balance of the purchase price from the Redemption Account, but no such purchase shall be made by the Trustee within the period of sixty (60) days next preceding an Interest Payment Date or a date on which such Bonds are subject to redemption under the provisions of the Indenture or the Supplemental Indenture authorizing the issuance of such Bonds. The Trustee will deliver the Bonds so purchased to the Trustee within five (5) days from the date of delivery to the Trustee.

(4) In the event that the Trustee is unable to purchase Bonds as described in clause (iv) of subparagraph (3) above, then, subject to restrictions on redemption set forth in the Indenture, the Trustee will call for redemption on the next redemption date such amount of Bonds of such maturity or maturities as directed by an Authorized Officer of the Bond Bank as will exhaust the Redemption Account as nearly as may be possible at the applicable Redemption Price. The Trustee will pay the interest accrued on any such redeemed Bonds to the date of redemption from the General Account and will pay the Redemption Price from the Redemption Account.

(b) The Trustee may, upon written direction from the Bond Bank, transfer any moneys in the Redemption Account to the General Account if the Bond Bank provides the Trustee with a Cash Flow Certificate to the effect that after such transfer and after any transfer from the General Account to the Bond Bank, Revenues, together with moneys expected to be held in the Funds and Accounts, will at least equal debt service on all Outstanding Bonds along with Program Expenses, if any.
**Bond Bank Reserve Fund**

The Trustee will deposit in the Series 2007G Bond Bank Reserve Fund all moneys required to be deposited therein pursuant to the Indenture, the Qualified Entity Purchase Agreement or as set forth in any supplemental Indenture to cause the Series 2007G Bond Bank Reserve Fund to be equal to the Series 2007G Bond Bank Reserve Requirement, shall invest such funds, and, except as provided in the Indenture, will disburse the funds held in the Series 2007G Bond Bank Reserve Fund solely to the General Account for the payment of interest on and principal of the Bonds and only in the event that moneys in the General Account are insufficient to pay principal of and interest on the Bonds after all of the transfers thereto required to be made under the Indenture from the Redemption Account have been made.

The Trustee shall transfer the funds held in the Series 2007G Bond Bank Reserve Fund to the General Account for the timely payment of the principal of an interest on the Bonds, but only in the event that moneys in the General Account are insufficient to pay such amount of principal and interest, respectively, due on the Bonds. The Trustee shall draw first on cash or Investment Securities on deposit in the Series 2007G Bond Bank Reserve Fund and then on the Qualified Surety Bond, if any, by delivering a demand for payment to the Reserve Fund Credit Provider providing such qualified Surety Bond at least three (3) Business Days prior to the date on which such funds are required and otherwise in accordance with the terms of each such Qualified Surety Bond.

On the Business Day preceding the final Interest Payment Date, the Trustee shall transfer all funds held in the Series 2007G Bond Bank Reserve Fund to the General Account for the timely payment of the final principal installment on the Bonds.

The Trustee shall at least semiannually calculate the balance on deposit in the Series 2007G Bond Bank Reserve Fund (the “Valuation Date”) and shall value Investment Securities therein at fair market value (and not at cost) as described in the Trust Indenture. If at any time, due to a drawing on the Series 2007G Bond Bank Reserve Fund, or a diminution in the value of the Investment Securities held therein on any Valuation Date, the amount on deposit in the Series 2007G Bond Bank Reserve Fund, together with any Qualified Surety Bond, is less than the Series 2007 Bond Bank Reserve Requirement, then the difference in the amount in the Series 2007G Bond Bank Reserve Fund and the Series 2007G Bond Bank Reserve Requirement shall constitute a “Deficiency Amount” and the Bond Bank shall make up such Deficiency Amount in substantially equal 1/12th monthly installments so as to eliminate any Deficiency Amount no later than one (1) year from the occurrence thereof.

If the moneys in the Series 2007G Bond Bank Reserve Fund exceed the Series 2007G Bond Bank Reserve Requirement, such excess shall be transferred at least semiannually (i) to the City to repay any appropriation made pursuant to Indiana Code 5-1.4-5-4, (ii) to the General Account.

**Amounts Remaining in Funds**

Any amounts remaining in any Fund or Account after full payment of all the Bonds and fees, charges and expenses of the Bond Bank, the Trustee, the Registrar, the Paying Agent and all other amounts required to be paid hereunder shall be distributed to the Bond Bank.
LITIGATION

There is not now pending or, to the Bond Bank's knowledge, threatened any litigation: restraining or enjoining the issuance, sale, execution or delivery of the Series 2007G Bonds; seeking to prohibit any transactions contemplated by the Indenture; or in any way contesting or affecting the validity of the Series 2007G Bonds or the Qualified Obligations or any proceedings of the Bond Bank taken with respect to the issuance or sale of the Series 2007G Bonds, 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 2007G Bonds or the Qualified Obligations. Neither the creation, organization or existence of the Bond Bank nor the title of any of the present directors or other officers of the Bond Bank to their respective offices is being contested.

TAX MATTERS

In the opinion of Bingham McHale LLP, Indianapolis, Indiana, Bond Counsel, under existing laws, regulations, judicial decisions and rulings, interest on the Series 2007G Bonds is exempt from taxation in the State of Indiana for all purposes except the Indiana inheritance tax and the Indiana financial institutions tax. Such opinion relates only to the exemption of interest on the Series 2007G Bonds for State of Indiana income tax purposes. Interest on the Series 2007G Bonds is not excludable from gross income for federal income tax purposes. See APPENDIX B for the form of opinion of Bond Counsel. The accrual or receipt of interest on the Series 2007G Bonds may otherwise affect a bond owner’s federal or state tax liability. The nature and extent of these other tax consequences will depend upon the bond owner’s particular tax status and a bond owner’s other items of income or deduction. Bond Counsel expresses no opinion regarding any other such tax consequences. Prospective purchasers of the Series 2007G Bonds should consult their own tax advisors with respect to the other tax consequences of owning the Series 2007G Bonds.

ENFORCEABILITY OF REMEDIES

The remedies available to the Trustee or the holders of the Series 2007G 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, the City Indenture and the Authorizing Instrument, or to any party seeking to enforce the pledges securing the Series 2007G 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 (or which may be provided) in the Indenture, the purchase agreement for the Qualified Obligations, the City Indenture 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 Obligation Payments pledged to owners of the Series 2007G Bonds under the Indenture or over the liens pledged to the owner of the Qualified Obligations under the City Indenture.

The various legal opinions to be delivered concurrently with the delivery of the Series 2007G Bonds will be qualified as to the enforceability of the various legal instruments by limitations
imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally, by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law) and by public policy. These exceptions would encompass any exercise of the Federal, State or local police powers in a manner consistent with the public health and welfare. Enforceability of the Indenture, the purchase agreement for the Qualified Obligations, the Authorizing Instrument, the City Indenture 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 2007G Bonds are subject to the approval of Bingham McHale LLP, Indianapolis, Indiana, Bond Counsel, whose approving legal opinion will be delivered with the Series 2007G Bonds, substantially in the form attached hereto as Appendix B. Certain legal matters will be passed on by the Office of the Corporation Council of the City of Indianapolis, Indiana, as General Counsel to the Bond Bank and the City.

UNDERWRITING

The Series 2007G Bonds are being purchased by the Underwriter. The Underwriter has agreed to purchase the Series 2007G Bonds at an aggregate purchase price of $5,955,000, which represents the par amount of $6,000,000 less the underwriter’s discount of $45,000, pursuant to a purchase contract entered into by and between the Bond Bank and the Underwriter. Such purchase contract provides that the Underwriter will purchase all of the Series 2007G Bonds if any are purchased.

The Underwriter has agreed to make a bona fide public offering of all of the 2007G Bonds at prices not in excess of the initial public offering prices set forth or reflected inside the cover page of this Official Statement. The Underwriter may sell the 2007G Bonds to certain dealers (including dealers depositing 2007G Bonds into investment trusts) and others at prices lower than the offering prices set forth inside the cover page hereof.

SERIES 2007G BONDS AS LEGAL INVESTMENTS

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

AGREEMENT WITH THE STATE

The Act provides that the State will not limit or restrict the rights vested in the Bond Bank to fulfill the terms of any agreement made with the owners of the Series 2007G Bonds or in any way impair the rights or remedies of the owners of the Series 2007G Bonds for so long as the Series 2007G Bonds are outstanding.
AVAILABILITY OF DOCUMENTS AND FINANCIAL INFORMATION

The City has available a Comprehensive Annual Financial Report of the City (the “Comprehensive Financial Report”) for the year ended December 31, 2005, which is incorporated herein by reference, and certain prior years. Audited financial statements of the Bond Bank are prepared annually and are presently available for the year ended December 31, 2005 and prior years. Copies of the Qualified Entity’s Comprehensive Financial Report for the year ended December 31, 2005 are available upon request from the City of Indianapolis Controller’s Office and may also be viewed electronically at:


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. 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 Financial Reports, any authorizing or governing instruments defining the rights of owners of the Series 2007G Bonds or the owners of the Qualified Obligations and available financial and statistical information regarding the Bond Bank and the City. Requests for documents and payments therefore should be directed and payable to Ms. Barbara A. Lawrence, Executive Director, The Indianapolis Local Public Improvement Bond Bank, Suite 2342, 200 East Washington Street, Indianapolis, Indiana 46204.

CONTINUING DISCLOSURE

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

In order to assist the Underwriter in complying with the Rule, the Bond Bank will, upon issuance of the Series 2007G Bonds, execute a Continuing Disclosure Contract from the Bond Bank to each beneficial or registered owner or holder of any Series 2007G Bond, to be dated the date of issuance of the Series 2007G Bonds (the “Disclosure Contract”). The Disclosure Contract will contain certain promises of the Bond Bank to each beneficial or registered owner or holder of any Series 2007G Bond, including a promise to provide certain continuing disclosure. By its payment for and acceptance of any Series 2007G Bond, the beneficial or registered owner or holder thereof accepts and assents to the Disclosure Contract and the exchange of (i) such payment and acceptance for (ii) such promises.

The following is a summary of certain provisions of the Disclosure Contract, and is qualified in its entirety by reference to the Disclosure Contract.

Audited Financial Statements. To 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, 2006, together with the opinion of such accountants and all notes thereto, within two hundred ten (210) days after each December 31; and

Financial Information in this Official Statement. To each NRMSIR then in existence and to the SID, within 210 days of each December 31st, beginning with the calendar year ending December 31, 2006, (i) unaudited annual financial information for the Qualified Entity for such calendar year consisting of unaudited financial information of the Qualified Entity if audited financial statements are not available and (ii) operating data of the type included in Appendix A of this Official Statement:

Schedule of Historical Tax Increment

Event Notices. In a timely manner, to each NRMSIR or to the Municipal Securities Rulemaking Board (MSRB), and to the SID notice of certain events listed in the Rule (the “Listed Events”), if material with respect to the Series 2007G Bonds (which determination of materiality shall be made by the Qualified Entity in accordance with the standards established by federal securities laws).

Failure to Disclose. In a timely manner, to 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 Bond Bank’s obligations under the Disclosure Contract will terminate upon the defeasance, prior redemption or payment in full of all of the Series 2007G Bonds in accordance with the terms of the Indenture.

The Bond Bank may amend the Disclosure Contract if such amendment meets the following:

(a) The amendment may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of any obligated person (as defined in the Rule), or type of business conducted;

(b) The Disclosure Contract, as amended, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment does not materially impair the interests of holders of the Series 2007G Bonds, as determined either by parties unaffiliated with the Bond Bank or an obligated person (such as the Trustee or Bond Counsel), or by an approving vote of the Bondholders pursuant to the terms of the governing instrument at the time of the amendment.

Notwithstanding the foregoing, any information required to be provided by the Bond Bank to each NRMSIR and the State Depository, if any, as described above many, instead, be provided by the Bond Bank to DisclosureUSA, but only for so long as the conditions for the interpretation made by the SEC in the Response continue to be met. “DisclosureUSA” means the Internet-based electronic filing system created by the Municipal Advisory Council of Texas for the purpose of facilitating compliance by issuers and obligated persons (both as defined in the Rule)
with continuing disclosure agreements entered into to satisfy the obligations of underwriters (as defined in the Rule). “Response” means the interpretive letter, dated September 7, 2004, released by the Division of Market Regulation of the SEC regarding DisclosureUSA.

In the event of a failure of the Bond Bank to provide Annual Reports, to send notices of failure to provide the Annual Report, or to report Listed Events, if material, any registered or beneficial owner may individually seek, as the sole remedy under the Disclosure Contract, to compel performance by court order, to cause the Bond Bank to comply with its obligations to provide the Annual Reports, to send notices of failure to provide the Annual Report, or to report Listed Events, if material, under the Disclosure Contract, and not for money damages of any kind or in any amount. A default under the Disclosure Contract will not be deemed an event of default under the Series 2007G Bonds, the Indenture or any other agreement to which the Bond Bank is a party, and the sole remedy under the Disclosure Contract in the event of any failure of the Bond Bank to comply with the Disclosure Contract shall be an action to compel performance.

Except as described below, the remedies described in the preceding paragraph may be exercised by the registered or beneficial owner or owners of Series 2007G Bonds, as applicable, in any court of competent jurisdiction in Marion County, Indiana.

