

In the opinion of Krieg DeVault LLP, Indianapolis, Indiana ("Bond Counsel"), under existing laws, interest on the Series 2006 B Bonds (as hereinafter defined) is excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended and in effect on the date of issuance of the Series 2006 B Bonds. In the opinion of Bond Counsel, under existing laws, interest on the Series 2006 B Bonds is exempt from income taxation in the State of Indiana, except for the financial institutions tax. See "TAX MATTERS" and Appendix B herein.

\$16,550,000

**THE INDIANAPOLIS LOCAL PUBLIC IMPROVEMENT BOND BANK
Bonds, Series 2006 B**

Dated: Date of Delivery

Due: As shown on the inside cover

The Indianapolis Local Public Improvement Bond Bank Bonds, Series 2006 B (the "Series 2006 B 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 2006 B Bonds, to their respective maturities in the amounts and at the rates set forth on the inside front cover. The Series 2006 B 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 2006 B Bonds will be made in book-entry-only form, in the denomination of \$5,000 or any integral multiple thereof. Purchasers of beneficial interests in the Series 2006 B Bonds (the "Beneficial Owners") will not receive physical delivery of certificates representing their interests in the Series 2006 B Bonds. Interest on the Series 2006 B Bonds is payable on January 15 and July 15 of each year, commencing July 15, 2006. The principal of and interest on the Series 2006 B Bonds will be paid directly to DTC by Hoosier Trust Company, as trustee (the "Trustee"), under the Indenture, as defined and described herein, so long as DTC or its nominee is the registered owner of the Series 2006 B Bonds. The final disbursement of such payments to the Beneficial Owners of the Series 2006 B Bonds will be the responsibility of the Direct Participants and the Indirect Participants, all as defined and more fully described herein under the caption "THE SERIES 2006 B BONDS-Book-Entry-Only System."

The Series 2006 B Bonds are issued by the Bond Bank for the principal purposes of (1) providing funds for the purchase of the City of Indianapolis, Indiana Facilities Revenue Bonds of 2006 (the "Series 2006 B Qualified Obligations") to be issued by the City of Indianapolis, Indiana (the "City" or the "Qualified Entity"); (2) paying a portion of the interest due on the Series 2006 B Bonds through July 15, 2007; (3) paying the premiums for a financial guaranty insurance policy and a debt service reserve credit facility to Ambac Assurance Corporation (the "Series 2006 B Bond Insurer" or "Ambac Assurance"); and (4) paying other costs related to the issuance of the Series 2006 B Bonds, all as more fully described in this Official Statement. The City will use the proceeds of the Qualified Obligations to acquire, made additions to, renovate, repair, make improvements to, construct or modify certain structures used by the City and Marion County, Indiana and various governmental agencies and departments thereof, including without limitation: Marion County Jail, City-County Building, Juvenile Justice Center, Animal Control Building, Public Safety Training Academy, Riverside Garage and Belmont Garage (collectively, the "Project"). The City has adopted an ordinance (the "Authorizing Instrument") authorizing the issuance of the Qualified Obligations and their sale to the Bond Bank and will enter into an agreement with the Bond Bank setting forth the terms of such purchase.

The Series 2006 B Bonds are subject to optional and mandatory sinking fund redemption prior to maturity as described herein under the caption "THE SERIES 2006 B BONDS-Redemption."

The Series 2006 B Bonds are limited obligations of the Bond Bank payable solely from the revenues and funds of the Bond Bank pledged therefor under the Indenture, as more fully described herein. The Series 2006 B Bonds do not constitute a debt, obligation, liability or loan of the credit of the State of Indiana or any political subdivision thereof, including the City, the County (as hereinafter defined) or any other qualified entity, under the constitution and laws of the State of Indiana, or a pledge of the faith, credit and taxing power of the State of Indiana or any political subdivision thereof, including the City, the County or any other qualified entity. The sources of payment of, and security for, the Series 2006 B Bonds are more fully described herein. The Bond Bank has no taxing power. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2006 B 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 of Marion County, Indiana (the "City-County Council") to appropriate amounts to restore the Series 2006 B Bond Bank Reserve Fund to the Series 2006 B 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 2006 B Bond Bank Reserve Fund exists. Neither the Act nor the Indenture creates any debt or liability of the City or an obligation of the City-County Council to make any such appropriation. See "SECURITY AND SOURCES OF PAYMENT OF THE SERIES 2006 B BONDS - Series 2006 B Bond Bank Reserve Fund and the Replenishment Thereof."

(A detailed maturity schedule is set forth on the inside cover)

Payment of the principal of and interest on the Series 2006 B Bonds when due will be insured by a financial guaranty insurance policy to be issued by Ambac Assurance Corporation simultaneously with the delivery of the Series 2006 B Bonds.

Ambac

The Series 2006 B Bonds are offered when, as and if issued by the Bond Bank and received by the Underwriters, subject to prior sale, to withdrawal or modification of the offer without notice, and to the approval of legality by Krieg DeVault LLP, Indianapolis, Indiana, Bond Counsel. Certain legal matters will be passed on for the Bond Bank by the Corporation Counsel of the City, as General Counsel to the Bond Bank, and for the Underwriters by their counsel, Bingham McHale LLP, Indianapolis, Indiana. It is expected that the Series 2006 B Bonds will be available for delivery to DTC in New York, New York on or about February 28, 2006.

**CITY SECURITIES CORPORATION
Cabrera Capital Markets, Inc**

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

The Series 2006 B Bonds will mature on dates and in the amounts as follows:

(Base CUSIP 45528S)

<u>Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Price</u>	<u>CUSIP</u>
07/15/2007	\$275,000	4.000%	100.866%	NB8
01/15/2008	335,000	4.000%	101.081%	NC6
07/15/2008	345,000	4.000%	101.357%	ND4
01/15/2009	435,000	4.000%	101.547%	NE2
07/15/2009	435,000	4.000%	101.801%	NF9
01/15/2010	460,000	4.000%	101.869%	NG7
07/15/2010	475,000	4.000%	102.092%	NH5
01/15/2011	495,000	4.000%	101.907%	NJ1
07/15/2011	500,000	4.000%	101.888%	NK8
01/15/2013	535,000	4.000%	101.076%	NM4
07/15/2013	550,000	5.000%	107.522%	NN2
01/15/2014	565,000	4.000%	100.872%	NP7
07/15/2014	575,000	5.000%	108.017%	NQ5
01/15/2015	590,000	4.000%	100.144%	NR3
07/15/2015	600,000	5.000%	107.915%	NS1
01/15/2016	615,000	5.000%	107.837%	NT9
07/15/2016	630,000	4.000%	99.743%	NU6

\$1,035,000 of Term Bonds @ 5.000% due July 15, 2012, Price 107.030%, CUSIP: NL6
 \$1,300,000 of Term Bonds @ 4.000% due July 15, 2017, Price 98.468%, CUSIP: NV4
 \$1,355,000 of Term Bonds @ 5.000% due July 15, 2018, Price 107.079%*, CUSIP: NW2
 \$1,420,000 of Term Bonds @ 4.125% due July 15, 2019, Price 98.030%, CUSIP: NX0
 \$1,480,000 of Term Bonds @ 4.200% due July 15, 2020, Price 98.000%, CUSIP: NY8
 \$1,545,000 of Term Bonds @ 4.250% due July 15, 2021, Price 97.785%, CUSIP: NZ5

*Priced to the 01/15/16 call at 100%

No dealer, broker, salesperson or other person has been authorized by the Bond Bank or by the Underwriters to give any information or to make any representations other than those contained in this Official Statement in connection with the offering of the Series 2006 B 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 2006 B 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.

Other than with respect to information concerning the Series 2006 B Bond Insurer contained under the captions “FINANCIAL GUARANTY INSURANCE POLICY” and “DEBT SERVICE RESERVE FUND CREDIT FACILITY” and in Appendix E, “SPECIMEN FINANCIAL GUARANTY INSURANCE POLICY,” herein, none of the information in this Official Statement has been supplied or verified by the Series 2006 B Bond Insurer and the Series 2006 B Bond Insurer makes no representation or warranty, express or implied, as to (i) the accuracy or completeness of such information; (ii) the validity of the Series 2006 B Bonds; or (iii) the tax exempt status of the interest on the Series 2006 B Bonds.

The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have 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 UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2006 B BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZATION, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

THE SERIES 2006 B BONDS HAVE NOT BEEN AND WILL NOT BE REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, NOR HAS THE INDENTURE BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED.

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE STATE, THE BOND BANK, THE SERIES 2006 B QUALIFIED ENTITY AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED THE SERIES 2006 B BONDS OR PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

TABLE OF CONTENTS

INTRODUCTION	1
THE SERIES 2006 B BONDS	2
SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2006 B BONDS.....	8
AGREEMENT WITH THE STATE	11
FINANCIAL GUARANTY INSURANCE POLICY	11
DEBT SERVICE RESERVE FUND CREDIT FACILITY	14
PLAN OF FINANCING.....	15
APPLICATION OF PROCEEDS OF THE SERIES 2006 B BONDS	16
THE BOND BANK.....	16
THE CITY OF INDIANAPOLIS AND MARION COUNTY.....	17
REVENUES, FUNDS AND ACCOUNTS	18
OPERATION OF FUNDS AND ACCOUNTS	19
LITIGATION.....	23
TAX MATTERS.....	23
ORIGINAL ISSUE DISCOUNT.....	25
AMORTIZABLE BOND PREMIUM.....	26
ENFORCEABILITY OF REMEDIES	26
APPROVAL OF LEGAL PROCEEDINGS.....	27
RATINGS	27
UNDERWRITING	28
SERIES 2006 B BONDS AS LEGAL INVESTMENTS	28
AVAILABILITY OF DOCUMENTS AND FINANCIAL INFORMATION.....	28
CONTINUING DISCLOSURE.....	29
MISCELLANEOUS	32
AUTHORIZATION.....	32
APPENDIX A: SPECIAL PURPOSE 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
APPENDIX E: SPECIMEN FINANCIAL GUARANTY INSURANCE POLICY	E-1

OFFICIAL STATEMENT

\$16,550,000

The Indianapolis Local Public Improvement Bond Bank Bond Bank Bonds, Series 2006 B

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 \$16,550,000 aggregate principal amount of Bond Bank Bonds, Series 2006 B (the “Series 2006 B Bonds”), to be issued by the Bond Bank. The Series 2006 B Bonds have been authorized by a Resolution adopted by the Board of Directors of the Bond Bank on January 23, 2006 (the “Resolution”), and will be issued pursuant to the provisions of a Trust Indenture, dated as of February 15, 2006, 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 (as amended from time to time, the “Act”). Hoosier Trust Company, is the trustee, registrar and paying agent (the “Trustee”) under the Indenture.