Prior to pursuing any remedy for any breach of any obligation under the Disclosure Contract, the registered or beneficial owner or owners of Series 2007G Bonds, as applicable, must give notice to the Bond Bank, by registered or certified mail, of such breach and its or their intent to pursue such remedy. Forty-five days after the mailing of such notice, and not before, such remedy may be pursued under the Disclosure Contract if and to the extent the Bond Bank has failed to cure such breach within such 60 days.

The Disclosure Contract inures solely to the benefit of the Bond Bank, any dissemination agent, and registered or beneficial owners from time to time of the Series 2007G Bonds, and creates no rights in any other person or entity.

No Bondholder may, without the prior written consent of the Bond Bank, assign any of its rights under the Disclosure Contract to any other person. The Bond Bank may not assign any of its rights or delegate any of its obligations under the Disclosure Contract to any other person (other than to any dissemination agent), except that the Bond Bank may assign any of its rights or delegate any of such obligations to any entity (a) into which the Bond Bank merges, with which the Bond Bank consolidates or to which the Bond Bank transfers all or substantially all of its assets or (b) which agrees in writing for the benefit of Bondholders to assume such rights or obligations.

Any failure by any Bondholder to institute any suit, action or other proceeding for any breach or violation by the Bond Bank of any obligation of the Bond Bank under the Disclosure Contract, within 360 days after the date of such Bondholder first has knowledge of such breach or violation, will constitute a waiver by such Bondholder of such breach or violation and, after such waiver, no remedy shall be available to such Bondholder for such breach or violation.

For purposes of the Disclosure Contract, each Bondholder will be deemed to have knowledge of the provision and content of any information, datum, statement or notice provided by the Bond Bank to any NRMSIR, any SID or the MSRB on the date such information, datum, statement or notice is so provided, regardless of whether such Bondholder was a registered or beneficial owner.
owner or holder of any Series 2007G Bond at the time such information, datum, statement or notice was so provided.

In 2003, the City’s audited financial statements for the year ended December 31, 2002 were not available by July 31, 2003 and timely notice of the delay was provided to the NRMSIRs. Recognition of the delay was also provided by the Government Finance Officer Association (GFOA). The audited financial statements were subsequently filed in September of 2003. Additionally, the annual information filings made pursuant to the Continuing Disclosure Undertaking Agreement relating to The Indianapolis Local Public Improvement Bond Bank Bonds, Series 2000C for the years 2001 through 2005 did not contain all the information required to be filed; however, updated and complete annual information was filed in 2006. Further, other departments of the City have filed annual operating data later than the time required under certain other undertakings.

BOND RATING

Application has been made to Standard & Poor’s Corporation (“Standard & Poor’s”) to assign a bond rating to the Series 2007G Bonds. Such rating, when assigned, reflects only the view of Standard & Poor’s and any explanation of the significance of such rating may only be obtained from Standard & Poor’s.

The rating, when assigned, is not a recommendation to buy, sell or hold the Series 2007G Bonds, and such rating may be subject to revision or withdrawal at any time by Standard & Poor’s. Any downward revision or withdrawal of the rating may have an adverse effect upon the market price of the Series 2007G Bonds.

The Bond Bank did not apply to any other rating service for a rating on the Series 2007G Bonds.

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 2007G Bonds, the security for the payment of the Series 2007G 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 office of the Underwriter. Following delivery of the Series 2007G 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 2007G 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 among the Bond Bank, the City, the County, the Qualified Entity, the Trustee, the Registrar and Paying Agent or the Underwriter and the purchasers or owners of any Series 2007G Bonds.

(Remainder of Page Intentionally Left Blank)
AUTHORIZATION

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/ Mary Titsworth Chandler
    Mary Titsworth Chandler, Chair
APPENDIX A
May 4, 2007

Ms. Barbara A. Lawrence, Executive Director
The Indianapolis Local Public Improvement
Bond Bank
200 East Washington Street, Suite 2342
Indianapolis, IN 46204

Re: The Indianapolis Local Public Improvement
Bond Bank Taxable Bonds, Series 2007G
(Glendale Project)

Dear Ms. Lawrence:

In connection with the issuance by The Indianapolis Local Public Improvement Bond Bank (the “Bond Bank”) Taxable Bonds, Series 2007G (the “Bond Bank Bonds”) being issued to purchase the City of Indianapolis, Indiana Taxable Economic Development Revenue Bonds, Series 2007 (Glendale Mall Project) (the “Qualified Obligations”), we have, at your request, compiled this special purpose report and the following schedules for inclusion in the Final Official Statement dated May 4, 2007.

Page(s)

A-2 - A-6 General Comments
A-7 Project Costs and Funding
A-8 Amortization of $6,000,000 Principal Amount of The Indianapolis Local Public Improvement Bond Bank Taxable Bonds, Series 2007G
A-9 Comparison of Estimated Tax Increment Revenues and Debt Service
A-10 Estimated Annual Tax Increment
A-11 Estimated Tax Increment – District 841
A-12 Estimated Tax Increment – District 842
A-13 Summary of Estimated Assessed Value
A-14 Summary of Historical Tax Increment

In the preparation of these schedules, assumptions were made as noted regarding certain future events. As is the case with such assumptions regarding future events and transactions, some or all may not occur as expected and the resulting differences could be material. We have not examined the underlying assumptions nor have we audited or reviewed the historical data. Consequently, we express no opinion thereon nor do we have a responsibility to prepare subsequent reports.
The Indianapolis Local Public Improvement Bond Bank (the “Bond Bank”) will issue $6,000,000 of The Indianapolis Local Public Improvement Bond Bank Taxable Bonds, Series 2007G (the “Bond Bank Bonds”) and use proceeds of the Bond Bank Bonds to purchase the City of Indianapolis, Indiana Taxable Economic Development Revenue Bonds, Series 2007 (Glendale Mall Project) (the “Qualified Obligations”). The City of Indianapolis (the “Qualified Entity”), is issuing the Qualified Obligations to finance various infrastructure improvements within the Glendale Redevelopment Area and Allocation Area (the “Area”) and to pay issuance costs.

This Special Purpose Report provides information relating to the Bond Bank Bonds and the corresponding Qualified Obligations, as well as information pertaining to the Glendale Redevelopment Area.

Background Information Concerning Establishment of the Area

After consideration and approval by the City’s Economic Development Commission, the Qualified Obligations were authorized by the City-County Council of the City of Indianapolis and of Marion County, Indiana by Special Ordinance No. 1, 2007 on January 29, 2007. On February 7, 2007, the Metropolitan Development Commission of Marion County, Indiana, acting as the Redevelopment Commission of the City (the “Commission”), in its role as governing body of the Redevelopment District of the City, pledged the Tax Increment (as hereinafter defined) to the repayment of the Qualified Obligations. The Qualified Obligations are limited obligations of the Qualified Entity, secured only by the pledge of the Tax Increment.

The Commission adopted a declaratory resolution on April 21, 1999 (the “Declaratory Resolution”) establishing the Glendale Redevelopment Area and Allocation Area under IC 36-7-16 and IC 36-7-25 for the purposes of capturing Tax Increment on the incremental assessed value of real property in the Area. The Declaratory Resolution allows for the capture of the growth in all real property assessed value within the Area in excess of the base assessed value defined in IC 36-7-14-39. The base assessment date for the Area is March 1, 1999.

Glendale Centre, LLC (the “Developer”) is proposing an investment of approximately $28.5 million for the construction, installation, partial demolition and equipping of a portion of the current Glendale Mall shopping center (the “Projects”). The proceeds of the Bonds will be made available to the Developer to be used to fund a portion of the costs of the Projects.

Tax Increment: Definition and Procedures

Tax Increment consists of all property tax proceeds from the assessed valuation of real property in the Area of the assessment date in excess of the base assessed valuation described in IC 36-7-14-39(b)(1) multiplied by the current property tax rate and reduced by the additional credit under IC 36-7-14-39.5 (referred to throughout this Report as the “Tax Increment”). The base assessed value means the net assessed value of all the property in the Area as finally determined for the assessment date immediately preceding the effective date of a declaratory resolution establishing the Area pursuant to IC 36-7-14-39. The base assessment date of the Area is March 1, 1999.
The next statewide reassessment of real property is scheduled for March 1, 2011 for taxes payable in 2012. Statewide reassessments are scheduled to occur every four years thereafter. Beginning in 2006 tax year payable 2007, all real property assessments will be revalued annually to reflect market value based on comparable sales data (“Trending”). The Department of Local Government Finance (the “DLGF”) is required to adjust the base net assessed value after a general reassessment of property and annually after Trending. The purpose of these adjustments is to neutralize the effects of the general reassessment and Trending on property within allocation areas. In making such an adjustment, the DLGF is required to exclude any appealed assessed values until such appeals are resolved.

Delays in the reassessment or the trending process, the inability to neutralize the effect of reassessment, trending or appeals, could adversely affect the Tax Increment. No adjustment has been made for future general reassessments or for the annual trending of assessed values to the tax increment estimates contained in this Report.

The tax incremental assessed values are determined by subtracting the base net assessed values from the current net assessed values as of the assessment dates. The tax incremental assessed values are then multiplied by the current property tax rate to determine the Tax Increment. IC 36-7-14-39.5 entitles taxpayers in an allocation area to an additional credit (the “Additional Credit”) payable from Tax Increment in an amount equal to the State Property Tax Replacement Credit (the “PTRC”); however, a redevelopment commission may recommend that the municipal legislative body adopt a resolution to deny or reduce the Additional Credit. The Commission has not adopted such a resolution to deny the Additional Credit.

Under IC 6-1.1-21.2, beginning in 2003, the portion of the State-paid Property Tax Replacement Credit for school general funds was increased from 20% to 60% of the school general fund tax rate. As mentioned above, a change in the PTRC is reflected in the Additional Credit that is applied to Tax Increment. The increase in the Additional Credit (equal to this increased PTRC) would result in a reduction in Tax Increment. IC 6-1.1-21.2 also provided that Tax Increment lost from this increase in the Additional Credit could be replaced by a property tax levy imposed on the District (the “TIF Replacement Levy”). This TIF Replacement Levy is imposed annually by the DLGF, unless the City-County Council rescinds the TIF Replacement Levy. The schedules contained in this Report assume that the TIF Replacement Levy will not be rescinded in the future.

After property taxes are paid to the County Treasurer on or before each May 10 and November 10, such taxes are paid over to the Auditor who, based on the previous year's certification, pays the portion of property tax receipts, which represent Tax Increment into the Allocation Fund on or before June 30 or December 31.
Circuit Breaker

New legislation (Sections 8-13 of HEA 1001-2006) was enacted by the Indiana General Assembly to limit future property tax bills. The new legislation prohibits Indiana counties from collecting property taxes from a taxpayer in an amount that exceeds two percent (2%) of the gross assessed value of eligible property (the “Circuit Breaker”). For property taxes due and payable in 2008 and 2009, property eligible for the tax reduction includes qualified residential property. Beginning with property taxes due and payable in 2010 and thereafter, all real and personal property is eligible for the tax reduction. The tax credit will result in a reduction of property tax collections for each political subdivision in which the Circuit Breaker credit is applied. A political subdivision may not increase its property tax levy or borrow money to make up for any property tax revenue shortfall due to the application of the Circuit Breaker.

On April 29, 2007, the Indiana General Assembly passed House Enrolled Act 1478 (the “HEA 1478”). Certain provisions of HEA 1478 amend the Circuit Breaker. Among the amendments is a provision providing that, after 2009, the Circuit Breaker for property other than homestead property is applied to property taxes from a taxpayer so as to provide for a reduction in the taxpayer’s property tax bill to an amount not to exceed three percent (3%) of the taxpayer’s gross assessed valuation.

HEA 1478, while the Indiana General Assembly has passed it, is not yet law. Under the Indiana Constitution, the following actions must occur before it becomes law. First, on or before May 6, 2007, the Speaker of the House and the President Pro Tempore of the Senate must sign HEA 1478 and present it to the Governor for approval. Second, within seven days after being presented with a copy of the HEA 1478, the Governor must sign it. If the Governor signs HEA 1478, then the provisions of HEA 1478 will be effective July 1, 2007.

It is anticipated that the Circuit Breaker credit will not be applied to real property in the Area, based upon the provisions of HEA 1478. If HEA 1478 is vetoed by the Governor, the 2% Circuit Breaker tax credit would apply to real property in the Area reducing the estimates of future tax increment. These reductions in tax increment revenues would be material.

Project Costs and Funding – Page A-7

Project costs and funding are shown in this schedule. Total project costs are estimated to be $5,700,000 for fundable improvements, $504,688 to fund a debt service reserve, and $295,312 to pay bond issuance costs and contingencies. The costs are to be funded from the proceeds of the $6,000,000 of Redevelopment District Taxable Economic Development Revenue Bonds, Series 2007 and $500,000 of tax increment funds on hand.

(Continued on next page.)
Amortization of $6,000,000 Principal Amount of The Indianapolis Local Public Improvement Bond Bank Taxable Bonds, Series 2007G – Page A-8

The amortization of the $6,000,000 of Bond Bank Taxable Bonds, Series 2007G is shown in this schedule. The Bonds are assumed to be dated May 10, 2007 and will mature over a period of approximately 19 years and 9 months with a final maturity of February 1, 2027. The Bonds are amortized based upon interest rates determined through a negotiated sale to City Securities Corporation. Principal and interest will be payable semiannually on each February 1 and August 1, commencing on February 1, 2008.

Comparison of Estimated Tax Increment Revenues and Debt Service Payments – Page A-9

This schedule is a comparison of the debt service of the Bonds to the estimated Tax Increment revenues as shown on page A-10. For the debt service payable on February 1, 2008, $750,000 will be paid from available tax increment from within the Allocation Fund.

Estimated Annual Tax Increment – Page A-10

This schedule shows the combined real property Tax Increment anticipated to be generated in the two taxing districts of the Glendale Redevelopment Area including revenue from the Projects. It is anticipated that the Circuit Breaker credit will not be applied in the Area, assuming HEA 1478 becomes effective. If HEA 1478 is vetoed by the Governor, the 2% Circuit Breaker tax credit would apply to real property in the Area reducing the estimates of future tax increment. These reductions in tax increment revenues would be material.

Estimated Tax Increment – District 841 – Page A-11

This schedule provides the estimated annual real property Tax Increment from the Glendale Redevelopment Area – District 841. This includes both the existing development in the Area and the proposed developments, anticipated to be first assessed for tax year payable 2010. The incremental assessed value is multiplied by the 2006 gross tax rate of $3.5537 less an Additional Credit equal to the Real Property State Property Tax Replacement Credit of 0.254072 for the Indianapolis – Washington Township taxing unit. This analysis includes the assumption that HEA 1478 becomes law, thus the Circuit Breaker will not be applied in the Area.

Assessments of real property will be adjusted to market value for taxes payable in 2007 through a process known as trending. These changes in assessed value could increase the net assessed value of each taxing district sufficiently to cause a reduction in property tax rates from the amounts shown in this report. Any reduction in property tax rates due to trending could reduce the amounts of tax increment available to pay debt service on the Bonds and these changes could be material.

(Continued on next page.)
GENERAL COMMENTS

Estimated Tax Increment – District 842 – Page A-12

This schedule provides the estimated annual real property Tax Increment from the Glendale Redevelopment Area – District 841. This includes both the existing development in the Area and the New Development, anticipated to be first assessed for tax year payable 2010. The incremental assessed value is multiplied by the 2006 gross tax rate of $3.0409 less an Additional Credit equal to the Real Property State Property Tax Replacement Credit of 0.267582 for the Indianapolis – Washington Township – Police and Fire taxing unit. This analysis includes the assumption that HEA 1478 becomes law, thus the Circuit Breaker will not be applied in the Area.

Assessments of real property will be adjusted to market value for taxes payable in 2007 through a process known as trending. These changes in assessed value could increase the net assessed value of each taxing district sufficiently to cause a reduction in property tax rates from the amounts shown in this report. Any reduction in property tax rates due to trending could reduce the amounts of tax increment available to pay debt service on the Bonds and these changes could be material.

Summary of Estimated Assessed Value – Page A-13

This schedule provides the breakout of the developments in the Area. The assessed values for the existing development are based on information provided by the Marion County Assessor’s office. The assessed values for the proposed developments are based on comparable developments around the Indianapolis area and information provided by the Developer.

Summary of Historical TIF Collections – Page A-14

This schedule provides the historical TIF collections from the Glendale Redevelopment Area for the past six years as provided by the City of Indianapolis. At the time of the last general reassessment, which was for taxes payable 2003, the base assessed value for the Area was decreased from $19,988,400 to $5,239,300, which resulted in a change from a negative production of Tax Increment for the Area to a positive production of Tax Increment for the Area. Such base values were certified by the Marion County Auditor’s office and the DLGF. If the base adjustment completed in 2003 were to be increased above its current level, the resulting loss of Tax Increment could be material.
### Estimated Project Costs:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Estimated net fundable improvements</td>
<td>$5,700,000</td>
</tr>
<tr>
<td>Deposit to Bond Bank Reserve Fund</td>
<td>504,688</td>
</tr>
<tr>
<td>Allowance for bond issuance costs and contingencies</td>
<td>295,312</td>
</tr>
<tr>
<td><strong>Total Estimated Project Costs</strong></td>
<td><strong>$6,500,000</strong></td>
</tr>
</tbody>
</table>

### Estimated Project Funding:

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Taxable Economic Development Revenue Bonds, Series 2007 (Glendale Mall Project)</td>
<td>$6,000,000</td>
</tr>
<tr>
<td>TIF Funds on Hand</td>
<td></td>
</tr>
<tr>
<td>Deposit to Bond Bank Reserve Fund</td>
<td>500,000</td>
</tr>
<tr>
<td><strong>Total Estimated Project Funding</strong></td>
<td><strong>$6,500,000</strong></td>
</tr>
</tbody>
</table>

(Subject to the comments in the attached report dated May 4, 2007 of Umbaugh.)
THE INDIANAPOLIS LOCAL PUBLIC IMPROVEMENT BOND BANK

AMORTIZATION OF $6,000,000 PRINCIPAL AMOUNT OF THE INDIANAPOLIS LOCAL PUBLIC IMPROVEMENT BOND BANK TAXABLE BONDS, SERIES 2007G

<table>
<thead>
<tr>
<th>Payment Date</th>
<th>Principal Outstanding</th>
<th>Principal</th>
<th>Interest Rates</th>
<th>Total Debt Service</th>
<th>Bond Year Debt Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>02/01/08</td>
<td>$6,000,000</td>
<td>$750,000</td>
<td>5.45%</td>
<td>$259,039</td>
<td>$1,009,039</td>
</tr>
<tr>
<td>08/01/08</td>
<td>5,250,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>02/01/09</td>
<td>5,250,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>08/01/09</td>
<td>5,250,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>02/01/10</td>
<td>5,250,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>08/01/10</td>
<td>5,250,000</td>
<td>90,000</td>
<td>5.64%</td>
<td>158,210</td>
<td>248,210</td>
</tr>
<tr>
<td>02/01/11</td>
<td>4,765,000</td>
<td>105,000</td>
<td>5.64%</td>
<td>144,533</td>
<td>249,533</td>
</tr>
<tr>
<td>08/01/11</td>
<td>4,660,000</td>
<td>110,000</td>
<td>5.64%</td>
<td>141,572</td>
<td>251,572</td>
</tr>
<tr>
<td>02/01/12</td>
<td>4,550,000</td>
<td>110,000</td>
<td>5.64%</td>
<td>138,494</td>
<td>252,494</td>
</tr>
<tr>
<td>08/01/12</td>
<td>4,440,000</td>
<td>115,000</td>
<td>5.64%</td>
<td>135,368</td>
<td>253,368</td>
</tr>
<tr>
<td>02/01/13</td>
<td>4,325,000</td>
<td>120,000</td>
<td>5.64%</td>
<td>132,125</td>
<td>252,125</td>
</tr>
<tr>
<td>08/01/13</td>
<td>4,205,000</td>
<td>120,000</td>
<td>5.64%</td>
<td>128,741</td>
<td>251,741</td>
</tr>
<tr>
<td>02/01/14</td>
<td>4,085,000</td>
<td>125,000</td>
<td>5.64%</td>
<td>125,357</td>
<td>251,357</td>
</tr>
<tr>
<td>08/01/14</td>
<td>3,960,000</td>
<td>130,000</td>
<td>5.64%</td>
<td>121,832</td>
<td>251,832</td>
</tr>
<tr>
<td>02/01/15</td>
<td>3,830,000</td>
<td>130,000</td>
<td>5.64%</td>
<td>118,166</td>
<td>251,166</td>
</tr>
<tr>
<td>08/01/15</td>
<td>3,700,000</td>
<td>135,000</td>
<td>5.64%</td>
<td>114,500</td>
<td>250,500</td>
</tr>
<tr>
<td>02/01/16</td>
<td>3,565,000</td>
<td>140,000</td>
<td>6.21%</td>
<td>110,693</td>
<td>250,693</td>
</tr>
<tr>
<td>08/01/16</td>
<td>3,425,000</td>
<td>145,000</td>
<td>6.21%</td>
<td>106,346</td>
<td>251,346</td>
</tr>
<tr>
<td>02/01/17</td>
<td>3,280,000</td>
<td>150,000</td>
<td>6.21%</td>
<td>101,844</td>
<td>251,844</td>
</tr>
<tr>
<td>08/01/17</td>
<td>3,130,000</td>
<td>155,000</td>
<td>6.21%</td>
<td>97,187</td>
<td>252,187</td>
</tr>
<tr>
<td>02/01/18</td>
<td>2,975,000</td>
<td>160,000</td>
<td>6.21%</td>
<td>92,374</td>
<td>252,374</td>
</tr>
<tr>
<td>08/01/18</td>
<td>2,815,000</td>
<td>165,000</td>
<td>6.21%</td>
<td>87,406</td>
<td>252,406</td>
</tr>
<tr>
<td>02/01/19</td>
<td>2,650,000</td>
<td>170,000</td>
<td>6.21%</td>
<td>82,283</td>
<td>252,283</td>
</tr>
<tr>
<td>08/01/19</td>
<td>2,480,000</td>
<td>175,000</td>
<td>6.21%</td>
<td>77,004</td>
<td>252,004</td>
</tr>
<tr>
<td>02/01/20</td>
<td>2,305,000</td>
<td>180,000</td>
<td>6.21%</td>
<td>71,570</td>
<td>251,570</td>
</tr>
<tr>
<td>08/01/20</td>
<td>2,125,000</td>
<td>185,000</td>
<td>6.21%</td>
<td>65,981</td>
<td>250,981</td>
</tr>
<tr>
<td>02/01/21</td>
<td>1,940,000</td>
<td>190,000</td>
<td>6.21%</td>
<td>60,237</td>
<td>250,237</td>
</tr>
<tr>
<td>08/01/21</td>
<td>1,750,000</td>
<td>195,000</td>
<td>6.21%</td>
<td>54,338</td>
<td>249,338</td>
</tr>
<tr>
<td>02/01/22</td>
<td>1,555,000</td>
<td>200,000</td>
<td>6.21%</td>
<td>48,283</td>
<td>248,283</td>
</tr>
<tr>
<td>08/01/22</td>
<td>1,355,000</td>
<td>210,000</td>
<td>6.21%</td>
<td>42,073</td>
<td>252,073</td>
</tr>
<tr>
<td>02/01/23</td>
<td>1,145,000</td>
<td>215,000</td>
<td>6.21%</td>
<td>35,552</td>
<td>250,552</td>
</tr>
<tr>
<td>08/01/23</td>
<td>930,000</td>
<td>220,000</td>
<td>6.21%</td>
<td>28,877</td>
<td>248,877</td>
</tr>
<tr>
<td>02/01/24</td>
<td>710,000</td>
<td>230,000</td>
<td>6.21%</td>
<td>22,046</td>
<td>252,046</td>
</tr>
<tr>
<td>08/01/24</td>
<td>480,000</td>
<td>235,000</td>
<td>6.21%</td>
<td>14,904</td>
<td>249,904</td>
</tr>
<tr>
<td>02/01/25</td>
<td>245,000</td>
<td>245,000</td>
<td>6.21%</td>
<td>7,607</td>
<td>252,607</td>
</tr>
<tr>
<td>Totals</td>
<td>$6,000,000</td>
<td>$4,163,834</td>
<td>$10,163,834</td>
<td>$10,163,834</td>
<td></td>
</tr>
</tbody>
</table>

(1) Represents $1,685,000 Term Bond due August 1, 2017.
(2) Represents $3,565,000 Term Bond due February 1, 2027.

(Subject to the comments in the attached report dated May 4, 2007 of Umbaugh.)
## Comparison of Estimated Tax Increment Revenues and Debt Service Payments

<table>
<thead>
<tr>
<th>Collection Year</th>
<th>Tax Increment (1)</th>
<th>Debt Service (2)</th>
<th>Surplus</th>
<th>Coverage</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>$1,267,920</td>
<td>$1,009,039</td>
<td>$258,881</td>
<td>126%</td>
</tr>
<tr>
<td>2008</td>
<td>517,920</td>
<td>316,421</td>
<td>201,500</td>
<td>164%</td>
</tr>
<tr>
<td>2009</td>
<td>417,290</td>
<td>316,421</td>
<td>100,870</td>
<td>132%</td>
</tr>
<tr>
<td>2010</td>
<td>751,230</td>
<td>498,883</td>
<td>252,348</td>
<td>151%</td>
</tr>
<tr>
<td>2011</td>
<td>751,230</td>
<td>498,308</td>
<td>252,923</td>
<td>151%</td>
</tr>
<tr>
<td>2012</td>
<td>751,230</td>
<td>502,028</td>
<td>249,203</td>
<td>150%</td>
</tr>
<tr>
<td>2013</td>
<td>751,230</td>
<td>500,043</td>
<td>251,188</td>
<td>150%</td>
</tr>
<tr>
<td>2014</td>
<td>751,230</td>
<td>502,494</td>
<td>248,737</td>
<td>150%</td>
</tr>
<tr>
<td>2015</td>
<td>751,230</td>
<td>499,099</td>
<td>252,132</td>
<td>151%</td>
</tr>
<tr>
<td>2016</td>
<td>751,230</td>
<td>499,999</td>
<td>251,232</td>
<td>150%</td>
</tr>
<tr>
<td>2017</td>
<td>751,230</td>
<td>500,194</td>
<td>251,037</td>
<td>150%</td>
</tr>
<tr>
<td>2018</td>
<td>751,230</td>
<td>503,190</td>
<td>248,040</td>
<td>149%</td>
</tr>
<tr>
<td>2019</td>
<td>751,230</td>
<td>504,560</td>
<td>246,670</td>
<td>149%</td>
</tr>
<tr>
<td>2020</td>
<td>751,230</td>
<td>504,688</td>
<td>246,542</td>
<td>149%</td>
</tr>
<tr>
<td>2021</td>
<td>751,230</td>
<td>503,574</td>
<td>247,656</td>
<td>149%</td>
</tr>
<tr>
<td>2022</td>
<td>751,230</td>
<td>501,218</td>
<td>250,012</td>
<td>150%</td>
</tr>
<tr>
<td>2023</td>
<td>751,230</td>
<td>497,620</td>
<td>253,610</td>
<td>151%</td>
</tr>
<tr>
<td>2024</td>
<td>751,230</td>
<td>502,625</td>
<td>248,605</td>
<td>149%</td>
</tr>
<tr>
<td>2025</td>
<td>751,230</td>
<td>500,922</td>
<td>250,308</td>
<td>150%</td>
</tr>
<tr>
<td>2026</td>
<td>751,230</td>
<td>502,511</td>
<td>248,719</td>
<td>149%</td>
</tr>
</tbody>
</table>

Totals $14,974,040 $10,163,834 $4,810,206

(1) See page A-10.
(2) See page A-8.
(3) Includes $750,000 of cash on hand to be used for 2/1/08 debt payment.