The proceeds from the sale of the Series 2006 B Bonds will be used to provide funds to (a) purchase the City of Indianapolis, Indiana Facilities Revenue Bonds of 2006 (the “Series 2006 B Qualified Obligations”); (b) pay a portion of the interest due on the Series 2006 B Bonds through July 15, 2007; (c) pay the premiums for a financial guaranty insurance policy and a debt service reserve fund credit facility from Ambac Assurance Corporation (the “Series 2006 B Bond Insurer” or “Ambac Assurance”); and (d) pay the other Costs of Issuance (as defined in Appendix D) of the Series 2006 B Bonds, including underwriter’s discount. See the caption “PLAN OF FINANCING.”

The City of Indianapolis, Indiana (the “City” or “Qualified Entity”) will use the proceeds from the sale of the Qualified Obligations to acquire, make additions to, renovate, repair, make improvements to, construct or modify certain structures used by the City and its various governmental agencies and departments, including without limitation: Marion County Jail, City-County Building, Juvenile Justice Center, Animal Control Building, Public Safety Training Academy, Riverside Garage and Belmont Garage (the “Project”) and to pay issuance expenses. See the captions “PLAN OF FINANCING” AND “SECURITY AND SOURCES OF PAYMENTS FOR THE SERIES 2006 B BONDS” for a discussion of the plan of finance, Qualified Entity and the Qualified Obligations.

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 Series 2006 B Qualified Entity and copies of the Indenture and the Authorizing Instrument (as hereinafter defined) may be obtained from The Indianapolis Local Public Improvement Bond Bank, Suite 2421, 200 East Washington Street, Indianapolis, Indiana 46204. The Bond Bank's telephone number is (317) 327-4220.

THE SERIES 2006 B BONDS

General Description

The Series 2006 B Bonds are issuable as fully registered bonds in denominations of \$5,000 or any integral multiple thereof. The Series 2006 B Bonds will be dated the date of delivery thereof and will also carry the date of authentication thereof.

Interest on the Series 2006 B Bonds will be payable semiannually on January 15 and July 15 of each year, commencing July 15, 2006 (each an "Interest Payment Date"). The Series 2006 B 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. If a Series 2006 B Bond is authenticated on or prior to July 1, 2006, it shall bear interest from the date of delivery of the Series 2006 B Bonds. Each Series 2006 B Bond authenticated after July 15, 2006, shall bear interest from the most recent Interest Payment Date to which interest has been paid on the date of authentication of such Series 2006 B Bond unless such Series 2006 B Bond is authenticated after a Record Date and on or before the next succeeding Interest Payment Date, in which event the Series 2006 B Bond will bear interest from such next succeeding Interest Payment Date.

When issued, all Series 2006 B 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 2006 B 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 2006 B Bonds, payments of the principal of and interest on the Series 2006 B 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 2006 B 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 2006 B Bonds, the principal of the Series 2006 B Bonds will be payable at maturity upon the surrender thereof at the principal corporate trust office of the Trustee. Interest on the Series 2006 B 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 2006 B 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 2006 B 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 2006 B 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 2006 B Bonds is exercised, the Bond Bank will execute and the Trustee will deliver Series 2006 B Bonds in accordance with the provisions of the Indenture. The Series 2006 B Bonds will be exchanged or transferred at the principal corporate trust office of the Trustee only for Series 2006 B Bonds of the same tenor and maturity. In connection with any transfer or exchange of Series 2006 B 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 2006 B 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 2006 B Bond to the extent of the sum or sums so paid.

Redemption

Optional Redemption. The Series 2006 B Bonds maturing on or after July 15, 2016, are subject to redemption prior to maturity on or after January 15, 2016, in whole or in part on any date as selected by the Bond Bank, at a redemption price equal to the principal amount of each Series 2006 B Bond to be redeemed, plus accrued interest to the redemption date, and without any redemption premium.

Mandatory Redemption. The Series 2006 B Bonds (or any portions thereof in integral multiples of \$5,000 each) maturing on July 15 in the years 2012 and 2017 through 2021, inclusive (the “Series 2006 B 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 2006 B Term Bonds plus accrued interest, as shown in the following table:

Series 2006 B Term Bonds Due July 15, 2012

Mandatory Sinking Fund <u>Redemption Date</u>	Principal <u>Amount</u>
January 15, 2012	\$510,000
July 15, 2012	\$525,000 ⁽¹⁾

Series 2006 B Term Bonds Due July 15, 2017

Mandatory Sinking Fund <u>Redemption Date</u>	Principal <u>Amount</u>
January 15, 2017	\$645,000
July 15, 2017	\$655,000 ⁽¹⁾

Series 2006 B Term Bonds Due July 15, 2018

Mandatory Sinking Fund <u>Redemption Date</u>	Principal <u>Amount</u>
January 15, 2018	\$665,000
July 15, 2018	\$690,000 ⁽¹⁾

Series 2006 B Term Bonds Due July 15, 2019

Mandatory Sinking Fund <u>Redemption Date</u>	Principal <u>Amount</u>
January 15, 2019	\$705,000
July 15, 2019	\$715,000 ⁽¹⁾

Series 2006 B Term Bonds Due July 15, 2020

Mandatory Sinking Fund <u>Redemption Date</u>	Principal <u>Amount</u>
January 15, 2020	\$730,000
July 15, 2020	\$750,000 ⁽¹⁾

Series 2006 B Term Bonds Due July 15, 2021

Mandatory Sinking Fund <u>Redemption Date</u>	Principal <u>Amount</u>
January 15, 2021	\$760,000
July 15, 2021	\$785,000 ⁽¹⁾

⁽¹⁾ 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 2006 B 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 2006 B 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 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 2006 B Bonds, notice of the call for any such redemption identifying the Series 2006 B Bonds, or portions of fully registered Series 2006 B 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 2006 B 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 2006 B Bonds, shall not affect the validity of any proceedings for the redemption of any other Series 2006 B Bonds. All Series 2006 B 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 2006 B Bonds called, together with accrued interest on the Series 2006 B 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 Series 2006 B Bonds. The Series 2006 B Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee or such other name as may be requested by an authorized representative of DTC). One fully-registered Series 2006 B Bond certificate will be issued for each maturity of the Series 2006 B Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 2 million issues of U.S. and non U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 85 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Government Securities Clearing Corporation, MBS Clearing Corporation and Emerging Markets Clearing Corporation (NSCC, GSCC, MBSCC and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange, LLC, and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has Standard & Poor's highest rating: AAA. The DTC rules applicable to its Direct and Indirect Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Series 2006 B Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2006 B Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2006 B Bond (a "Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2006 B Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Series 2006 B Bonds, except in the event that use of the book-entry system for the Series 2006 B Bonds is discontinued.

To facilitate subsequent transfers, all Series 2006 B Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2006 B 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 Series 2006 B Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2006 B 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 will be sent to DTC. If less than all of the Series 2006 B Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. will consent or vote with respect to Series 2006 B Bonds, unless authorized by a Direct Participant in accordance with DTC's procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Bond Bank as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2006 B Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, interest and redemption payments on the Series 2006 B Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Bond Bank or the Trustee, on the payment dates 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 Direct and Indirect Participant and not of DTC, the Trustee or the Bond Bank, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC, is the responsibility of the Bond Bank or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Series 2006 B Bonds at any time by giving reasonable notice to the Bond Bank or the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, Series 2006 B Bond certificates are required to be printed and delivered.

The Bond Bank may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Series 2006 B Bond certificates will be printed and delivered.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Bond Bank believes to be reliable, but the Bond Bank takes no

responsibility for the accuracy thereof, including, without limitation, the information concerning DTC and DTC's book entry system contained in DTC's website referenced above.

SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2006 B BONDS

The Series 2006 B Bonds will be issued under and secured by the Indenture. The principal of and interest on any and all of the Series 2006 B Bonds, together with any Refunding Bonds that may be authorized and issued by the Bond Bank under the Indenture on a parity with the Series 2006 B Bonds (collectively, the "Bonds"), are payable from those revenues and funds of the Bond Bank which, together with the Series 2006 B Qualified Obligations and all other qualified obligations pledged under the Indenture (collectively, the "Qualified Obligations"), are pledged pursuant to the Indenture for the benefit of the owners of the Bonds equally, ratably and without priority.

The Series 2006 B Bonds are limited obligations of the Bond Bank, payable solely from and secured exclusively by the Trust Estate. There can be no assurance that the Trust Estate will be sufficient to pay the principal of and interest on the Series 2006 B Bonds. The Series 2006 B Bonds do not constitute a debt, liability or loan of the credit of the City, the County, the State or any political subdivision thereof under the constitution and laws of the State, or a pledge of the faith, credit or taxing power of the City, the County, the State or any political subdivision thereof, including the City, the County or any qualified entity. The Bond Bank has no taxing power.

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, except for the Rebate Fund and the accounts thereunder, together with investment earnings thereon and proceeds thereof (except to the extent transferred to the Rebate Fund from such Funds and Accounts under the Indenture), and all other funds, accounts and moneys to be pledged by the Bond Bank to the Trustee as security under the Indenture, to the extent of any such pledge. Under the Act and Indiana Code 5-1-14-4, such pledge is valid and binding from and after the date of delivery of the Series 2006 B 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 Series 2006 B Qualified Obligations have been structured as of the date of issuance of the Series 2006 B 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 2006 B Bonds when due.

Series 2006 B Bond Bank Reserve Fund and the Replenishment Thereof

Pursuant to the Indenture, the Bond Bank has established the Debt Service Reserve Fund, which will be held as security for the Series 2006 B Bonds and is required to be maintained in an amount at least equal to the Debt Service Reserve Requirement. The Debt Service Reserve Requirement is \$1,595,747.52.*

The Act provides that, in order to maintain the Debt Service Reserve Fund at the Debt Service Reserve Requirement, the City-County Council may annually appropriate to the Bond Bank for deposit in the Debt Service Reserve Fund a sum, certified by the Chair of the Bond Bank to the City-County Council, that is necessary to restore the Debt Service Reserve Fund to the Debt Service 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 City-County Council a certificate stating the sum required to restore the Debt Service Reserve Fund to the Debt Service Reserve Requirement. Neither the Act nor the Indenture creates any debt or liability of the City or an obligation of the City-County Council to make any such appropriation. Although the City-County Council is not obligated to make such appropriations to replenish the Debt Service Reserve Fund, the City-County Council adopted an ordinance in January 2006 indicating its general intention to consider such appropriations, if necessary. Further, the City-County Council has approved the issuance of the Series 2006 B Qualified Obligations.