Note: It is anticipated that the Circuit Breaker credit will not be applied to real property in the Area, based upon the provisions of HEA 1478. If HEA 1478 is vetoed by the Governor, the 2% Circuit Breaker tax credit would apply to real property in the Area reducing the estimates of future tax increment. These reductions in tax increment revenues would be material.

(Subject to the comments in the attached report dated May 4, 2007 of Umbaugh.)
### ESTIMATED ANNUAL TAX INCREMENT

<table>
<thead>
<tr>
<th>Tax Payable Year</th>
<th>Existing Development</th>
<th>Proposed Development</th>
<th>Total Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>District 841 (1)</td>
<td>District 842 (2)</td>
<td></td>
</tr>
<tr>
<td>2007</td>
<td>$498,530</td>
<td>$19,390</td>
<td>$517,920</td>
</tr>
<tr>
<td>2008</td>
<td>498,530</td>
<td>19,390</td>
<td>517,920</td>
</tr>
<tr>
<td>2009</td>
<td>397,900</td>
<td>19,390</td>
<td>$0</td>
</tr>
<tr>
<td>2010</td>
<td>397,900</td>
<td>19,390</td>
<td>333,940</td>
</tr>
<tr>
<td>2011</td>
<td>397,900</td>
<td>19,390</td>
<td>333,940</td>
</tr>
<tr>
<td>2012</td>
<td>397,900</td>
<td>19,390</td>
<td>333,940</td>
</tr>
<tr>
<td>2013</td>
<td>397,900</td>
<td>19,390</td>
<td>333,940</td>
</tr>
<tr>
<td>2014</td>
<td>397,900</td>
<td>19,390</td>
<td>333,940</td>
</tr>
<tr>
<td>2015</td>
<td>397,900</td>
<td>19,390</td>
<td>333,940</td>
</tr>
<tr>
<td>2016</td>
<td>397,900</td>
<td>19,390</td>
<td>333,940</td>
</tr>
<tr>
<td>2017</td>
<td>397,900</td>
<td>19,390</td>
<td>333,940</td>
</tr>
<tr>
<td>2018</td>
<td>397,900</td>
<td>19,390</td>
<td>333,940</td>
</tr>
<tr>
<td>2019</td>
<td>397,900</td>
<td>19,390</td>
<td>333,940</td>
</tr>
<tr>
<td>2020</td>
<td>397,900</td>
<td>19,390</td>
<td>333,940</td>
</tr>
<tr>
<td>2021</td>
<td>397,900</td>
<td>19,390</td>
<td>333,940</td>
</tr>
<tr>
<td>2022</td>
<td>397,900</td>
<td>19,390</td>
<td>333,940</td>
</tr>
<tr>
<td>2023</td>
<td>397,900</td>
<td>19,390</td>
<td>333,940</td>
</tr>
<tr>
<td>2024</td>
<td>397,900</td>
<td>19,390</td>
<td>333,940</td>
</tr>
<tr>
<td>2025</td>
<td>397,900</td>
<td>19,390</td>
<td>333,940</td>
</tr>
<tr>
<td>2026</td>
<td>397,900</td>
<td>19,390</td>
<td>333,940</td>
</tr>
</tbody>
</table>

Totals: $8,159,260, $387,800, $5,676,980, $14,224,040

(1) See page A-11.
(2) See page A-12.

Note: It is anticipated that the Circuit Breaker credit will not be applied to real property in the Area, based upon the provisions of HEA 1478. If HEA 1478 is vetoed by the Governor, the 2% Circuit Breaker tax credit would apply to real property in the Area reducing the estimates of future tax increment. These reductions in tax increment revenues would be material.

(Subject to the comments in the attached report dated May 4, 2007 of Umbaugh.)
<table>
<thead>
<tr>
<th>Tax Payable Year</th>
<th>Tax District</th>
<th>Net Assessed Value</th>
<th>Less: Estimated Base Value</th>
<th>Incremental AV</th>
<th>Pay 2006 Net Tax Rate</th>
<th>Estimated Tax Increment</th>
<th>Estimated TIR Levy</th>
<th>Estimated TIF Revenues</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007 Current</td>
<td>$21,937,300</td>
<td>($5,239,300)</td>
<td>$16,698,000</td>
<td>$2.6508</td>
<td>$442,630</td>
<td>$442,630</td>
<td>$425,900</td>
<td>$498,530</td>
</tr>
<tr>
<td>Proposed</td>
<td>0</td>
<td>0</td>
<td>2.6508</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>$21,937,300</td>
<td>($5,239,300)</td>
<td>$16,698,000</td>
<td>2.6508</td>
<td>$442,630</td>
<td>$442,630</td>
<td>$425,900</td>
<td>$498,530</td>
</tr>
<tr>
<td>2008 Current</td>
<td>$21,937,300</td>
<td>($5,239,300)</td>
<td>$16,698,000</td>
<td>$2.6508</td>
<td>$442,630</td>
<td>$442,630</td>
<td>$425,900</td>
<td>$498,530</td>
</tr>
<tr>
<td>Proposed</td>
<td>0</td>
<td>0</td>
<td>2.6508</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>$21,937,300</td>
<td>($5,239,300)</td>
<td>$16,698,000</td>
<td>2.6508</td>
<td>$442,630</td>
<td>$442,630</td>
<td>$425,900</td>
<td>$498,530</td>
</tr>
<tr>
<td>2009 Current</td>
<td>$18,566,700</td>
<td>($5,239,300)</td>
<td>$13,327,400</td>
<td>$2.6508</td>
<td>$353,280</td>
<td>$353,280</td>
<td>$44,620</td>
<td>$397,900</td>
</tr>
<tr>
<td>Proposed</td>
<td>0</td>
<td>0</td>
<td>2.6508</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>$18,566,700</td>
<td>($5,239,300)</td>
<td>$13,327,400</td>
<td>2.6508</td>
<td>$353,280</td>
<td>$353,280</td>
<td>$44,620</td>
<td>$397,900</td>
</tr>
<tr>
<td>2010 Current</td>
<td>$18,566,700</td>
<td>($5,239,300)</td>
<td>$13,327,400</td>
<td>$2.6508</td>
<td>$353,280</td>
<td>$353,280</td>
<td>$44,620</td>
<td>$397,900</td>
</tr>
<tr>
<td>Proposed</td>
<td>11,185,000</td>
<td>0</td>
<td>2.6508</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>$29,751,700</td>
<td>($5,239,300)</td>
<td>$24,512,400</td>
<td>2.6508</td>
<td>$649,770</td>
<td>$649,770</td>
<td>$82,070</td>
<td>$731,840</td>
</tr>
<tr>
<td>2011 Current</td>
<td>$18,566,700</td>
<td>($5,239,300)</td>
<td>$13,327,400</td>
<td>$2.6508</td>
<td>$353,280</td>
<td>$353,280</td>
<td>$44,620</td>
<td>$397,900</td>
</tr>
<tr>
<td>Proposed</td>
<td>11,185,000</td>
<td>0</td>
<td>2.6508</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>$29,751,700</td>
<td>($5,239,300)</td>
<td>$24,512,400</td>
<td>2.6508</td>
<td>$649,770</td>
<td>$649,770</td>
<td>$82,070</td>
<td>$731,840</td>
</tr>
</tbody>
</table>

(1) Assumes portion of mall is demolished prior to March 1, 2008 assessment date.

(2) Assumes new improvements are assessed March 1, 2009.

Note: It is anticipated that the Circuit Breaker credit will not be applied to real property in the Area, based upon the provisions of HEA 1478. If HEA 1478 is vetoed by the Governor, the 2% Circuit Breaker tax credit would apply to real property in the Area reducing the estimates of future tax increment, These reductions in tax increment revenues would be material.

(Subject to the comments in the attached report dated May 4, 2007 of Umbaugh.)
## ESTIMATED TAX INCREMENT - DISTRICT 842

<table>
<thead>
<tr>
<th>Tax Payable Year</th>
<th>Net Assessed Value</th>
<th>Less: Base AV</th>
<th>Estimated Incremental AV</th>
<th>Pay 2006 Net Tax Rate</th>
<th>Estimated Tax Increment</th>
<th>Estimated TIR Levy</th>
<th>Total TIF Revenues</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>$771,400</td>
<td>$0</td>
<td>$771,400</td>
<td>$2.2272</td>
<td>$17,180</td>
<td>$2,210</td>
<td>$19,390</td>
</tr>
<tr>
<td>2008</td>
<td>771,400</td>
<td>0</td>
<td>771,400</td>
<td>2.2272</td>
<td>17,180</td>
<td>0</td>
<td>19,390</td>
</tr>
<tr>
<td>2009</td>
<td>771,400</td>
<td>0</td>
<td>771,400</td>
<td>2.2272</td>
<td>17,180</td>
<td>0</td>
<td>19,390</td>
</tr>
<tr>
<td>2010</td>
<td>771,400</td>
<td>0</td>
<td>771,400</td>
<td>2.2272</td>
<td>17,180</td>
<td>0</td>
<td>19,390</td>
</tr>
<tr>
<td>2011</td>
<td>771,400</td>
<td>0</td>
<td>771,400</td>
<td>2.2272</td>
<td>17,180</td>
<td>0</td>
<td>19,390</td>
</tr>
</tbody>
</table>

Note: It is anticipated that the Circuit Breaker credit will not be applied to real property in the Area, based upon the provisions of HEA 1478. If HEA 1478 is vetoed by the Governor, the 2% Circuit Breaker tax credit would apply to real property in the Area reducing the estimates of future tax increment. These reductions in tax increment revenues would be material.

(Subject to the comments in the attached report dated May 4, 2007 of Umbaugh.)
## SUMMARY OF ESTIMATED ASSESSED VALUE

**Existing Glendale TIF Area - District 841**

<table>
<thead>
<tr>
<th>Parcel</th>
<th>Name</th>
<th>Land AV</th>
<th>Improvement AV</th>
<th>Less: Base AV</th>
<th>Incremental AV</th>
</tr>
</thead>
<tbody>
<tr>
<td>8005072</td>
<td>Glendale Centre, LLC</td>
<td>$3,924,700</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Retail and concourse area (1)</td>
<td></td>
<td>$3,370,600</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Macy's</td>
<td></td>
<td>3,063,100</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Library, IUPUI, Staples</td>
<td></td>
<td>1,465,200</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Kerasotes Theatres</td>
<td></td>
<td>1,313,400</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>O'Charley's</td>
<td></td>
<td>367,600</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Taco Bell/Pizza Hut</td>
<td></td>
<td>306,400</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Parcel Total</td>
<td></td>
<td>3,924,700</td>
<td>9,886,300</td>
<td>(4,930,500)</td>
<td>8,880,500</td>
</tr>
<tr>
<td>8030333</td>
<td>Lowe's Home Center LLC</td>
<td></td>
<td>600</td>
<td>(100)</td>
<td>500</td>
</tr>
<tr>
<td>8031536</td>
<td>Lowe's Home Center LLC</td>
<td></td>
<td>1,100</td>
<td>(800)</td>
<td>300</td>
</tr>
<tr>
<td>8061586</td>
<td>Lowe's Home Center LLC</td>
<td>1,018,500</td>
<td>5,415,600</td>
<td></td>
<td>6,434,100</td>
</tr>
<tr>
<td>8061588</td>
<td>Lowe's Home Center LLC</td>
<td>600,200</td>
<td>30,800</td>
<td>(306,200)</td>
<td>324,800</td>
</tr>
<tr>
<td>8055078</td>
<td>Majestic Delaware, LLC (Walgreens)</td>
<td>7,800</td>
<td>(1,700)</td>
<td>6,100</td>
<td></td>
</tr>
<tr>
<td>8061936</td>
<td>Majestic Delaware, LLC (Walgreens)</td>
<td>220,300</td>
<td>831,400</td>
<td>1,051,700</td>
<td></td>
</tr>
<tr>
<td>Totals</td>
<td></td>
<td>$5,773,200</td>
<td>$16,164,100</td>
<td>(5,239,300)</td>
<td>$16,698,000</td>
</tr>
</tbody>
</table>

**Existing Glendale TIF Area - District 842**

<table>
<thead>
<tr>
<th>Parcel</th>
<th>Name</th>
<th>Land AV</th>
<th>Improvement AV</th>
<th>Less: Base AV</th>
<th>Incremental AV</th>
</tr>
</thead>
<tbody>
<tr>
<td>8032251</td>
<td>Glendale Centre, LLC</td>
<td>$382,900</td>
<td>$21,400</td>
<td></td>
<td>$404,300</td>
</tr>
<tr>
<td>8061587</td>
<td>Lowe's Home Center LLC</td>
<td>347,600</td>
<td>19,500</td>
<td></td>
<td>367,100</td>
</tr>
<tr>
<td>Totals</td>
<td></td>
<td>$730,500</td>
<td>$40,900</td>
<td></td>
<td>$771,400</td>
</tr>
</tbody>
</table>

**Proposed Development in Glendale TIF Area - District 841**

(Assumes all new improvements assessed 3/1/08)

<table>
<thead>
<tr>
<th>New</th>
<th>Target</th>
<th>Land AV</th>
<th>Improvement AV</th>
<th>Less: Base AV</th>
<th>Incremental AV</th>
</tr>
</thead>
<tbody>
<tr>
<td>New</td>
<td>Target</td>
<td></td>
<td></td>
<td>$5,725,700</td>
<td>$5,725,700</td>
</tr>
<tr>
<td>New</td>
<td>B Shops (Retail and Office)</td>
<td>3,629,400</td>
<td></td>
<td>3,629,400</td>
<td></td>
</tr>
<tr>
<td>New</td>
<td>Outlot (6,000 sq ft)</td>
<td></td>
<td>523,700</td>
<td></td>
<td>523,700</td>
</tr>
<tr>
<td>New</td>
<td>Outlot 2 (4,400 sq ft)</td>
<td></td>
<td>443,100</td>
<td></td>
<td>443,100</td>
</tr>
<tr>
<td>New</td>
<td>Paving (2)</td>
<td></td>
<td>863,100</td>
<td></td>
<td>863,100</td>
</tr>
<tr>
<td>Totals</td>
<td></td>
<td></td>
<td></td>
<td>$0</td>
<td>$11,185,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$0</td>
<td>$11,185,000</td>
</tr>
</tbody>
</table>

(1) Will be demolished to construct the proposed developments.
(2) Estimated assessed value of paving provided by Kite, reduced by existing pavement value.

(Subject to the comments in the attached report dated May 4, 2007 of Umbaugh.)
### SUMMARY OF HISTORICAL TAX INCREMENT

<table>
<thead>
<tr>
<th>Collection Year</th>
<th>District 841</th>
<th>District 842</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td></td>
<td>189</td>
<td>189</td>
</tr>
<tr>
<td>2002</td>
<td></td>
<td>193</td>
<td>193</td>
</tr>
<tr>
<td>2003 (1)</td>
<td>655,521</td>
<td>18,311</td>
<td>673,832</td>
</tr>
<tr>
<td>2004 (2)</td>
<td>713,331</td>
<td>17,416</td>
<td>730,747</td>
</tr>
<tr>
<td>2005 (3)</td>
<td>6,600</td>
<td>17,126</td>
<td>23,726</td>
</tr>
<tr>
<td>2006</td>
<td>442,600</td>
<td>17,180</td>
<td>459,780</td>
</tr>
</tbody>
</table>

(1) At the time of the last general reassessment which was for taxes payable 2003, the base assessed value for the Area was decreased from $19,988,400 to $5,239,300, which resulted in a change from a negative production of Tax Increment for the Area to a positive production of Tax Increment for the Area. Such base values were certified by the Marion County Auditor's office and the DLGF. If the base adjustment completed in 2003 were to be increased above its current level, the resulting loss of Tax Increment could be material.

(2) Growth in assessed value caused by new improvements being assessed.

(3) An appeal was settled for the Glendale Mall with a refund which reduced the distribution to $6,600.

(Subject to the comments in the attached report dated May 4, 2007 of Umbaugh.)
APPENDIX B
APPENDIX B

FORM OF APPROVING BOND COUNSEL OPINION

Upon delivery of the Series 2007G Bonds, Bingham McHale LLP, Indianapolis, Indiana, Bond Counsel, proposes to deliver an opinion in substantially the following form:

May 10, 2007

The Indianapolis Local Public Improvement Bond Bank
Indianapolis, Indiana

Hoosier Trust Company
Indianapolis, Indiana

Re: The Indianapolis Local Public Improvement Bond Bank
Taxable Bonds, Series 2007G (Glendale Mall Project)

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by The Indianapolis Local Public Improvement Bond Bank (the "Issuer") of Six Million Dollars ($6,000,000) aggregate principal amount of The Indianapolis Local Public Improvement Bond Bank Taxable Bonds, Series 2007G (Glendale Mall Project), dated the date hereof (the "Bonds"). The Bonds are being issued pursuant to Indiana Code 5-1.4, as amended (the "Act"), and a Trust Indenture dated as of April 1, 2007, between the Issuer and Hoosier Trust Company, as trustee (the "Indenture").

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

As to questions of fact material to our opinion, we have relied, without undertaking to verify the same by independent investigation, upon representations and certifications of the Issuer, public officials and others contained in the certified proceedings and other certificates, instruments and documents furnished to us.

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

I. The Issuer is a body corporate and politic validly existing under the Act, with the corporate power to execute and deliver the Indenture and to issue, execute and deliver the Bonds.
2. The Indenture has been duly authorized, executed and delivered by the Issuer and constitutes a legal, valid and binding obligation of the Issuer enforceable against the Issuer in accordance with its terms. The Indenture creates the valid pledge and assignment which it purports to create of the Trust Estate (defined in the Indenture).

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

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

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

Very truly yours,
APPENDIX C
APPENDIX C

SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE

The following is a summary of certain provisions of the Indenture. This summary does not purport to be comprehensive 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 in the Official Statement and in Appendix D, "DEFINITIONS."

Revenues, Funds And Accounts

A. Creation of Funds and Accounts.

The Bond Bank creates and establishes the following Funds and Accounts to be held by the Trustee under the Indenture: (a) the General Fund, and (b) the Series 2007G Bond Bank Reserve Fund. The General Fund contains the "General Account," the "Redemption Account" and the "Bond Issuance Expense Account."

B. Deposit of Net Proceeds of Series 2007G Bonds, Revenues and Other Receipts.

(1) The Trustee will deposit the Net Proceeds from the sale of the Series 2007G Bonds as follows:

   (a) Into the General Account an amount, if any, equal to the Program Expenses to be paid in connection with the Series 2007G Bonds;

   (b) Into the Bond Issuance Expense Account an amount sufficient to pay the Costs of Issuance incurred in connection with the Series 2007G Bonds (other than the Underwriter's discount and the premium for any Qualified Surety Bond);

   (c) Into the Series 2007G Bond Bank Reserve Fund (or, by means of the Qualified Surety Bond) an amount sufficient to equal, together with other amounts available for deposit to the Series 2007G Bond Bank Reserve Fund, the Series 2007G Bond Bank Reserve Requirement; and

   (d) Into the General Account the remainder of the Net Proceeds of the Series 2007G Bonds.

(2) The Trustee will deposit the net proceeds of any subsequent series of bonds as provided in the Supplemental Indenture for that series of bonds.

Upon receipt of any Revenues or other receipts (except the proceeds of the Series 2007G Bonds and moneys received upon sale or redemption prior to maturity of
Qualified Obligations), the Trustee will deposit into the General Account or such other Funds or Accounts as provided in the Indenture or a Supplemental Indenture. Moneys received pursuant to Indiana Code 5-1.4-5-4 to replenish the Series 2007G Bond Bank Reserve Fund will be deposited in the Series 2007G Bond Bank Reserve Fund and applied in accordance with the Act and the Indenture.

Operation Of Funds And Accounts

A. General Fund.

1. General Account. The Trustee will deposit in the General Account all moneys required to be deposited therein pursuant to the Indenture. The Trustee will invest such funds in accordance with the Indenture and will make the following payments from the General Account on the specified dates and, if there are not sufficient funds to make all the payments required, with the following order of priority:

   (a) On the date of initial delivery of the Series 2007G Bonds, to purchase the Qualified Obligations in accordance with the procedures established by the Bond Bank, as set forth in the Indenture, upon submission of requisitions and certifications of the Bond Bank signed by an Authorized Officer stating that all requirements with respect to such financing set forth in the Indenture have been or will be complied with;

   (b) On or before 10:00 A.M. in the city in which the Trustee is located, on the Business Day next preceding each Series 2007G Interest Payment Date, to the Paying Agent such amount as will be necessary to pay the principal and interest coming due on the Series 2007G Bonds on such Series 2007G Interest Payment Date; provided that any accrued interest deposited in the General Account shall be used only to pay interest on a series of bonds due and payable on the Interest Payment Date immediately following the issuance of such series of bonds and for no other purpose.

   (c) As soon as funds become available, and only to the extent necessary, to the Series 2007G Bond Bank Reserve Fund sufficient amounts to assure that the Series 2007G Bond Bank Reserve Requirement is met;

   (d) As necessary, to the Reserve Fund Credit Provider, to pay any Reserve Fund Reimbursement Obligation in the manner provided in the Indenture; and

   (e) At such times as will be necessary, the reasonable Program Expenses, if any, but only to the extent contemplated in the most recent Cash Flow Certificate, unless any Program Expenses in excess of such amount are assessed under the Qualified Entity Purchase Agreement;
To the extent debt service on the Series 2007G Bonds is paid from Investment Earnings, the City will be credited with making such payments and any obligations under the Qualified Obligations so paid will be deemed satisfied.

2. **Redemption Account.** The Trustee will deposit in the Redemption Account all moneys received upon the sale or redemption prior to maturity of Qualified Obligations and all other moneys required to be deposited therein pursuant to the provisions of the Indenture, shall invest such funds pursuant to the provisions of the Indenture, and will disburse the funds in the Redemption Account as follows:

   (a) On the fifteenth day of each month, to the General Account an amount equal to the principal which would have been payable during the following month if such Qualified Obligations had not been sold or redeemed prior to maturity;

   (b) On the second Business Day next preceding each Interest Payment Date if moneys in the General Account are not sufficient to make the payments of principal and interest required to be made on such date, the Trustee will transfer to the General Account moneys in the Redemption Account not already committed, under the provisions of the Indenture, to the redemption of Series 2007G Bonds for which notice of redemption has been given;

   (c) After providing for the payments required under paragraphs (a) and (b) above, moneys in the Redemption Account may be used (i) to redeem Series 2007G Bonds of such maturity or maturities as directed by an Authorized Officer if such Series 2007G Bonds are then subject to redemption, (ii) to purchase Qualified Obligations permitted by the Indenture, (iii) to the extent there are any excess moneys in the Redemption Account, to transfer to the General Account, (iv) to purchase Series 2007G Bonds of such maturity or maturities as directed by an Authorized Officer at the most advantageous price obtainable with reasonable diligence, whether or not such Series 2007G Bonds will then be subject to redemption, or (v) to invest such moneys until the payment of Series 2007G Bonds at their maturity or maturities as directed by an Authorized Officer in accordance with the Indenture. Such price may not, however, exceed the Redemption Price which would be payable on the next ensuing date on which the Series 2007G Bonds so purchased are redeemable according to their terms unless the Bond Bank provides the Trustee with a Cash Flow Certificate to the effect that the purchase at a price in excess of the Redemption Price will not result in Revenues, together with moneys expected to be held in the Funds and Accounts, being less than an amount equal to debt service on all Outstanding Series 2007G Bonds along with Program Expenses, if any. The Trustee will pay the interest accrued on the Series 2007G Bonds so purchased to the date of delivery thereof to the Trustee from the General Account and the balance of the purchase price from the Redemption Account, but no such purchase will be made by the Trustee within the period of sixty (60) days next preceding a Interest Payment Date or a date on which such Series 2007G Bonds are subject to redemption under the
provisions of the Indenture or the Supplemental Indenture authorizing the issuance of such Series 2007G Bonds. The Trustee shall deliver the Series 2007G Bonds so purchased to the Registrar within five (5) days from the date of delivery to the Trustee; and

(d) If the Trustee is unable to purchase Series 2007G Bonds in accordance with and under the preceding paragraph (c), then, subject to any restrictions on redemption set forth in the Indenture or Supplemental Indenture pursuant to which such series of bonds has been issued, if any, and subject to clause (c)(i) in the immediately preceding paragraph, the Trustee will call for redemption on the next redemption date such amount of Series 2007G Bonds of such maturity or maturities as directed by an Authorized Officer, at the Redemption Price thereof, will exhaust the Redemption Account as nearly as possible. Such redemption shall be made pursuant to the provisions of the Indenture. The Trustee will pay the interest accrued on the Series 2007G Bonds so redeemed to the date of redemption from the General Account and will pay the Redemption Price from the Redemption Account.