Moneys in the Debt Service Reserve Fund up to the amount of the Debt Service 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 2006 B Bonds as provided in the Indenture. If moneys held in the Debt Service Reserve Fund exceed the Debt Service Reserve Requirement, such excess may be transferred in accordance with the Indenture.

In lieu of the required deposit of moneys in the Debt Service Reserve Fund, the Bond Bank may cause to be deposited therein a Series 2006 B Debt Service Reserve Fund Credit Facility meeting the requirements set forth in the Indenture, which shall be in an amount equal to the difference between the Debt Service Reserve Requirement and the amount of cash or Investment Securities, if any, then on deposit in the Debt Service Reserve Fund.

Qualified Obligations

Qualified Obligations. The Qualified Obligations will be issued by the City pursuant to an ordinance adopted by the City-County Council (the “Authorizing Instrument”). The Qualified Obligations will be issued in an aggregate principal amount equal to the aggregate principal amount of the Series 2006 B 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 2006 B Bonds, and will bear interest payable on the same dates and at the same interest rates per annum as the Series 2006 B 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

*This amount represents the maximum annual debt service on the Series 2006 B Bonds.

Bank). The Qualified Obligations are subject to redemption prior to maturity upon terms substantially identical to the terms of redemption of the Series 2006 B Bonds. See “SERIES 2006 B BONDS.”

The Qualified Obligations are limited obligations of the City, payable solely from and secured exclusively by the revenues and assets pledged therefor under the Authorizing Instrument. See “Authorizing Instrument.” There can be no assurance that the revenues and assets pledged under the Authorizing Instrument 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 2006 B Bonds. The Qualified Obligations do not constitute a debt, liability or loan of the credit of the State under the constitution and laws of the State or a pledge of the faith, credit or taxing power of the State or the City.

THE QUALIFIED OBLIGATIONS DO NOT CONSTITUTE A GENERAL OBLIGATION OF THE CITY, BUT CONSTITUTE LIMITED OBLIGATIONS OF THE CITY PAYABLE SOLELY FROM THE PLEDGED REVENUES (AS DEFINED BELOW) AND OTHER FUNDS PLEDGED UNDER THE AUTHORIZING INSTRUMENT. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE CITY IS PLEDGED TO PAY THE PRINCIPAL OF OR INTEREST ON THE QUALIFIED OBLIGATIONS.

Authorizing Instrument. The Authorizing Instrument establishes the Revenue Fund, into which the City covenants to deposit, from legally available funds, amounts sufficient for the payment of the principal of and interest on the Qualified Obligations (such funds, upon deposit into the Revenue Fund, being the “Pledged Revenues”).

The City will use the proceeds of the Qualified Obligations to finance the Project. The structures contained in the Project will be or currently are owned by the Indianapolis-Marion County Building Authority (the “Building Authority”) and leased by the Building Authority to the City, its governmental agencies and/or departments (with the exception of the Animal Control Center which is owned by the City and maintained by the Building Authority). In connection with the Project, the City will enter into a Construction Oversight and Disbursement Agreement with the Building Authority whereby the Building Authority agrees to manage and oversee the construction of the Project.

A summary of certain terms and provisions of the Bonds (including the Series 2006 B Bonds) and the Indenture is contained in Appendix C.

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.

Further, the City has agreed under the Qualified Entity Purchase Agreement by and between the Bond Bank and the City (the “Purchase Agreement”) to report to the Bond Bank on its compliance with the certain covenants which the City has made regarding various actions and conditions necessary to preserve the tax-exempt status of interest paid on the Qualified Obligations. See “TAX MATTERS”. The Bond Bank has also determined to consult with the Qualified Entity, as necessary from time to time, with regard to the action needed to be taken by the Qualified Entity to preserve the exclusion of the interest on the Series 2006 B Bonds from the gross income of the holders of the Series 2006 B Bonds for federal income tax purposes. 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 Obligations payments to 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 2006 B Bonds or in any way impair the rights or remedies of the owners of the Series 2006 B Bonds for so long as the Series 2006 B Bonds are outstanding.

FINANCIAL GUARANTY INSURANCE POLICY

Payment Pursuant to Financial Guaranty Insurance Policy

Ambac Assurance has made a commitment to issue a financial guaranty insurance policy (the “Financial Guaranty Insurance Policy”) relating to the Series 2006 B Bonds effective as of the date of issuance of the Series 2006 B Bonds. Under the terms of the Financial Guaranty Insurance Policy, Ambac Assurance will pay to The Bank of New York, in New York, New York or any successor thereto (the “Insurance Trustee”) that portion of the principal of and interest on the Series 2006 B Bonds which shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Obligor (as such terms are defined in the Financial Guaranty Insurance Policy). Ambac Assurance will make such payments to the Insurance Trustee on the later of the date on which such principal and interest becomes Due for Payment or within one business day following the date on which Ambac Assurance shall have received notice of Nonpayment from the Trustee. The insurance will extend for the term of the Series 2006 B Bonds and, once issued, cannot be canceled by Ambac Assurance.

The Financial Guaranty Insurance Policy will insure payment only on stated maturity dates and on mandatory sinking fund installment dates, in the case of principal, and on stated dates for payment, in the case of interest. If the Series 2006 B Bonds become subject to mandatory redemption and insufficient funds are available for redemption of all outstanding Series 2006 B Bonds, Ambac Assurance will remain obligated to pay principal of and interest on outstanding Series 2006 B Bonds on the originally scheduled interest and principal payment dates including

mandatory sinking fund redemption dates. In the event of any acceleration of the principal of the Series 2006 B Bonds, the insured payments will be made at such times and in such amounts as would have been made had there not been an acceleration.

In the event the Trustee has notice that any payment of principal of or interest on an Series 2006 B Bond which has become Due for Payment and which is made to a Holder by or on behalf of the Obligor has been deemed a preferential transfer and theretofore recovered from its registered owner pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court of competent jurisdiction, such registered owner will be entitled to payment from Ambac Assurance to the extent of such recovery if sufficient funds are not otherwise available.

The Financial Guaranty Insurance Policy does **not** insure any risk other than Nonpayment, as defined in the Policy. Specifically, the Financial Guaranty Insurance Policy does **not** cover:

1. payment on acceleration, as a result of a call for redemption (other than mandatory sinking fund redemption) or as a result of any other advancement of maturity.
2. payment of any redemption, prepayment or acceleration premium.
3. nonpayment of principal or interest caused by the insolvency or negligence of any Trustee, Paying Agent or Bond Registrar, if any.

If it becomes necessary to call upon the Financial Guaranty Insurance Policy, payment of principal requires surrender of Series 2006 B Bonds to the Insurance Trustee together with an appropriate instrument of assignment so as to permit ownership of such Series 2006 B Bonds to be registered in the name of Ambac Assurance to the extent of the payment under the Financial Guaranty Insurance Policy. Payment of interest pursuant to the Financial Guaranty Insurance Policy requires proof of Holder entitlement to interest payments and an appropriate assignment of the Holder's right to payment to Ambac Assurance.

Upon payment of the insurance benefits, Ambac Assurance will become the owner of the Series 2006 B Bond, appurtenant coupon, if any, or right to payment of principal or interest on such Series 2006 B Bond and will be fully subrogated to the surrendering Holder's rights to payment.

Ambac Assurance Corporation

Ambac Assurance Corporation ("Ambac Assurance") is a Wisconsin-domiciled stock insurance corporation regulated by the Office of the Commissioner of Insurance of the State of Wisconsin and licensed to do business in 50 states, the District of Columbia, the Territory of Guam, the Commonwealth of Puerto Rico and the U.S. Virgin Islands, with admitted assets of approximately **\$8,645,000,000** (unaudited) and statutory capital of approximately **\$5,403,000,000** (unaudited) as of **September 30, 2005**. Statutory capital consists of Ambac Assurance's policyholders' surplus and statutory contingency reserve. Standard & Poor's Credit Markets Services, a Division of The McGraw-Hill Companies, Moody's Investors Service and Fitch Ratings have each assigned a triple-A financial strength rating to Ambac Assurance.

Ambac Assurance has obtained a ruling from the Internal Revenue Service to the effect that the insuring of an Series 2006 B Bond by Ambac Assurance will not affect the treatment for federal income tax purposes of interest on such Series 2006 B Bond and that insurance proceeds representing maturing interest paid by Ambac Assurance under policy provisions substantially identical to those contained in its financial guaranty insurance policy shall be treated for federal income tax purposes in the same manner as if such payments were made by the Obligor of the Series 2006 B Bonds.

Ambac Assurance makes no representation regarding the Series 2006 B Bonds or the advisability of investing in the Series 2006 B Bonds and makes no representation regarding, nor has it participated in the preparation of, the Official Statement other than the information supplied by Ambac Assurance and presented under the heading “FINANCIAL GUARANTY INSURANCE POLICY”.

Available Information

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

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

Incorporation of Certain Documents by Reference

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

1. The Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2004 and filed on March 15, 2005;
2. The Company’s Current Report on Form 8-K dated April 5, 2005 and filed on April 11, 2005;
3. The Company’s Current Report on Form 8-K dated and filed on April 20, 2005;

4. The Company's Current Report on Form 8-K dated May 3, 2005 and filed on May 5, 2005;
5. The Company's Quarterly Report on Form 10-Q for the fiscal quarterly period ended March 31, 2005 and filed on May 10, 2005;
6. The Company's Current Report on Form 8-K dated and filed on July 20, 2005;
7. The Company's Current Report on Form 8-K dated July 28, 2005 and filed on August 2, 2005;
8. The Company's Quarterly Report on Form 10-Q for the fiscal quarterly period ended June 30, 2005 and filed on August 9, 2005;
9. The information furnished and deemed to be filed under Item 2.02 contained in the Company's Current Report on Form 8-K dated and filed on October 19, 2005;
10. The Company's Quarterly Report on Form 10-Q for the fiscal quarterly period ended September 30, 2005 and filed on November 9, 2005;
11. The Company's Current Report on Form 8-K dated November 29, 2005 and filed on December 5, 2005;
12. The Company's Current Report on Form 8-K dated and filed on January 25, 2006; and
13. The Company's Current Report on Form 8-K dated January 23, 2006 and filed on January 27, 2006

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

DEBT SERVICE RESERVE FUND CREDIT FACILITY

Debt Service Reserve Fund Ambac Assurance Surety Bond

The Indenture requires the establishment of a Debt Service Reserve Fund in an amount equal to \$1,595,747.52. The Indenture authorizes the Obligor to obtain a Credit Facility in place of fully funding the Debt Service Reserve Fund. Accordingly, application has been made to Ambac Assurance Corporation ("Ambac Assurance") for the issuance of a Surety Bond for the purpose of funding the Debt Service Reserve Fund (see "OPERATION OF FUNDS AND ACCOUNTS" herein). The Series 2006 B Bonds will only be delivered upon the issuance of such Surety Bond. The premium on the Surety Bond is to be fully paid at or prior to the issuance and delivery of the Series 2006 B Bonds. The Surety Bond provides that upon the later of (i) one (1) day after receipt by Ambac Assurance of a demand for payment executed by the Trustee

certifying that provision for the payment of principal of or interest on the Series 2006 B Bonds when due has not been made or (ii) the interest payment date specified in the Demand for Payment submitted to Ambac Assurance, Ambac Assurance will promptly deposit funds with the Paying Agent sufficient to enable the Paying Agent to make such payments due on the Series 2006 B Bonds, but in no event exceeding the Surety Bond Coverage, as defined in the Surety Bond.