The Trustee may, upon written direction from the Bond Bank, transfer moneys in the Redemption Account to the General Account if the Bond Bank provides the Trustee with a Cash Flow Certificate to the effect that after such transfer and after any transfer from the General Account to the Bond Bank, Revenues, together with moneys expected to be held in the Funds and Accounts, would at least equal debt service on all Outstanding Series 2007G Bonds along with Program Expenses, if any.

3. **Bond Issuance Expense Account.** The Trustee will deposit in the Bond Issuance Expense Account the moneys required to be deposited by the Indenture, will invest such funds pursuant to the Indenture and will disburse the funds held in the Bond Issuance Expense Account upon receipt of invoices or requisitions certified by an Authorized Officer of the Bond Bank or his designee to pay the Costs of Issuance of the Series 2007G Bonds or to reimburse the Bond Bank for amounts previously advanced for such Costs of Issuance and to transfer moneys therefrom to the General Account. In making disbursements from the Bond Issuance Expense Account, the Trustee may rely upon such certificates and invoices without further investigation. Any amounts remaining in the Bond Issuance Expense Account ninety (90) days after the issuance of any series of bonds, including the Series 2007G Bonds, will be transferred to the General Account, at which time the Bond Issuance Expense Account may, at the direction of the Bond Bank, be closed.
B. Series 2007G Bond Bank Reserve Fund.

The Trustee will deposit in the Series 2007G Bond Bank Reserve Fund all moneys required to be deposited therein pursuant to the Indenture, the Qualified Entity Purchase Agreement or as set forth in any Supplemental Indenture to cause the Series 2007G Bond Bank Reserve Fund to be equal to the Series 2007G Bond Bank Reserve Requirement, will invest such funds pursuant to the Indenture, and, except as provided below, will disburse the funds held in the Series 2007G Bond Bank Reserve Fund solely to the General Account for the payment of interest on and principal of the Series 2007G Bonds, and only if moneys in the General Account are insufficient to pay principal of and interest on the Series 2007G Bonds after making all the transfers thereto required to be made pursuant to the Indenture (from the Redemption Account) have been made.

Notwithstanding the foregoing, the Bond Bank may satisfy all or any part of its obligation to maintain an amount in the Series 2007G Bond Bank Reserve Fund at least equal to the Series 2007G Bond Bank Reserve Requirement by depositing a Reserve Fund Credit Instrument in the Series 2007G Bond Bank Reserve Fund. To the extent a Reserve Fund Credit Instrument is on deposit in the Series 2007G Bond Bank Reserve Fund, any cash on deposit in the Series 2007G Bond Bank Reserve Fund will be disbursed first and prior to drawing upon the Reserve Fund Credit Instrument.

If moneys in the Series 2007G Bond Bank Reserve Fund exceed the Series 2007G Bond Bank Reserve Requirement, such excess will be transferred at least semiannually in the following order (1) any remaining excess attributable to moneys deposited in the Series 2007G Bond Bank Reserve Fund pursuant to Indiana Code 5-1.4-5-4 and the Indenture upon the direction of an Authorized Officer of the Bond Bank, to the City to repay such appropriation; (2) any other moneys in excess of the Series 2007G Bond Bank Reserve Requirement to the General Account.

C. Investment of Moneys.

Any moneys held as part of any Fund or Account (except the Redemption Account) shall be invested or reinvested by the Trustee upon oral directions (immediately confirmed in writing) by an Authorized Officer of the Bond Bank as continuously as reasonably possible in Investment Securities; provided that the Bond Bank shall direct the investment of such moneys. Any moneys in the Redemption Account shall be invested only in Defeasance Obligations as directed by an Authorized Officer of the Bond Bank. The Trustee shall be entitled to rely on all investment instructions provided by the Bond Bank hereunder and shall have no duty to monitor the compliance thereof with the restrictions set forth in this Article, but the Trustee shall be responsible for determining that such investments constitute Investment Securities hereunder. The Trustee shall not be responsible or reliable for the performance of any such investments or for keeping the money held by it hereunder fully invested at all times. All investment income derived from any Fund or Account held hereunder shall be deposited as received in the General Account, except for Investment Earnings on investment of funds in the Series 2007G Bond Bank Reserve Fund which shall remain in the Series 2007G Bond Bank Reserve Fund until the balance of such Fund equals the Series 2007G Bond Bank Reserve
Requirement from time to time and thereafter be retained or disbursed as provided in the Indenture. The Trustee may make any and all such investments through its bond department or through the bond department of any financial institution which is an affiliate of the Trustee and may trade with itself or any of its affiliates in doing so. Moneys in separate Funds and Accounts may be commingled for the purpose of investment or deposit. Any investment losses shall be charged to the Fund or Account in which moneys used to purchase such investment had been deposited. For so long as the Trustee is in compliance with the investment provisions of the Indenture, the Trustee shall not be liable for any investment losses. Moneys in any Fund or Account shall be invested in Investment Securities with a maturity date, or a redemption date determined by the owner of the Investment Securities at that owner’s option, which shall coincide as nearly as practicable with times at which moneys in such Funds or Accounts will be required for the purposes thereof. The Trustee shall sell and reduce to cash a sufficient amount of such investments in the respective Fund or Account whenever the cash balance therein is insufficient to pay the amounts contemplated to be paid therefrom at the time those amounts are to be paid.

In computing the amount in any Fund or Account held under the provisions of the Indenture, except the Series 2007G Bond Bank Reserve Fund, obligations purchased as an investment of moneys therein having a stated maturity of less than two (2) years shall be valued at the cost thereof (including in such cost accrued interest paid and unamortized debt discount) and all other obligations purchased as an investment of moneys shall be valued at the cost (including in such cost accrued interest paid and unamortized debt discount) or market price thereof, whichever is lower, exclusive of accrued interest earned, except that securities covered by repurchase agreements shall be valued at the market value of the collateral securing the repurchase agreement. When market prices for obligations held hereunder are not readily available, the market price for such obligations may be determined in such manner as the Trustee deems reasonable. Investment Securities purchased as an investment of moneys in the Series 2007G Bond Bank Reserve Fund shall be valued at their fair market value.

Covenants Concerning the Series 2007G Bonds

The Bond Bank covenants and agrees that it will faithfully perform at all times any and all covenants, undertakings, stipulations and provisions contained in the Indenture, in any and every Bond executed, authenticated and delivered hereunder and in all of its proceedings pertaining thereto. The Bond Bank covenants and represents that it is duly authorized under the constitution and laws of the State, including particularly the Act, to issue the Series 2007G Bonds authorized hereby and to execute the Indenture, and to pledge the Trust Estate and all other property hereby pledged in the manner and to the extent set forth in the Indenture; that all action on its part for the issuance of the Series 2007G Bonds and the execution and delivery of the Indenture has been duly and effectively taken, and that the Series 2007G Bonds in the hands of the owners thereof are and will be valid and enforceable limited obligations of the Bond Bank according to the terms of the Series 2007G Bonds, the Indenture.
In order to provide for the payment of the principal, premium, if any, interest on the Series 2007G Bonds and Program Expenses, the Bond Bank will from time to time, with all practical dispatch and in a sound and economical manner consistent in all respects with the Act, the provisions of the Indenture and sound banking practices and principles, to the extent necessary to provide for the payment of the Series 2007G Bonds (i) do all such acts and things as will be necessary to receive and collect Revenues (including enforcement of the prompt collection of all arrears on Qualified Obligation Payments), and (ii) diligently enforce, and take all steps, actions and proceedings reasonably necessary in the judgment of the Bond Bank to protect its rights with respect to or to maintain any insurance on Qualified Obligations and to enforce all terms, covenants and conditions of Qualified Obligations including the collection, custody and prompt application of all escrow payments required by the terms of a Qualified Obligation for the purposes for which they were made.

Whenever necessary in order to provide for the payment of debt service on the Series 2007G Bonds, the Bond Bank shall commence appropriate remedies with respect to any Qualified Obligation which is in default.

Covenants with Respect to Qualified Obligations

(a) The Bond Bank covenants and agrees that it will not permit or agree to any material change in any Qualified Obligation (other than one for which consent by the Bond Bank is not required) unless the Bond Bank supplies the Trustee with a Cash Flow Certificate, to the effect that after such change, Revenues expected to be received in each Fiscal Year, together with moneys expected to be held in the Funds and Accounts, will at least equal debt service on all Outstanding Series 2007G Bonds in each such Fiscal Year along with Program Expenses, if any.

(b) Only to the extent that such action would not adversely affect the validity of the Qualified Obligations or other obligations of the City, or cause such Qualified Obligations to be considered debt of the City, the Bond Bank will pursue the remedies set forth in the Act, particularly Indiana Code 5-1.4-8-4.

(c) The Bond Bank covenants and agrees that it will enforce or authorize the enforcement of all remedies available to owners or holders of Qualified Obligations, unless (i) the Bond Bank provides the Trustee with a Cash Flow Certificate to the effect that, if such remedies are not enforced, Revenues expected to be received in each Fiscal Year, together with moneys expected to be held in the Funds and Accounts, will at least equal debt service on all Outstanding Series 2007G Bonds in each such Fiscal Year along with Program Expenses, if any, and (ii) the Trustee determines that failure to enforce such remedies will not adversely affect the interests of the Bondholders in any material way.

(d) The Bond Bank covenants and agrees that it will not sell or dispose of any Qualified Obligations unless the Bond Bank provides the Trustee with a Cash Flow Certificate to the effect that after such sale, Revenues expected to be received in each
Fiscal Year, together with moneys expected to be held in the Funds and Accounts minus any proceeds of such sale to be transferred from any Fund or Account, will at least equal debt service on all Outstanding Series 2007G Bonds along with Program Expenses, if any, in each such Fiscal Year. Proceeds of such sales will be invested only in Defeasance Obligations or in Qualified Obligations or disbursed as provided in the Indenture.

**Accounts and Reports**

The Bond Bank covenants and agrees to keep proper books of records and accounts (separate from all other records and accounts) in which complete and correct entries will be made of its transactions relating to the Program and the Funds and Accounts established by the Indenture. Such books, and all other books and papers of the Bond Bank, and such Funds and Accounts will at all reasonable times be subject to the inspection of the Trustee and the owners of an aggregate of not less than five percent (5%) in principal amount of the Series 2007G Bonds then Outstanding or their representatives duly authorized in writing.

The Trustee covenants and agrees to provide to the Bond Bank prior to the twentieth day of each month a statement of the amount on deposit in each Fund and Account as of the last day of the preceding month and of the total deposits to and withdrawals from each Fund and Account during the preceding month. The Bond Bank may provide for less frequent statements so long as such statements are supplied no less frequently than quarterly.

The reports, statements and other documents required to be furnished to the Trustee pursuant to any provision of the Indenture will be provided by the Trustee at the expense of the Bond Bank to any owner (or designated representative) of five percent (5%) or more in aggregate principal amount of Series 2007G Bonds then Outstanding who files or has filed a written request therefor with the Trustee.

Within two hundred ten (210) days after the close of each Fiscal Year, the Bond Bank covenants and agrees to file with the Trustee a copy of an annual report as to the operations of the Bond Bank during such Fiscal Year and audited financial statements prepared in conformity with generally-accepted accounting principles by an accounting firm appointed by the Bond Bank. Such financial statements should set forth in reasonable detail a balance sheet showing the assets and liabilities of the Program, a statement of revenues and expenses of the Program, and a statement of changes in financial position of the Program which may be presented on a consolidated or combined basis with other reports of the Bond Bank (including reports on other programs) but only to the extent that the transactions conducted with respect to the Indenture and the Program are accurately reflected. The Trustee shall have no duty to review or analyze such financial statements and shall hold such financial statements solely as a repository for the benefit of Bondholders.
The Bond Bank covenants and agrees to provide to the Trustee copies of all reports filed with the Bond Bank by the City pursuant to the Qualified Entity Purchase Agreement.

**Annual Budget**

The Bond Bank will, at least sixty (60) days prior to the beginning of each Fiscal Year (commencing with January 1, 2008), prepare and file in the office of the Trustee a preliminary budget covering its operations for the succeeding Fiscal Year which will be open to inspection by any holder of at least five percent (5%) of the Outstanding Series 2007G Bonds. The Trustee will have no duty to review or inspect such budget and will hold such budget solely as a repository for the Bondholders.

**Certification Covenants**

The Bond Bank covenants that if a deficiency in or depletion of the Series 2007G Bond Bank Reserve Fund (including any projected draw on any Qualified Surety Bond) below the Series 2007G Bond Bank Reserve Requirement is projected in the Bond Bank's annual budget, the Chairman of the Bond Bank will certify such projected deficiency or depletion (or draw on any Qualified Surety Bond) to the Council on or before December 1 of the year prior to the Fiscal Year in which such deficiency or depletion (or draw on any Qualified Surety Bond) is projected to occur, or within ninety (90) days of such projection, whichever is earlier.

The Bond Bank covenants and agrees that it will take all actions required or permitted by Indiana Code 5-1.4-5-4, as amended from time to time, to certify to the Council any deficiency in or depletion of the Series 2007G Bond Bank Reserve Fund (including any projected draw on any Qualified Surety Bond) within ninety (90) days of such deficiency or depletion (or draw on any Qualified Surety Bond), regardless of whether such deficiency or depletion (or draw on any Qualified Surety Bond) was projected in the annual budget.

**Cash Flow Certificates**

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

(a) the Revenues expected to be received on all Qualified Obligations financed or expected to be financed with proceeds of the Series 2007G Bonds or with Revenues expected to be available for the purpose of financing additional Qualified Obligations;

(b) all other Revenues, including the interest to be earned and other income to be derived from the investment of the Funds and Accounts and the rate or yields used in estimating such amounts;
(c) all moneys expected to be in the Funds and Accounts (with respect to the Series 2007G Bond Bank Reserve Fund, only to the extent provided in (d) below);

(d) the amount, if any, expected to be withdrawn from the Series 2007G Bond Bank Reserve Fund, but only if the amount on deposit in the Series 2007G Bond Bank Reserve Fund immediately after such withdrawal is expected to be at least equal to the Series 2007G Bond Bank Reserve Requirement and such withdrawal is permitted by the Indenture;

(e) the principal and interest on all Series 2007G Bonds expected to be Outstanding during each Fiscal Year; and

(f) the amount, if any, of Program Expenses expected to be paid from the Revenues.

In making any Cash Flow Certificate, the accountant or firm of accountants may contemplate the payment or redemption of Series 2007G Bonds for the payment or redemption of which amounts have been set aside in the Redemption Account. The issuance of Series 2007G Bonds, the making of transfers from one Fund to another, and the deposit of amounts in any Fund from any other source may be contemplated in a Cash Flow Certificate only to the extent that such issuance, deposit or transfer has occurred prior to or shall occur substantially simultaneously with the delivery of such Cash Flow Certificate. The accountant or firm of accountants shall also supply supporting schedules appropriate to show the sources and applications of funds used, identifying particularly amounts to be transferred between Funds, amounts to be applied to the redemption or payment of Series 2007G Bonds and amounts to be used to provide for Costs of Issuance, the debt service reserve and capitalized interest, if any, for the respective series of bonds. In the case of each annual Cash Flow Certificate, the amounts of existing Qualified Obligations, existing Investment Securities and existing cash shall be the amounts as of the last day of the preceding Fiscal Year. In the case of any other Cash Flow Certificate such amounts shall be the amounts as of the last day of the month preceding the month in which the Cash Flow Certificate is delivered but shall be adjusted to give effect to scheduled payments of principal and interest on Qualified Obligations, actual payments or proceeds with respect to Investment Securities and actual expenditures of cash expected by the Bond Bank through the end of the then current month.

**Covenant to Monitor Investments**

The Bond Bank covenants and agrees to regularly review the investments held by the Trustee in the Funds and Accounts for the purpose of assuring that the Revenues derived from such investments are sufficient to provide, together with other anticipated Revenues, the debt service on all Outstanding Series 2007G Bonds.
Discharge of Indenture

If payment or provision for payment is made to the Trustee, of the principal of, premium, if any, and interest due and to become due on the Series 2007G Bonds at the times and in the manner stipulated in the Indenture and there is paid or caused to be paid to the Trustee all sums of money due and to become due according to the provisions of the Indenture, then in accordance with its provisions, the Trust Estate and rights thereby granted shall cease, terminate and be void, whereupon the Trustee shall cancel and discharge the lien of the Indenture, and execute and deliver to the Bond Bank such instruments in writing as shall be requisite to cancel and discharge the lien hereof, and release, assign and deliver unto the Bond Bank any and all of the estate, right, title and interest in and to any and all rights assigned or pledged to the Trustee by the Indenture or otherwise subject to the lien of the Indenture, except moneys or securities held by the Trustee for the payment of the principal of and interest on the Series 2007G Bonds and except as otherwise provided in the Indenture.

The Series 2007G Bonds or portion thereof shall be deemed to be paid within the meaning of the Indenture (a) when payment of the principal of such Series 2007G Bonds and interest thereon to the due date thereof (whether such due date be by reason of maturity or upon redemption as provided in the Indenture or otherwise), either (i) shall have been made or caused to have been made in accordance with the terms thereof, or (ii) shall have been provided for by irrevocably depositing with the Trustee, in trust and exclusively for such payment, (1) moneys sufficient to make such payment or (2) noncallable or nonprepayable Defeasance Obligations maturing as to principal and interest in such amounts and at such times, without consideration of any reinvestment thereof, as will ensure the availability of sufficient moneys to make such payment, or (3) a combination of such moneys and Defeasance Obligations, (b) all necessary and proper fees and expenses of the Trustee pertaining to the Series 2007G Bonds with respect to which such deposit is made shall have been paid or deposited with the Trustee and (c) any unpaid Reserve Fund Reimbursement Obligation to the Reserve Fund Credit Provider of any Qualified Surety Bond.

Defaults and Remedies

A. Events of Default.

Any of the following events constitutes an Event of Default under the Indenture:

(a) Default in the due and punctual payment of any interest on any Series 2007G Bond; or

(b) Default in the due and punctual payment of the principal of any Series 2007G Bond, whether at the stated maturity thereof or on any date fixed for mandatory sinking fund redemption; or
(c) Failure of the Bond Bank to remit to the Trustee within the time limits prescribed in the Indenture any moneys which are required by the Indenture to be so remitted; or

(d) Default in the performance or observance of any other of the covenants, agreements or conditions on the part of the Bond Bank contained in the Indenture or in the Series 2007G Bonds and failure to remedy the same within the time provided in, and after notice thereof pursuant to, the Indenture; or

(e) Any warranty, representation or other statement by or on behalf of the Bond Bank contained in the Indenture or in any instrument furnished in compliance with or in reference to the Indenture is found to be false or misleading, when made, in any material respect, and failure to remedy the same within the time provided in, and after notice thereof pursuant to, the Indenture; or

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

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

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

(i) The Bond Bank fails to restore the Series 2007G Bond Bank Reserve Fund to the Series 2007G Bond Bank Reserve Requirement within sixty (60) days after the end of the Fiscal Year of the Bond Bank during which a deficiency occurs; or

(j) The Bond Bank for any reason shall be rendered incapable of fulfilling its obligations under the Indenture.

Anything herein to the contrary notwithstanding, no Default under Subsection (d) or (e) immediately above shall constitute an Event of Default until actual notice of such Default by registered or certified mail shall be given to the Bond Bank by the Trustee or the owners of not less than twenty-five percent (25%) in aggregate principal amount of
all Series 2007G Bonds then Outstanding and the Bond Bank shall have had thirty (30)
days after receipt of such notice to correct the Default or cause the Default to be corrected
and shall not have corrected the Default or caused the Default to be corrected within the
applicable period; provided, however, if the Default be such that it is correctable but
cannot be corrected within the applicable period, it shall not constitute an Event of
Default if corrective action is instituted by the Bond Bank within the applicable grace
period, if any, and diligently pursued until the Default is corrected. If a Default is cured
under the provisions of the Indenture, then it will not constitute an Event of Default.

B. Rights and Remedies of Bondholders.

Upon the occurrence of an Event of Default, the Trustee shall notify the owners of
all Series 2007G Bonds then Outstanding of such Event of Default by registered or
certified mail, and will have the following rights and remedies:

(a) The Trustee may pursue any available remedy at law or in equity
or by statute to enforce the payment of the principal of and interest on the Series
2007G Bonds then Outstanding, including enforcement of any rights of the Bond
Bank or the Trustee under the Qualified Obligations.

(b) The Trustee may by action or suit in equity require the Bond Bank
to account as if it were the Trustee of an express trust for the holders of the Series
2007G Bonds and may take such action with respect to the Qualified Obligations
as the Trustee deems necessary or appropriate and in the best interest of the
Bondholders, subject to the terms of the Qualified Obligations.

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

(d) If the Trustee certifies that there are sufficient moneys on deposit
in the Funds and Accounts to pay principal of and accrued interest on all the
Outstanding Series 2007G Bonds, the Trustee may declare the principal of and
accrued interest on all Series 2007G Bonds to be due and payable immediately in
accordance with the Indenture and the Act, by notice to the Bond Bank and the
Corporation Counsel of the City.

An Event of Default has occurred, if requested to do so in writing by the owners
of twenty-five percent (25%) or more in aggregate principal amount of all Series 2007G
Bonds then Outstanding and if indemnified as provided in the Indenture, the Trustee shall
be obligated to exercise such one or more of the rights, remedies and powers conferred by
this Section as the Trustee, being advised by counsel, shall deem most expedient in the
interests of the Bondholders.
No right or remedy by the terms of the Indenture conferred upon or reserved to the Trustee or to the Bondholders is intended to be exclusive of any other right or remedy, but each and every such right or remedy shall be cumulative and shall be in addition to any other right or remedy given to the Trustee or to the Bondholders hereunder or now or hereafter existing at law or in equity or by statute. The assertion or employment of any right or remedy shall not prevent the concurrent or subsequent assertion or employment of any other right or remedy.

No delay or omission to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or shall be construed to be a waiver of any such Event of Default or acquiescence therein, and every such right or remedy may be exercised from time to time and as often as may be deemed expedient.

No waiver of any Event of Default in the Indenture, whether by the Trustee or by the Bondholders, shall extend to or shall affect any subsequent Event of Default or shall impair any rights or remedies consequent thereon.

Anything in the Indenture to the contrary notwithstanding (except as described below), the owners of a majority in aggregate principal amount of Series 2007G Bonds then Outstanding shall have the right, at any time during the continuance of an Event of Default, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the time, method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of the Indenture, or for the appointment of a receiver or any other proceedings hereunder; provided that such direction shall not be otherwise than in accordance with the provisions of law and of the Indenture.

C. **Waivers of Events of Default.**

At its discretion, the Trustee may waive any Event of Default and its consequences, and must do so upon the written request of the owners of (i) more than sixty-six and two-thirds percent (66 2/3%) in aggregate principal amount of all the Series 2007G Bonds then Outstanding in respect of which an Event of Default in the payment of principal or interest exists or (ii) more than fifty percent (50%) in aggregate principal amount of all Series 2007G Bonds then Outstanding in the case of any other Event of Default. However, there may not be waived (A) any Event of Default in the payment of the principal of any Outstanding Bond at the specified date of maturity or (B) any Event of Default in the payment when due of the interest on any Outstanding Bond unless, prior to the waiver, all arrears of interest or principal due, as the case may be, with interest on overdue principal at the rate borne by such Bond, and all expenses of the Trustee in connection with the Event of Default have been paid or provided for. In case of any such waiver or rescission, or in case any proceeding taken by the Trustee on account of any such Event of Default has been discontinued or abandoned or determined adversely, then and in every such case the Bond Bank, the Trustee and the Bondholders will be restored to their former respective positions and rights under the Indenture. No such waiver or
rescission will extend to any subsequent or other Event of Default or impair any rights consequent thereon.


No owner of any Series 2007G Bond shall have any right to institute any suit, action or proceeding at law or in equity for the enforcement of the Indenture or for the execution of any trust hereof or for the appointment of a receiver or any other remedy hereunder, unless (a) a Default in payment has occurred, (b) such payment default shall have become an Event of Default and the owners of not less than twenty-five percent (25%) in aggregate principal amount of Series 2007G Bonds then Outstanding shall have made written request to the Trustee and shall have offered it reasonable opportunity either to proceed to exercise the remedies granted by the Indenture or to institute such action, suit or proceeding in its own name, (c) such owners of Series 2007G Bonds have offered to the Trustee indemnity as provided in the Indenture, and (d) the Trustee has refused, or for sixty (60) days after receipt of such request and offer of indemnification has failed, to exercise the remedies granted in the Indenture, or to institute such action, suit or proceeding in its own name; and such request and offer of indemnity are hereby declared in every case at the option of the Trustee to be conditions precedent to the execution of the powers and trusts of the Indenture, and to any action or cause of action for the enforcement of the Indenture, or for the appointment of a receiver or for any other remedy hereunder, it being understood and intended that no one or more owners of the Series 2007G Bonds shall have any right in any manner whatsoever to affect, disturb or prejudice the lien of the Indenture by its, his, her or their action or to enforce any right hereunder except in the manner herein provided, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner provided in the Indenture and for the equal and ratable benefit of the owners of all Series 2007G Bonds then Outstanding. However, nothing contained in the Indenture shall affect or impair the right of any Bondholder to enforce the payment of the principal of and interest on any Series 2007G Bond at and after the maturity thereof, or the limited obligation of the Bond Bank to pay the principal of and interest on each of the Series 2007G Bonds issued hereunder to the respective owners thereof at the time and place, from the source and in the manner expressed in the Series 2007G Bonds.