Pursuant to the terms of the Surety Bond, the Surety Bond Coverage is automatically reduced to the extent of each payment made by Ambac Assurance under the terms of the Surety Bond and the Obligor is required to reimburse Ambac Assurance for any draws under the Surety Bond with interest at a market rate. Upon such reimbursement, the Surety Bond is reinstated to the extent of each principal reimbursement up to but not exceeding the Surety Bond Coverage. The reimbursement obligation of the Obligor is subordinate to the Obligor's obligations with respect to the Series 2006 B Bonds.

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

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

For additional information on Ambac Assurance see "FINANCIAL GUARANTY INSURANCE POLICY" herein.

PLAN OF FINANCING

The Bond Bank will use a portion of the proceeds of Series 2006 B Bonds to acquire the Series 2006 B Qualified Obligations. The Series 2006 B Qualified Entity has represented to the Bond Bank that the Series 2006 B Qualified Entity will use the proceeds received by it from the sale of the Series 2006 B Qualified Obligations to the Bond Bank to pay all or a portion of the costs of the projects identified in the Authorizing Instrument.

APPLICATION OF PROCEEDS OF THE SERIES 2006 B BONDS

Set forth below is a summary of the estimated sources and uses of the proceeds of the Series 2006 B Bonds which will be deposited in the General Account of the General Fund:

Sources of Funds

Principal amount of Bonds	\$16,550,000.00
Net Original Issue Premium	312,701.75

Total Sources \$16,862,701.75

Uses of Funds

Construction Projects	\$15,641,920.00
Capitalized Interest	753,247.20
Costs of Issuance ⁽¹⁾	467,534.55

Total Uses \$16,862,701.75

⁽¹⁾ Includes Underwriter's Discount, bond insurance and reserve fund credit facility premiums

THE BOND BANK

Powers and Purposes

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

Board of Directors of the Bond Bank

The Bond Bank is governed by a five (5) member board of directors appointed by the Mayor of the City. The directors appoint an executive director who serves as secretary-treasurer of the board. The directors each serve for terms of three (3) years and may be reappointed. No director may be an officer of the City, the County or any other qualified entity. The current members of the board of directors, their positions and their principal occupations are as follows:

<u>Name</u>	<u>Position</u>	<u>Term Expires</u>	<u>Occupation</u>
Mary Titsworth Chandler	Chair	April 30, 2006	Attorney, Private Practice
Jacob E. Hall	Member	April 30, 2006	Retired Engineer
DeVonne L. Richburg-Pollard	Member	April 30, 2006	Self-employed
Thomas I. O'Donnell	Member	April 30, 2006	Business Manager of International Brotherhood of Electrical Workers
<u>Position Vacant</u>			

Barbara A. Lawrence was appointed the Executive Director of the Bond Bank on August 1, 2005. She previously served as Deputy Director from March 2000 to January 2002 and as the Indianapolis City Controller and the Director of City's Department of Public Works. She holds a B.A. degree from Indiana University and an M.B.A. from Indiana Wesleyan University.

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

Kyle Willis has served as Project Manager of the Bond Bank since November 2005. Mr. Willis worked as a financial analyst for the Indianapolis Airport Authority from 2004 to October 2005 before joining the Bond Bank. He holds a B.S. from Marian College.

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 February 3, 2006 an aggregate long-term principal amount of approximately \$3,056,590,686 in separate program obligations. Certain of the foregoing obligations of the Bond Bank may mature or otherwise be defeased as of or prior to the issuance of the Series 2006 B Bonds. All such obligations are and will be secured separately and independently and do not and will not constitute Bonds under the Indenture or for purposes of this Official Statement. Further, as of the date of this Official Statement, the Bond Bank is considering undertaking other types of financings for qualified entities for purposes authorized by and in accordance with the procedures set forth in the Act. The obligations issued by the Bond Bank in connection with any and all such financings, if any, will be secured separately from the Bonds and will not constitute Bonds under the Indenture or for purposes of this Official Statement.

THE CITY OF INDIANAPOLIS AND MARION COUNTY

The Qualified Entity's corporate boundaries include all property and territory in the County. The City is a municipal corporation located in the County. It is the largest city in the State and the twelfth largest city in the United States. In 1970, the governments of the City and the County were consolidated to form the State's only consolidated city, which provides services

generally throughout the County in which the City is located. By the consolidating act, the boundaries of the City were extended to the County line with the exception of the municipalities of Beech Grove, Lawrence, Speedway and Southport.

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

The legislative body of the City and the County is the City-County Council. The City-County Council approves the annual budget and tax levies for the City, the Qualified Entity and the special taxing districts of the City and the County. It is also empowered to review and modify the budgets and tax levies of certain other entities in the County.

The Indianapolis Metropolitan Statistical Area (“MSA”), which currently includes the counties of Marion, Boone, Hamilton, Hancock, Hendricks, Johnson, Madison, Morgan and Shelby, is located at the geographic center of the State. There are more interstate freeways (I-65, I-69, I-70 and I-74) passing through the City than through any other city in the nation. In addition, six other major U.S. highways, all interconnected by an outer beltway (I-465), provide the Indianapolis MSA with routes for transportation and distribution in all directions. In 2003, the United States Census Bureau estimated the population of the Indianapolis MSA at approximately 1,691,000. This represents growth of 17.5% since 1990. The Indianapolis MSA is the 29th largest metropolitan area in the United States, while the City of Indianapolis is the twelfth largest city with a population of 864,000. The economy of the Indianapolis MSA continues to be strong; per capita personal income was \$33,618 in 2003, nearly 10.0% higher than the U.S. average. The rate of unemployment in 2004 ranged from 4.4% to 5% in 2004 and through July of 2005, the Indianapolis MSA ranked 15th nationally with a rate of 5%.

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 2006 B 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. Debt Service Reserve Fund
3. Rebate Fund

Deposit of Net Proceeds of the Series 2006 B Bonds, Revenues and Other Receipts

Upon the delivery of the Series 2006 B Bonds and receipt of the proceeds therefor, the Trustee will deposit the proceeds from the sale of the Series 2006 B Bonds, together with other moneys made available by the Bond Bank, as follows:

(a) Into the Bond Issuance Expense Account, the amount of \$258,595.11, which will be used to pay Costs of Issuance (other than underwriter's discount retained by the underwriter in the amount of \$115,850.00, the premium for the Series 2006 B Financial Guaranty Insurance Policy paid by the underwriter directly to the Series 2006 B Bond Insurer for and on behalf of the Bond Bank in the amount of \$65,163.83, and the premium for the Series 2006 B Debt Service Reserve Fund Credit Facility paid by the underwriter directly to the Series 2006 B Debt Service Reserve Fund Credit Provider for and on behalf of the Bond Bank in the amount of \$27,925.61); and

(b) Into the General Account, the amount of \$16,395,167.20 a portion of which, in the amount of \$15,641,920, will be used for payment to the Series 2006 B Qualified Entity in purchasing the Series 2006 B Qualified Obligations, and the remaining portion of which, in the amount of \$753,247.20 for capitalized interest, will be used to pay a portion of the interest on the Series 2006 B Bonds due through July 15, 2007.

The Trustee will deposit all Revenues and all other receipts (except the proceeds of the Series 2006 B Bonds, and moneys received by the Bond Bank from the sale or redemption prior to maturity of the Series 2006 B 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 Series 2006 B 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 2006 B 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 Series 2006 B 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 Debt Service Reserve Fund, sufficient amounts to assure that the Reserve Requirement is met;

(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) On or before thirty (30) days after each anniversary of the issuance of the Series 2006 B Bonds, any amount necessary to comply with any Rebate Fund requirements; and

(f) 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. On August 15, 2006, 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 first day of each month, to the General Account amounts of moneys equal to the amount of principal which would have been payable on the fifteenth day of such 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 provisions for the required transfers to the General Account as described in subparagraphs (1) and (2) above, (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 the extent there are any excess moneys in the Redemption Account, to the General Account, (iii) 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 (iv) 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 (iii) 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.

Debt Service Reserve Fund

The Trustee will deposit in the Debt Service Reserve Fund all moneys required to be deposited therein pursuant to the Indenture, will invest such funds, and, except as provided in the Indenture, will disburse the funds held in the Debt Service 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. Amounts in the Debt Service Reserve Fund in excess of the Reserve Requirement will be transferred to the General Account or the Redemption Account, as directed by the Bond Bank.

The Bond Bank may cause to be deposited into the Debt Service Reserve Fund for the benefit of the holders of the Series 2006 B Bonds a Debt Service Reserve Fund Credit Facility. If such deposit causes the Debt Service Reserve Fund to be equal to the Reserve Requirement, moneys in the Debt Service Reserve Fund in excess of that needed for the Debt Service Reserve Fund to be equal to the Reserve Requirement will be moved in accordance with the Indenture, subject to the satisfaction of any Debt Service Reserve Fund Reimbursement Obligations from such excess as described below. If a disbursement is made pursuant to a Debt Service Reserve Fund Credit Facility, the Bond Bank will be obligated (but solely from the appropriations, if any, made and available pursuant to the Indenture or if otherwise available from the Trust Estate) within twelve months from the date on which such disbursement was made, to cure such deficiency, either (i) to reinstate the maximum limits of such Debt Service Reserve Fund Credit Facility or (ii) to deposit cash into the Debt Service Reserve Fund, or a combination of such alternatives, so that the Debt Service Reserve Fund is equal to the Reserve Requirement. The Trustee will include in the total amount held in the Debt Service Reserve Fund an amount equal to the maximum principal amount which could be drawn by the Trustee under any such Debt Service Reserve Fund Credit Facility on deposit with the Trustee. Amounts required to be deposited in the Debt Service Reserve Fund will include any amount required to satisfy a Debt Service Reserve Fund Reimbursement Obligation for any Debt Service Reserve Fund Credit Facility. The Trustee is authorized to move the amounts to satisfy the Debt Service Reserve Fund Reimbursement Obligations to the provider of the Debt Service Reserve Fund Credit Facility. See “DEBT SERVICE RESERVE FUND CREDIT FACILITY” herein.

Rebate Fund

The Trustee will establish and maintain, so long as any Bonds are outstanding and are subject to a requirement that arbitrage profits be rebated to the United States, a separate fund to be known as “Rebate Fund.” The Trustee will make information regarding the Bonds and investments hereunder available to the Bond Bank and will make deposits in and disbursements from the Rebate Fund in accordance with the written instructions received from the Bond Bank and pursuant to the Indenture, will invest the Rebate Fund pursuant to written investment instructions received from the Bond Bank and will deposit income from such investments immediately upon receipt thereof in the Rebate Fund.

If a deposit to the Rebate Fund is required as a result of the computations made by the Bond Bank, the Trustee will upon receipt of written directions from the Bond Bank accept such payment for the benefit of the Bond Bank and make transfers of moneys from the General Account to the Rebate Fund to comply with such direction. If amounts in excess of that required to be rebated to the United States of America accumulate in the Rebate Fund, the Trustee will upon written direction from the Bond Bank transfer such amount to the General Account. Records of the determinations required by the Indenture and the investment instructions must be retained by the Trustee until six (6) years after the Bonds are no longer Outstanding.

Not later than sixty (60) days after the fifth anniversary date of the date of issuance of the 2006 B Bonds, and every five (5) years thereafter, the Bond Bank will pay to the United States the amount required to be paid to the United States pursuant to the Code as of such payment date, and not later than sixty (60) days after the final retirement of the Series 2006 B Bonds and any subsequently issued tax-exempt Bonds, the Bond Bank will pay to the United States the amount required to be paid to the United States pursuant to the Code as of such retirement date. Each payment required to be paid to the United States pursuant to the Indenture will be, together with a properly completed Internal Revenue Service Form 8038-T, filed with the Internal Revenue Service Center, Ogden, Utah 84201.

Amounts Remaining in Funds

Any amounts remaining in any Fund or Account after full payment of all of the Bonds outstanding under the Indenture, all required rebates and the fees, charges and expenses of the Trustee will 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 2006 B Bonds; seeking to prohibit any transactions contemplated by the Indenture; or in any way contesting or affecting the validity of the Series 2006 B Bonds or the Series 2006 B Qualified Obligations or any proceedings of the Bond Bank taken with respect to the issuance or sale of the Series 2006 B 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 2006 B Bonds or the Series 2006 B 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 Krieg DeVault LLP, Indianapolis, Indiana, Bond Counsel, under existing laws, regulations, judicial decisions and rulings, interest on the Series 2006 B Bonds is excludable from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended and in effect on the date of issuance of the Series 2006 B Bonds (the "Code"). This opinion relates only to the exclusion from gross income of interest on the Series 2006 B Bonds for federal income tax purposes under Section 103 of the

Code and is conditioned on continuing compliance by the Bond Bank and City with the Tax Covenants (hereinafter defined). Failure to comply with the Tax Covenants could cause interest on the Series 2006 B Bonds to lose the exclusion from gross income for federal income tax purposes retroactive to the date of issue. In the opinion of Krieg DeVault LLP, Indianapolis, Indiana, Bond Counsel, under existing laws, regulations, judicial decisions and rulings, interest on the Series 2006 B Bonds is exempt from income taxation in the State of Indiana (“State”). See Appendix B for the form of Bond Counsel opinion.

The Code imposes certain requirements which must be met subsequent to the issuance of the Series 2006 B Bonds as a condition to the exclusion from gross income of interest on the Series 2006 B Bonds for federal income tax purposes. The Bond Bank and City will covenant not to take any action, within their respective power and control, nor fail to take any action with respect to the Series 2006 B Bonds that would result in the loss of the exclusion from gross income for federal income tax purposes of interest on the Series 2006 B Bonds pursuant to Section 103 of the Code (collectively, “Tax Covenants”). The Indenture, the Resolution, the Authorizing Instrument and certain certificates and agreements to be delivered on the date of delivery of the Series 2006 B Bonds establish procedures to permit compliance with the requirements of the Code. It is not an event of default under the Indenture if interest on the Series 2006 B Bonds is not excludable from gross income for federal tax purposes or otherwise pursuant to any provision of the Code which is not in effect on the date of issuance of the Series 2006 B Bonds.

The interest on the Series 2006 B Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes. However, interest on the Series 2006 B Bonds is included in adjusted current earnings in calculating corporate alternative minimum taxable income for purposes of the corporate alternative minimum tax.

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

Although Bond Counsel will render an opinion that interest on the Series 2006 B Bonds is excluded from federal gross income and exempt from State income tax, the accrual or receipt of interest on the Series 2006 B Bonds may otherwise affect a bondholder's federal income tax or state tax liability. The nature and extent of these other tax consequences will depend upon the bondholder's particular tax status and a bondholder's other items of income or deduction. Taxpayers who may be affected by such other tax consequences include, without limitation, financial institutions, certain insurance companies, S corporations, certain foreign corporations, individual recipients of Social Security or railroad retirement benefits and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry the Series 2006 B Bonds. Bond Counsel expresses no opinion regarding any other such tax consequences. Prospective purchasers of the Series 2006 B Bonds should consult their own tax advisors with regard to the federal and state tax consequences of owning the Series 2006 B Bonds other than those consequences set forth in the form of opinion of Bond Counsel.

ORIGINAL ISSUE DISCOUNT

The initial public offering price of the Series 2006 B Bonds maturing on July 15 in the years 2016, 2017, and 2019 through 2021, inclusive (the “Discount Bonds”), is less than the principal amount payable at maturity. As a result, the Discount Bonds will be considered to be issued with original issue discount. The difference between the initial public offering price of the Discount Bonds, as set forth inside the cover page of this Official Statement (assuming it is the first price at which a substantial amount of that maturity is sold) (the “Issue Price” for such maturity), and the amount payable at maturity of the Discount Bonds will be treated as “original issue discount.”

The original issue discount on each of the Discount Bonds is treated as accruing daily over the term of such Discount Bond on the basis of the yield to maturity determined on the basis of compounding at the end of each six-month period (or shorter period from the date of the original issue) ending on January 15 and July 15 (with straight line interpolation between compounding dates). A taxpayer who purchases a Discount Bond in the initial public offering at the Issue Price for such maturity and who holds the Discount Bond to maturity may treat the full amount of original issue discount as interest which is excludable from the gross income of the owner of that Discount Bond for federal income tax purposes and will not, under present federal income tax law, realize taxable capital gain upon payment of the Discount Bond at maturity.

Section 1288 of the Code provides, with respect to tax-exempt obligations such as the Discount Bonds, that the amount of original issue discount accruing each period will be added to the owner’s tax basis for the Discount Bonds. Such adjusted tax basis will be used to determine taxable gain or loss upon disposition of the Discount Bonds (including sale, redemption or payment at maturity). Owners of Discount Bonds who dispose of Discount Bonds prior to maturity should consult their tax advisors concerning the amount of original issue discount accrued over the period held and the amount of taxable gain or loss upon the sale or other disposition of such Discount Bonds prior to maturity.

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

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

The Code contains certain provisions relating to the accrual of original issue discount in the case of subsequent purchasers of bonds such as the Discount Bonds. It is possible under the applicable provisions governing the determination of state or local income taxes accrued interest

on the Discount Bonds may be deemed to be received in the year of accrual even though there will not be a corresponding cash payment until a later year.

Owners of Discount Bonds should consult their own tax advisors with respect to the state and local tax consequences of owning the Discount Bonds. It is possible under the applicable provisions governing the determination of state or local income taxes that accrued interest on the Discount Bonds may be deemed to be received in the year of accrual even though there will not be a corresponding cash payment until a later year.

AMORTIZABLE BOND PREMIUM

The initial offering price of the Series 2006 B Bonds maturing on January 15 in the years 2008 through 2011, inclusive, and 2013 through 2016, inclusive, and July 15 in the years 2007 through 2015, inclusive and 2018 (collectively, the “Premium Bonds”), is greater than the principal amount payable at maturity. As a result, the Premium Bonds will be considered to be issued with amortizable bond premium (the “Bond Premium”). An owner who acquires a Premium Bond in the initial offering will be required to adjust the owner's basis in the Premium Bond downward as a result of the amortization of the Bond Premium, pursuant to Section 1016(a)(5) of the Code. Such adjusted tax basis will be used to determine taxable gain or loss upon the disposition of the Premium Bonds including sale, redemption or payment at maturity. The amount of amortizable Bond Premium will be computed on the basis of the taxpayer's yield to maturity, with compounding at the end of each accrual period. Rules for determining (i) the amount of amortizable Bond Premium and (ii) the amount amortizable in a particular year are set forth at Section 171(b) of the Code. No income tax deduction for the amount of amortizable Bond Premium will be allowed pursuant to Section 171(a)(2) of the Code, but the amortization of Bond Premium may be taken into account as a reduction in the amount of tax-exempt income for purposes of determining other tax consequences of owning the Premium Bonds. Owners of the Premium Bonds should consult their tax advisors with respect to the precise determination for federal income tax purposes of the treatment of Bond Premium upon the sale or other disposition of such Premium Bonds and with respect to the state and local tax consequences of owning and disposing of Premium Bonds.

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

ENFORCEABILITY OF REMEDIES

The remedies available to the Trustee or the holders of the Series 2006 B Bonds upon a default under the Indenture, to the Trustee or the Bond Bank under the Series 2006 B Qualified Obligations, the purchase agreement for the Series 2006 B Qualified Obligations and the Authorizing Instrument, or to any party seeking to enforce the pledges securing the Series 2006 B Bonds or the Series 2006 B 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 Series 2006 B Qualified Obligations, the Series 2006 B Qualified Obligations and the Authorizing Instrument, or to any party seeking to enforce the Pledges, may not be readily available or may be limited. Under Federal and State environmental laws, certain liens may be imposed on property of the Bond Bank or the Qualified Entities 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 2006 B Bonds under the Indenture or over the liens pledged to the owner of the Series 2006 B Qualified Obligations under the Authorizing Instrument.