Supplemental Indentures

The Bond Bank and the Trustee may, without the consent of, or notice to, any of the Bondholders, enter into an indenture or indentures supplemental to the Indenture for any one or more of the following purposes:

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

(b) To grant to or confer upon the Trustee for the benefit of the Bondholders any additional benefits, rights, remedies, powers or authorities that may lawfully be granted to or conferred upon the Bondholders or the Trustee, or to make any change which, in the judgment of the Trustee, is not to the prejudice

C-15
of the Bondholders and does not require unanimous consent of the Bondholders pursuant to the Indenture;

(c) To subject to the Indenture additional revenues, security, properties or collateral;

(d) To modify, amend or supplement the Indenture or any Supplemental Indenture in such manner as to permit the qualification thereof and thereof under the Trust Indenture Act of 1939, as amended, or any similar federal statute hereafter in effect or to permit the qualification of the Series 2007G Bonds for sale under the securities laws of the United States of America or of any of the states of the United States of America, and, if they so determine, to add to the Indenture or any indenture supplemental thereto such other terms, conditions and provisions as may be permitted by the Trust Indenture Act of 1939 or similar federal statute which the Trustee in its sole discretion determines will not have a material adverse effect on the interests of the owners of the Series 2007G Bonds;

(e) To evidence the appointment of a separate or co-trustee or the succession of a new Trustee or the succession of a new Registrar or Paying Agent;

(f) To provide for the refunding of all or a portion of the Series 2007G Bonds;

(g) To modify, amend or supplement the Indenture in any manner that does not, in the opinion of the Trustee, have a material adverse effect upon the interest of Bondholders.

Exclusive of Supplemental Indentures provided for by the Indenture and subject to the terms and provisions contained in the Indenture, and not otherwise, the owners of not less than a majority of the aggregate principal amount of the Series 2007G Bonds then Outstanding which are affected (exclusive of Series 2007G Bonds held by the Bond Bank) shall have the right, from time to time, notwithstanding anything contained in the Indenture to the contrary, to consent to and approve the execution by the Bond Bank and the Trustee of such other indenture or indentures supplemental to the Indenture as shall be deemed necessary and desirable by the Trustee for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in the Indenture or in any Supplemental Indenture; provided, however, that nothing contained in the Indenture shall permit, or be construed as permitting, without the consent of the owners of all then Outstanding Series 2007G Bonds, (a) an extension of the maturity dates of the principal of or the interest or redemption premium on any bond issued pursuant to the Indenture, or (b) a reduction in the principal amount of any bond or change in the rate of interest or redemption premium, or (c) a privilege or priority of any bond or bonds over any other bond or bonds, or (d) a reduction in the aggregate principal amount of the bonds required for consent to such Supplemental Indenture, or (e) the creation of any lien securing any bonds other than a lien ratably securing all of the Series 2007G Bonds at any time Outstanding pursuant to the Indenture, or (f) any modification
of the trusts, powers, rights, obligations, duties, remedies, immunities and privileges of the Trustee without the written consent of the Trustee.
[THIS PAGE INTENTIONALLY LEFT BLANK]
APPENDIX D
APPENDIX D

DEFINITIONS

The following words and phrases shall have the following meanings unless the context otherwise requires:

“Accounts” means the accounts created pursuant to the Indenture.

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

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

“Bond Bank” means The Indianapolis Local Public Improvement Bond Bank, an entity created pursuant to the Act by, but separate from, the City in its corporate capacity, or any successor to its functions.

“Bond Counsel” means Counsel that is nationally recognized in the area of municipal law and matters relating to the exclusion of interest on municipal bonds from gross income under federal tax law.

“Bondholder” or “Holder” or “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.

“Bond Issuance Expense Account” means the Account by that name created by the Indenture.

“Bonds” means, collectively, the Series 2007G Bonds and any Refunding Bonds.

“Business Day” means any day other than a Saturday, a Sunday or legal holiday, or a day on which banking institutions in Indianapolis, Indiana, or New York, New York, are authorized by law or executive order to close, or a day on which the Federal Reserve Bank is closed.

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

“City” means the City of Indianapolis, Indiana.

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

“Contract of Purchase” means the Contract of Purchase for the Series 2007G Bonds between the Bond Bank and the Underwriter, dated as of May 4, 2007, the form of which was approved at the meeting of the Board of Directors of the Bond Bank on March 21, 2007.
“Costs of Issuance” means items of expense payable or reimbursable directly or indirectly by the Bond Bank and related to costs to be paid pursuant to the Qualified Entity Purchase Agreement or the authorization, sale and issuance of Bonds, which items of expense shall include, but not be limited to, bond insurance and surety bond premiums, credit enhancement or liquidity facility fees, printing costs, costs of reproducing documents, filing and recording fees, initial fees and charges of the Trustee, Registrar and Paying Agent, underwriter's discounts, legal fees and charges, professional consultants’ fees, costs of credit ratings, fees and charges for execution, transportation and safekeeping of Bonds, costs and expenses of refunding, and other costs, charges and fees in connection with the foregoing and any other costs of a similar nature authorized by the Act.

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

“County” means Marion County, Indiana.

“Default” means an event or condition the occurrence of which, with the lapse of time or the giving of notice or both, would become an Event of Default under the Indenture.

“Defeasance Obligations” means (a) U.S. Treasury Certificates, Notes and Bonds (including State and Local Government Series - “SLGS”); (b) direct obligations of the U.S. Treasury which have been stripped by the U.S. Treasury itself, CATS, TIGRS and similar securities; (c) the interest component of Resolution Funding Corp. strips, in book entry form, which have been stripped by request to the Federal Reserve Bank of New York; (d) pre-refunded municipal bonds rated “Aaa” by Moody’s and “AAA” by S&P or, if rated only by S&P, then only such municipal bonds as have been refunded with cash, direct U.S. or U.S. guaranteed obligations, or other “AAA” rated pre-refunded municipal bonds; or (e) obligations issued by the following agencies which are backed by the full faith and credit of the United States of America; U.S. Export-Import Bank (direct obligations or fully guaranteed certificates of beneficial ownership), Farmers Home Administration (certificates of beneficial ownership), Federal Financing Bank, General Services Administration (participation certificates), U.S. Maritime Administration (guaranteed Title XI financing), or U.S. Department of Housing and Urban Development (project notes, local authority bonds, new communities debentures – U.S. government guaranteed debentures, and U.S. public housing notes and bonds – U.S. government guaranteed public housing notes and bonds).

“Event of Default” means any occurrence or event specified in the Indenture.

“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 (12)-month period from January 1 through the following December 31.

“Funds” means the funds created pursuant to the Indenture.

“General Account” means the Account by that name created by the Indenture.
“General Fund” means the Fund by that name created by the Indenture.

“Indenture” means this Trust Indenture dated as of April 1, 2007 between the Bond Bank and the Trustee, as amended and supplemented from time to time pursuant to the Indenture.

“Interest Payment Date” means any date on which interest is payable on the Bonds, and, for the Series 2007G Bonds, means each February 1 and August 1, commencing on February 1, 2008.

“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.

“Investment Securities” means 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. Bonds, debentures, 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 (stripped 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

   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. Bonds, debentures, 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")
   Mortgage-backed securities and senior debt obligations

4. Student Loan Marketing Association (SLMA 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 Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933, and having a rating by S&P of AAAm-G, AAA-m, or AA-m and if rated by Moody's rated Aaa, Aa1, or Aa2, which funds may be funds of the Trustee.

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 Federal Deposit Insurance Corporation, including BIF and SAIF.

G. Investment Agreements, including Guaranteed Investment Contracts, Forward Purchase Agreements, and Reserve Fund Put Agreements.
H. Commercial paper rated, at the time of purchase, "Prime-1" by Moody's and "A-1" or better by S&P.

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

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

K. Repurchase Agreements for 30 days or less must follow the following criteria.

1. Repurchase agreements must be between the municipal entity and a dealer bank or securities firm
   (a) Primary dealers on the Federal Reserve reporting dealer list which are rated "A" or better by S&P and Moody's, or
   (b) Banks rated "A" or above by S&P and Moody's.

2. The written repurchase agreement must include the following:
   (a) Securities which are acceptable for transfer are:
      (i) Direct U.S. government obligations, or
      (ii) Federal agencies' obligations backed by the full faith and credit of the U.S. government (and FNMA & FHLMC)
   (b) The term of the repurchase agreement may be up to 30 days.
   (c) The collateral must be delivered to the municipal entity, trustee (if trustee is not supplying the collateral), or third party acting as agent for the trustee (if the trustee is supplying the collateral) before/simultaneous with payment (perfection by possession of certificated securities).
   (d) Valuation of collateral
The value of collateral must be equal to 104% of the amount of cash transferred by the municipal entity to the dealer bank or security firm under the repurchase agreement plus accrued interest. If the value of securities held as collateral slips below 104% of the value of the cash transferred by municipality, 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%.

(3) Legal opinion which must be delivered to the municipal entity:

(a) Repurchase Agreement meets guidelines under state law for legal investment of public funds.

“Mandatory Sinking Fund Requirements” means the principal amount of Term Bonds which are required to be redeemed by mandatory sinking fund redemption, in the principal amounts, at the prices and on the dates as set forth in this Indenture with respect to the Series 2007G Bonds or the Supplemental Indenture authorizing the issuance of such Series of Bonds.

“Moody’s” means Moody’s Investors Service or any successor thereof which qualifies as a “Rating Agency” under the Indenture.

“Net Proceeds” means the proceeds received from the Underwriter pursuant to the Contract of Purchase.

“Outstanding Bonds” or “Bonds Outstanding” means all Bonds which have been authenticated and delivered by the Trustee under the Indenture or Bonds held for resale, including Bonds held by the Bond Bank, except:

(a) Bonds canceled after purchase in the open market or because of payment at or redemption prior to maturity;

(b) Bonds deemed paid under the Indenture; and

(c) Bonds in lieu of which other Bonds have been authenticated under the Indenture or under any Supplemental Indenture.

“Paying Agent” means initially Hoosier Trust Company, or any other successor thereto hereunder.

“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, Registrar and Paying Agent, costs of verifications required under 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.

“Qualified Entity” means the City, and its successors and assigns, which is a “qualified entity” under Indiana Code 5-1.4-1-10, as amended from time to time.

“Qualified Entity Purchase Agreement” means the Qualified Entity Purchase Agreement between the Bond Bank and the Qualified Entity, authorizing the Bond Bank’s purchase of the Qualified Obligations, the form of which was approved at the meeting of the Board of Directors of the Bond Bank on March 21, 2007.

“Qualified Obligation” means any “security” (as that term is defined in the Act), including the City of Indianapolis, Indiana, Taxable Economic Development Revenue Bonds, Series 2007 (Glendale Mall Project), 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 Obligation held by the Trustee pursuant to the Indenture and any Fees and Charges, or other amounts, paid or required to be paid by the Qualified Entity to the Bond Bank under the provisions of any agreement for the purchase and sale of such Qualified Obligations, including the Qualified Entity Purchase Agreement.

“Qualified Surety Bond” means a surety bond issued by an insurance company rated in the highest Rating Category by the Rating Agencies.

“Rating Agency” means any nationally recognized rating agency maintaining a rating on the Bonds at the request of the Bond Bank.

“Rating Category” means one of the generic Rating Categories of the applicable Rating Agency, without regard to any refinements or gradation of such generic Rating Category by numerical or other modifier.

“Record Date” means, with respect to any Interest Payment Date, the fifteenth day of the calendar month immediately preceding the month of such Interest Payment Date, or such other day designated in any Supplemental Indenture authorizing the issuance of such Series of Bonds.

“Redemption Account” means the Account by that name created by the Indenture.

“Redemption Price” means, with respect to any Bond, the principal amount thereof, plus the applicable premium, if any, payable upon redemption of such Bond prior to maturity.

“Refunding Bonds” means Bonds issued pursuant to the Indenture and any Supplemental Indenture.
“Registrar” means initially Hoosier Trust Company, or any successor thereto.

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

“Reserve Fund Credit Instrument” means a letter of credit, surety bond (including a Qualified Surety Bond), liquidity facility, insurance policy or comparable instrument furnished by a Reserve Fund Credit Provider with respect to the Bonds to satisfy, in whole or in part, the Bond Bank's obligation to maintain the Series 2007G Bond Bank Reserve Requirement, but only if the debt obligations of such Reserve Fund Credit Provider are rated in one of the two highest Rating Categories by one of the Rating Agencies.

“Reserve Fund Credit Provider” means the bank, financial institution, trust company, insurance company, association or other entity providing a Reserve Fund Credit Instrument pursuant to a Reserve Fund Credit Agreement.

“Reserve Fund Reimbursement Obligation” shall mean any obligation to reimburse the Reserve Fund Credit Provider of any Qualified Surety Bond for any payment made under such Qualified Surety Bond or any other obligation to repay any amounts (including, but not limited to, fees or additional interest) to the Reserve Fund Credit Provider.

“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, Investment Earnings.

“S&P” means Standard & Poor’s Credit Market Services, a division of The McGraw-Hill Companies, Inc., or any successor thereof which qualifies as a “Rating Agency” under the Indenture.

“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.

“Series 2007G Bonds” means the Bonds authorized by the Indenture.

“Series 2007G Bond Bank Reserve Fund” means the Fund by that name created by the Indenture.

“Series 2007G Bond Bank Reserve Requirement” means the $505,000 amount required to be on deposit in the Series 2007G Bond Bank Reserve Fund.

“State” means the State of Indiana.

“Supplemental Indenture” means an indenture supplemental to or amendatory of the Indenture, executed by the Bond Bank and the Trustee in accordance with the Indenture.
“Term Bonds” means Bonds which are subject to Mandatory Sinking Fund Requirements prior to maturity.

“Trustee” means initially Hoosier Trust Company, or any successor thereto.

“Trust Estate” means the property, rights, moneys and amounts pledged and assigned to the Trustee pursuant to the granting clauses under the Indenture.

“Underwriter” means with regard to the Series 2007G Bonds, City Securities Corporation.