The various legal opinions to be delivered concurrently with the delivery of the Series 2006 B 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 Series 2006 B Qualified Obligations, the Authorizing Instrument and the Pledges in a situation where such enforcement may adversely affect public health and welfare may be subject to these police powers.

APPROVAL OF LEGAL PROCEEDINGS

Certain legal matters incident to the authorization, issuance, sale and delivery of the Series 2006 B Bonds are subject to the approval of Krieg DeVault LLP, Indianapolis, Indiana, Bond Counsel, whose approving legal opinion will be delivered with the Series 2006 B 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, and Bingham McHale LLP, Indianapolis, Indiana, counsel for the Underwriters.

RATINGS

Standard & Poor's Ratings Services, a Division of The McGraw-Hill Companies ("S&P") and Moody's Investors Service ("Moody's") are expected to assign a rating of "AAA" and "Aaa", respectively, to the Series 2006 B Bonds. Such ratings are conditioned upon the issuance of the Series 2006 B Financial Guaranty Insurance Policy by the Series 2006 B Bond Insurer, Ambac Assurance Corporation. S&P and Moody's have assigned long term ratings, without consideration of the Series 2006 B Financial Guaranty Insurance Policy or other credit enhancement, of "AA" and "Aa2" to the Series 2006 B Bonds. These ratings reflect only the view of S&P and Moody's and an explanation thereof may be obtained from S&P at 55 Water Street, New York, New York 10041 and Moody's at 99 Church Street, New York, New York 10007. Such ratings are not a recommendation to buy, sell or hold the Series 2006 B Bonds. There is no assurance that such ratings will remain in effect for any given period of time or that such rating will not be lowered or withdrawn entirely by S&P or Moody's if, in their judgment, circumstances so warrant. The Underwriters have undertaken no responsibility either to bring to the attention of the owners of the Series 2006 B Bonds any proposed revision or withdrawal of

any rating of the Series 2006 B Bonds or to oppose any such proposed revision or withdrawal. Any such downward revision or withdrawal of any rating may have an adverse effect on the market price or marketability of the Series 2006 B Bonds.

UNDERWRITING

The Series 2006 B Bonds are being purchased by the Underwriters. The Underwriters have agreed to purchase the Series 2006 B Bonds at an aggregate purchase price of \$16,653,762.31, which represents the par amount of \$16,550,000, less the underwriter's discount of \$115,850.00, plus net original issue premium of \$312,701.75, less the premiums for the Series 2006 B Financial Guaranty Insurance Policy and the Debt Service Reserve Fund Credit Facility in the aggregate amount of \$93,089.44, pursuant to a purchase contract entered into by and between the Bond Bank and the Underwriters. Such purchase contract provides that the Underwriters will purchase all of the Series 2006 B Bonds if any are purchased.

The Underwriters have agreed to make a bona fide public offering of all of the 2006 B 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 Underwriters may sell the 2006 B Bonds to certain dealers (including dealers depositing 2006 B Bonds into investment trusts) and others at prices lower than the offering prices set forth inside the cover page hereof.

SERIES 2006 B 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.

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, 2004, 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, 2004 and prior years. Copies of the Qualified Entity's Comprehensive Financial Report for the year ended December 31, 2004 are available upon request from the City of Indianapolis Controller's Office and may also be viewed electronically at:

<http://www.indygov.org/NR/rdonlyres/ef52cti4cluyhne6izboc5mzds3hjteespeaghlq64ojnuss32wldhknksentchp4krvt6wxdffjyhkty23bbxqh4f/CityofIndianapolisFinal2004CAFR.pdf>.

No financial reports related to the Qualified Entity are prepared on an interim basis and there can be no assurance that there have not been material changes in the financial position of the qualified Entity since the date of the most recent available Comprehensive Financial Report. 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 2006 B 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 therefor should be directed and payable to Ms. Barbara A. Lawrence, Executive Director, The Indianapolis Local Public Improvement Bond Bank, Suite 2421, 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 Underwriters in complying with the Rule, the Bond Bank will, upon issuance of the Series 2006 B Bonds, execute a Continuing Disclosure Contract from the Bond Bank to each beneficial or registered owner or holder of any Series 2006 B Bond, to be dated the date of issuance of the Series 2006 B 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 2006 B Bond, including a promise to provide certain continuing disclosure. By its payment for and acceptance of any Series 2006 B 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, 2005, 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, 2005, 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.

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 2006 B 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 2006 B 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 2006 B 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 may, 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 2006 B 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 2006 B 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 2006 B 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 2006 B 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 or holder of any Series 2006 B Bond at the time such information, datum, statement or notice was so provided.

The Bond Bank has complied in all material respects with all of its continuing disclosure agreements for at least the last five years.

MISCELLANEOUS

The references, excerpts, and summaries of all documents referred to herein do not purport to be complete statements of the provisions of such documents, and reference is made to all such documents for full and complete statements of all matters of fact relating to the Series 2006 B Bonds, the security for the payment of the Series 2006 B Bonds and the rights of the owners thereof. During the period of the offering, copies of drafts of such documents may be examined at the offices of the Underwriters. Following delivery of the Series 2006 B 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 2006 B 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 Qualified Entities, the Trustee or the Underwriters and the purchasers or owners of any Series 2006 B Bonds. The delivery of this Official Statement has been duly authorized by the Board of Directors of the Bond Bank.

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
SPECIAL PURPOSE REPORT

[THIS PAGE INTENTIONALLY LEFT BLANK]



H.J.Umbaugh & Associates
20 East 91st Street · Suite 100
P.O. Box 40458
Indianapolis, IN 46240-0458
Phone: 317-844-7288
Fax: 317-848-3604
Website: www.hju.com

February 16, 2006

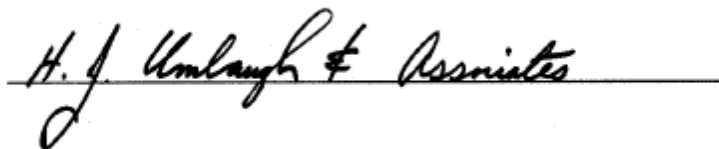
Ms Barbara A. Lawrence, Executive Director
The Indianapolis Local Public Improvement
Bond Bank
200 East Washington Street, #2421
City County Building
Indianapolis, IN 46204

In connection with the issuance by The Indianapolis Local Public Improvement Bond Bank (the “Bond Bank”) of Bond Bank Bonds, Series 2006 B (the “2006 Bonds”) being issued to purchase the City of Indianapolis (the “City”) Facilities Revenue Bonds of 2006 (the “Qualified Obligations”), we have, at your request, compiled this special purpose report including the following schedules:

Page(s)

A-2	General Comments
A-3	Sources and Uses of Funds
A-4	Schedule of Amortization of \$16,550,000 Bond Bank Bonds, Series 2006 B

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



CITY OF INDIANAPOLIS, INDIANA

GENERAL COMMENTS

The Indianapolis Local Public Improvement Bond Bank (the “Bond Bank”) will issue \$16,550,000 of Bond Bank Bonds, Series 2006 B (the “2006 Bonds”) and use the proceeds from the 2006 Bonds to purchase \$16,550,000 of the City of Indianapolis (the “City”) Facilities Revenue Bonds of 2006 (the “Qualified Obligations”). Proceeds from the Qualified Obligations will be used to acquire, make additions to, renovate, repair, make improvements to, construct or modify certain structures used by the City and Marion County, Indiana agencies and departments thereof, pay all interest through January 15, 2007, a portion of the July 15, 2007 interest and pay costs of issuance including the cost of a debt service reserve surety (the “Program”).

The structures which are included in these improvements include, but are not limited to the Marion County Jail, City-County Building, Juvenile Justice Center, Animal Control Building, Public Safety Training Academy, Riverside Garage and Belmont Garage (collectively, the “Project”).

The Qualified Obligations are payable from any legally available funds of the City and from the Bond Bank Reserve Fund. This Special Purpose Report provides financial information relating to the 2006 Bonds and the Qualified Obligations.

Sources and Uses of Funds – Page A-3

The expected sources and uses of funds relating to the 2006 Bonds are shown in this schedule.

The costs of the Program, including a portion of the interest through July 15, 2007 and costs of issuance, are shown at \$16,550,000. These costs are to be funded from the proceeds of the proposed 2006 Bonds.

Schedule of Amortization of \$16,550,000 of Bond Bank Bonds, Series 2006 B – Page A-4

The semiannual principal and interest payments of the Bond Bank Bonds are shown in this schedule at final interest rates. Interest will be payable semiannually beginning July 15, 2006 while semiannual principal payments will begin July 15, 2007.

THE INDIANAPOLIS LOCAL PUBLIC IMPROVEMENT BOND BANK

SOURCES AND USES OF FUNDS

Sources of funds

Bond Bank Bonds, Series 2006 B	\$ 16,550,000.00
Reoffering Premium	<u>312,701.75</u>
Bond Bank Bonds, Series 2006 B	<u><u>\$ 16,862,701.75</u></u>

Uses of funds

Projects		
3 Year Capital Plan	\$ 6,316,920	
Jail 2	1,100,000	
Court 20	2,600,000	
Community Corrections	5,350,000	
Juvenile Courts	<u>275,000</u>	
		\$ 15,641,920.00
Capitalized interest (1)		753,247.20
Allowance for bond issuance costs, underwriter's discount, bond insurance		<u>467,534.55</u>
Total uses of funds		<u><u>\$ 16,862,701.75</u></u>

(1) Portion of interest capitalized through July 15, 2007.

(Subject to the comments in the accompanying
report dated February 16, 2006 of Umbaugh.)

THE INDIANAPOLIS LOCAL PUBLIC IMPROVEMENT BOND BANK

SCHEDULE OF AMORTIZATION OF \$16,550,000

BOND BANK BONDS, SERIES 2006 B

Bonds dated February 28, 2006

<u>Date</u>	<u>Principal Balance</u>	<u>Principal</u>	<u>Interest Rate</u>	<u>Interest</u>	<u>Total Principal & Interest</u>	<u>Fiscal Total</u>
07/15/06	\$16,550,000			\$269,211.56	\$269,211.56	\$269,211.56
01/15/07	16,550,000			358,948.76	358,948.76	
07/15/07	16,550,000	\$275,000	4.000%	358,948.76	633,948.76	992,897.52
01/15/08	16,275,000	335,000	4.000%	353,448.76	688,448.76	
07/15/08	15,940,000	345,000	4.000%	346,748.76	691,748.76	1,380,197.52
01/15/09	15,595,000	435,000	4.000%	339,848.76	774,848.76	
07/15/09	15,160,000	435,000	4.000%	331,148.76	766,148.76	1,540,997.52
01/15/10	14,725,000	460,000	4.000%	322,448.76	782,448.76	
07/15/10	14,265,000	475,000	4.000%	313,248.76	788,248.76	1,570,697.52
01/15/11	13,790,000	495,000	4.000%	303,748.76	798,748.76	
07/15/11	13,295,000	500,000	4.000%	293,848.76	793,848.76	1,592,597.52
01/15/12	12,795,000	510,000 (1)	5.000%	283,848.76	793,848.76	
07/15/12	12,285,000	525,000 (1)	5.000%	271,098.76	796,098.76	1,589,947.52
01/15/13	11,760,000	535,000	4.000%	257,973.76	792,973.76	
07/15/13	11,225,000	550,000	5.000%	247,273.76	797,273.76	1,590,247.52
01/15/14	10,675,000	565,000	4.000%	233,523.76	798,523.76	
07/15/14	10,110,000	575,000	5.000%	222,223.76	797,223.76	1,595,747.52
01/15/15	9,535,000	590,000	4.000%	207,848.76	797,848.76	
07/15/15	8,945,000	600,000	5.000%	196,048.76	796,048.76	1,593,897.52
01/15/16	8,345,000	615,000	5.000%	181,048.76	796,048.76	
07/15/16	7,730,000	630,000	4.000%	165,673.76	795,673.76	1,591,722.52
01/15/17	7,100,000	645,000 (2)	4.000%	153,073.76	798,073.76	
07/15/17	6,455,000	655,000 (2)	4.000%	140,173.76	795,173.76	1,593,247.52
01/15/18	5,800,000	665,000 (3)	5.000%	127,073.76	792,073.76	
07/15/18	5,135,000	690,000 (3)	5.000%	110,448.76	800,448.76	1,592,522.52
01/15/19	4,445,000	705,000 (4)	4.125%	93,198.76	798,198.76	
07/15/19	3,740,000	715,000 (4)	4.125%	78,658.13	793,658.13	1,591,856.89
01/15/20	3,025,000	730,000 (5)	4.200%	63,911.25	793,911.25	
07/15/20	2,295,000	750,000 (5)	4.200%	48,581.25	798,581.25	1,592,492.50
01/15/21	1,545,000	760,000 (6)	4.250%	32,831.25	792,831.25	
07/15/21	785,000	785,000 (6)	4.250%	16,681.25	801,681.25	1,594,512.50
Totals		<u>\$16,550,000</u>		<u>\$6,722,793.69</u>	<u>\$23,272,793.69</u>	<u>\$23,272,793.69</u>

(1) \$1,035,000 of Term Bonds due July 15, 2012.

(2) \$1,300,000 of Term Bonds due July 15, 2017.

(3) \$1,355,000 of Term Bonds due July 15, 2018.

(4) \$1,420,000 of Term Bonds due July 15, 2019.

(5) \$1,480,000 of Term Bonds due July 15, 2020.

(6) \$1,545,000 of Term Bonds due July 15, 2021.

(Subject to the comments in the accompanying report dated February 16, 2006 of Umbaugh.)

APPENDIX B

FORM OF BOND COUNSEL OPINION

Upon delivery of the Bonds, Krieg DeVault LLP, bond counsel,
will deliver an opinion substantially in the following form:

February __, 2006

The Indianapolis Local Public Improvement Bond Bank
Indianapolis, Indiana

Re: The Indianapolis Local Public Improvement Bond Bank Bonds, Series 2006 B

Ladies and Gentlemen:

We have acted as bond counsel to The Indianapolis Local Public Improvement Bond Bank (the "Issuer") in connection with the issuance by the Issuer of its Bonds, Series 2006 B, dated February 28, 2006 (the "Bonds"), in the aggregate principal amount of \$16,550,000 pursuant to Indiana Code 5-1.4, as amended, and the Trust Indenture, dated as of February 15, 2006 (the "Indenture"), between the Issuer and Hoosier Trust Company, as trustee (the "Trustee"). In such capacity, we have examined such law and such certified proceedings, certifications and other documents as we have deemed necessary to render this opinion.

Regarding questions of fact material to our opinion, we have relied upon representations of the Issuer contained in the Indenture, the certified proceedings and other certifications of public officials furnished to us, and certifications, representations and other information furnished to us by or on behalf of the Issuer, the Series 2006 B Qualified Entity (as defined in the Indenture) and others, including, without limitation, certifications contained in the tax and arbitrage certificate of the Issuer, dated the date hereof, and the tax and arbitrage certificate of the Series 2006 B Qualified Entity, dated the date hereof, without undertaking to verify the same by independent investigation. We have relied upon the legal opinion of Corporation Counsel to the City of Indianapolis, Indiana and counsel to the Issuer, dated the date hereof, as to the matters stated therein. We have relied upon the report of H.J. Umbaugh & Associates, Indianapolis, Indiana, independent certified public accountants, dated the date hereof, as to the matters stated therein.

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

1. The Issuer is a body corporate and politic validly existing under the laws of the State of Indiana (the "State") with the corporate power to enter into the Indenture and perform its obligations thereunder and to issue the Bonds.

2. The Bonds have been duly authorized, executed and delivered by the Issuer and are valid and binding limited obligations of the Issuer, enforceable in accordance with their terms. The Bonds are payable solely from the Trust Estate (as defined in the Indenture).

3. The Indenture has been duly authorized, executed and delivered by the Issuer and is a valid and binding obligation of the Issuer, enforceable against the Issuer in accordance with its terms.

4. Under Section 103 of the Internal Revenue Code of 1986, as amended and in effect on the date hereof (the "Code"), interest on the Bonds is excludable from gross income for federal income tax purposes. The opinion set forth in this paragraph is subject to the condition that each of the Issuer and the Series 2006 B Qualified Entity comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes.

Each of the Issuer and the Series 2006 B Qualified Entity has covenanted or represented that it will comply with such requirements. Failure to comply with certain of such requirements may cause interest on the Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds.

5. Interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, such interest is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on certain corporations.

6. Interest on the Bonds is exempt from income taxation in the State for all purposes, except the State financial institutions tax.

We express no opinion herein as to the accuracy, completeness or sufficiency of the Official Statement, dated February 16, 2006, or any other offering material relating to the Bonds.

With respect to the enforceability of any document or instrument, this opinion is subject to the qualifications that: (i) the enforceability of such document or instrument may be limited by bankruptcy, insolvency, reorganization, receivership, moratorium, fraudulent conveyance and similar laws relating to or affecting the enforcement of creditors' rights; (ii) the enforceability of equitable rights and remedies provided for in such document or instrument is subject to judicial discretion, and the enforceability of such document or instrument may be limited by general principles of equity; (iii) the enforceability of such document or instrument may be limited by public policy; and (iv) certain remedial, waiver and other provisions of such document or instrument may be unenforceable, provided, however, that in our opinion the unenforceability of those provisions would not, subject to the other qualifications set forth herein, affect the validity of such document or instrument or prevent the practical realization of the benefits thereof.

This opinion is given only as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Very truly yours,

APPENDIX C

SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE

The following is a summary of certain additional provisions of the Indenture not otherwise discussed in this Official Statement. This summary is qualified in its entirety by reference to the Indenture.

Accounts and Reports

The Bond Bank will keep proper and separate books of records and accounts in which complete and correct entries will be made of its transactions relating to the Funds and Accounts established by the Indenture. Such books, and all other books and papers of the Bond Bank, and all Funds and Accounts will at all reasonable times be subject to the inspection of the Trustee and the owners of an aggregate of at least 5% in principal amount of Bonds then Outstanding or their representatives duly authorized in writing.

Before the twentieth day of each month, the Trustee will provide the Bond Bank with a statement of the amounts on deposit in each Fund and Account as of the first day of that month and 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.

Preservation of Tax Exemption for the Series 2006 B Bonds

In order to assure the continuing excludability of interest on the Series 2006 B Bonds from the gross income of the owners thereof for federal income tax purposes, the Bond Bank covenants and agrees that it will not take any action or fail to take any action with respect to the Series 2006 B Bonds, that would result in the loss of the excludability of the interest on any of the Series 2006 B Bonds from gross income for federal income tax purposes pursuant to Section 103 of the Code, nor will the Bond Bank act in any other manner which would adversely affect such excludability and it will not make any investment or do any other act or thing during the period that the Series 2006 B Bonds are Outstanding which would cause any of the Series 2006 B Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Code, all as in effect on the date of delivery of the Series 2006 B Bonds. Pursuant to the Indenture, all of these covenants are based solely on current law as in existence and effect on the date of delivery of the Series 2006 B Bonds. It will not be an Event of Default under the Indenture if the interest on the Series 2006 B Bonds is not excludable from gross income for federal income tax purposes or otherwise pursuant to any provision of the Code which is not currently in effect and in existence on the date of the issuance of the Series 2006 B Bonds.

In making any determination regarding the covenants, the Bond Bank may rely on an Opinion of Bond Counsel.

Covenants Concerning the Program

In order to provide for the payment of the principal of, premium, if any, and interest on the Bonds and of Program Expenses, the Bond Bank will from time to time, with all practical dispatch and in a sound and economical manner in accordance with the Act, the Indenture and sound banking practices and principals (i) do all acts and things as are necessary to receive and collect Revenues (including the enforcement of the prompt collection of any arrears on all 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 the rights of the Bond Bank with respect to the Qualified Obligations and to enforce all terms, covenants and conditions of the Qualified Obligations. Whenever necessary in order to provide for the payment of principal of and interest on the Bonds, the Bond Bank will also commence appropriate remedies with respect to any Qualified Obligation which is in default.

Covenants with Respect to Qualified Obligations

With respect to the Qualified Obligations, the Bond Bank covenants as follows:

(a) Not to permit or agree to any material change in any Qualified Obligation (other than ones for which consent of 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 Bonds along with Program Expenses, if any in each such Fiscal Year.

(b) To the extent that such action would not adversely affect the validity of the Qualified Obligation or other obligations of the Qualified Entity, the Bond Bank will pursue the remedies set forth in the Act, particularly Indiana Code 5-1.4-8-4, for the collection of deficiencies in Qualified Obligation Payments on any Qualified Obligation.

(c) To enforce or authorize the enforcement of all remedies available to the Bond Bank as the owner or holder of the Qualified Obligations, unless 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 Bonds in each such Fiscal Year; provided, however, that decisions as to the enforcement of remedies shall be within the sole discretion of the Trustee.

(d) Not to sell or dispose of the Qualified Obligations, unless the Bond Bank first 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 or disposition transferred from any Fund or Account, will at least equal debt service on all Outstanding Bonds along with Program Expenses, if any, in each such Fiscal Year.

Certification Covenants

In the event that a deficiency in the Debt Service Reserve Fund is projected during the next succeeding Fiscal Year, the Chairman of the Board of Directors of the Bond Bank will certify such projected deficiency to the Legislative Body on or before December 1 of the Fiscal Year in which such deficiency is projected to occur. Further, regardless of whether any such deficiency was projected as described in the preceding sentence and regardless of the time at which such deficiency occurs, the Bond Bank will take all actions required or allowed under the Act to certify any deficiency in the Debt Service Reserve Fund to the Legislative Body.

Budgets

The Bond Bank will adopt and file with the Trustee, at least sixty (60) days prior to the beginning of each Fiscal Year, a preliminary budget covering its fiscal operations for the succeeding Fiscal Year.

Defeasance and Discharge of Lien of Indenture

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

Any Bond will be deemed to be paid when (a) payment of the principal of that Bond, plus interest to its due date, either (i) has been made or has been caused to be made in accordance with its terms, or (ii) has been provided for by irrevocably depositing with the Trustee, in trust and exclusively for such payment, (1) moneys sufficient to

make such payment, (2) Governmental Obligations maturing as to principal and interest in such amounts and at such times, without consideration of any reinvestment thereof, as will insure the availability of sufficient moneys to make such payments, or (3) a combination of such moneys and Governmental Obligations, and (b) all other sums payable under the Indenture, including the necessary and proper fees and expenses of the Trustee pertaining to the Bonds, have been paid or deposited with the Trustee.

Events of Default and Remedies

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

- (a) The Bond Bank defaults in the due and punctual payment of the principal of or interest on any Bond;
- (b) The Bond Bank fails to make remittances required by the Indenture to the Trustee within the time limits prescribed in the Indenture;
- (c) The Bond Bank defaults in the performance or observance of any of its other covenants, agreements or conditions contained in the Indenture or in the Bonds, and fails to remedy such Event of Default within 30 days after receipt of notice, all in accordance with the Indenture;
- (d) 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 materially false or misleading when made, and there has been a failure to remedy such Event of Default within 30 days after receipt of notice, all in accordance with the Indenture;
- (e) A petition is filed against the Bond Bank under any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation law of any jurisdiction, whether now or hereafter in effect and is not dismissed within 60 days after such filing;
- (f) The Bond Bank files a voluntary petition in 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;
- (g) The Bond Bank is generally not paying its debts as such debts become due, or becomes insolvent, bankrupt, or makes an assignment for the benefit of creditors, or a liquidator or trustee of the Bond Bank or any of its property is appointed by court order or takes possession and such order remains in effect or such possession continues for more than 60 days;
- (h) The Bond Bank fails to restore the Debt Service Reserve Fund to the applicable Debt Service Reserve Requirement within 60 days after the end of the Fiscal Year during which a deficiency occurs; or
- (i) The Bond Bank is rendered incapable of fulfilling its obligations under the Indenture for any reason.

Upon the occurrence of an Event of Default, the Trustee will notify the owners of Outstanding Bonds of such Event of Default and will have the following rights and remedies:

- (a) The Trustee may pursue any available remedy at law or in equity to enforce the payment of the principal of and interest on Bonds outstanding under the Indenture, including the enforcement of any rights of the Bond Bank or the Trustee under the Qualified Obligations;
- (b) The Trustee may by action at law or suit in equity require the Bond Bank to account as if it were the trustee of an express trust for the owners of the Bonds, and may take such action with respect 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 under the Indenture and of the Revenues, issues, earnings, income, products and profits thereof, pending such proceedings, with such powers as the court making such appointment will confer; and

(d) By notice to the Bond Bank and Corporation Counsel to City of Indianapolis, Indiana, the Trustee may declare the principal of and accrued interest on all Bonds to be due and payable immediately in accordance with the provisions of the Indenture and the Act. Notwithstanding the foregoing, for so long as the Series 2006 B Bond Insurance Policy remains in full force and effect, there will not be any acceleration of principal of, or interest on, the Series 2006 B Bonds unless the Trustee receives the express written consent of the Series 2006 B Bond Insurer prior to taking such action.

If an Event of Default has occurred, if requested to do so by the owners of 25% or more in aggregate principal amount of the Bonds Outstanding under the Indenture, and if indemnified as provided in the Indenture, the Trustee will be obligated to exercise one or more of the rights and powers conferred by the Indenture as the Trustee, being advised by counsel, deems most expedient in the interest of the Bondholders; provided, however, that if the Series 2006 B Bond Insurance Policy is in full force and effect, the Trustee must receive the express written consent of the Series 2006 B Bond Insurer before exercising any such right or remedy in connection with the Series 2006 B Bonds.

The owners of a majority in aggregate principal amount of the Bonds Outstanding under the Indenture will have the right, at any time during the continuance of an Event of Default, by a written instrument or instruments executed and delivered to the Trustee, to direct the time, method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of the Indenture, or for the appointment of a receiver or any other proceedings under the Indenture. However, such direction shall not be otherwise than in accordance with the provisions of law and of the Indenture; provided, however, that for so long as the Series 2006 B Bond Insurance Policy remains in full force and effect, the Trustee must receive the express written consent of the Series 2006 B Bond Insurer before conducting any such proceedings in connection with the Series 2006 B Bonds.

Waivers of Events of Default

The Trustee, with the consent of the Series 2006 B Bond Insurer (so long as the Series 2006 B Bond Insurance Policy remains in full force and effect), may, at its discretion, waive any Event of Default and its consequences, and must do so upon the written request of the owners of (a) more than sixty-six and two-thirds percent (66 2/3%) in aggregate principal amount of all Bonds then Outstanding in respect of which an Event of Default in the payment of principal or interest exists, or (b) more than fifty percent (50%) in aggregate principal amount of all Bonds then Outstanding in the case of any other default. However, there may not be waived (i) any Event of Default in the payment of the principal of any Bond then Outstanding under the Indenture at the specified date of maturity or (ii) any Event of Default in the payment when due of the interest on any Bond then Outstanding under the Indenture, unless prior to the waiver, all arrearages 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 is discontinued or abandoned or determined adversely, then the Bond Bank, the Trustee and the Bondholders will be restored to their former respective positions and right under the Indenture. No waiver or rescission will extend to any subsequent or other Event of Default or impair any right consequent thereon.

Rights and Remedies of Owners of Bonds

No owner of any Bond will 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 thereof or for any other remedy under the Indenture, unless (a) a Default has occurred, (b) such Default shall have become an Event of Default and the owners

of not less than 25% in aggregate principal amount of Bonds then Outstanding have made written request to the Trustee and have offered the Trustee reasonable opportunity either to proceed to exercise the remedies granted in the Indenture or to institute such action, suit or proceeding in its own name, (c) such owners of Bonds have offered to indemnify the Trustee, as provided in the Indenture, and (d) the Trustee has refused, or for 60 days after receipt of such request and offer of indemnification has failed, to exercise the remedies granted in the Indenture or to institute such action, suit or proceeding in its own name. All proceedings at law or in equity must be carried out as provided in the Indenture and for the equal benefit of the owners of all Outstanding Bonds. However, nothing contained in the Indenture will affect or impair the right of any owner of Bonds to enforce the payment of the principal of and interest on any Bond at and after its maturity, or the limited obligation of the Bond Bank to pay the principal of and interest on each of the Bonds to the respective owners of the Bonds at the time and place, from the source and in the manner expressed in the Bonds.

Series 2006 B Bond Insurer as the Sole Bondholder

For so long as the Series 2006 B Bond Insurance Policy remains in full force and effect, the Series 2006 B Bond Insurer will be deemed by the Trustee and the Bond Bank to be the sole holder or owner of the Series 2006 B Bonds for the purpose of exercising any voting right or privilege or giving any consent or direction or taking any other action that the holders of the Series 2006 B Bonds are entitled to take under the Indenture upon the occurrence of an Event of Default.

Supplemental Indentures

The Bond Bank and the Trustee may with the prior written consent of the Series 2006 B Bond Insurer for so long as the Series 2006 B Bond Insurance Policy remains in full force and effect but without the consent of or notice to any of the owners of Bonds, enter into an indenture or indentures supplemental to the Indenture for any one or more of the following purposes:

- (a) To cure any ambiguity, formal defect or omission in the Indenture;
- (b) To grant to or confer upon the Trustee for the benefit of the owners of Bonds then Outstanding 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, does not materially and adversely affect the interests of the Bondholders and does not otherwise require the unanimous consent of all Bondholders under the Indenture;
- (c) To subject to the lien and pledge of the Indenture additional Revenues, properties or collateral;
- (d) To modify, amend or supplement the Indenture or any supplemental indenture in order to permit the qualification thereof under the Trust Indenture Act of 1939 or any similar federal statute hereafter in effect or to permit the qualification of the Bonds for sale under the securities laws of the United States of America or of any of the states of the United States of America, and, if the Bond Bank and the Trustee so determine, to add to the Indenture or to any supplemental indenture such other terms, conditions and provisions as may be permitted by the Trust Indenture Act of 1939 or similar federal statute;
- (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 and/or paying agent;
- (f) In connection with the issuance of Refunding Bonds;
- (g) To provide for the refunding of all or a portion of the Bonds; and
- (h) To amend the Indenture to permit the Bond Bank to comply with any future federal tax law or any covenants contained in any Supplemental Indenture with respect to compliance with future federal tax laws.

With the exception of Supplemental Indentures for the purposes described in the preceding paragraph and subject to the terms of the Indenture, the owners of not less than a majority of the aggregate principal amount of the Bonds then Outstanding which are affected (other than Bonds held by the Bond Bank) will have the right from time to time to consent to and approve the execution by the Bond Bank and the Trustee of any supplemental indenture or indentures deemed necessary and desirable by the Bond Bank or 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, but only with the express written consent of the Series 2006 B Bond Insurer for so long as the Series 2006 B Bond Insurance Policy remains in full force and effect; provided, however, no supplemental indenture may permit or be construed as permitting, without the consent of the owners of all Bonds then Outstanding under the Indenture and the Series 2006 B Bond Insurer for so long as the Series 2006 B Bond Insurance Policy remains in full force and effect, (a) an extension of a Principal Payment Date, an Interest Payment Date or a redemption date for any Bond issued under the Indenture; (b) a reduction in the principal amount of any Bond or change in the rate of interest or redemption premium; (c) a privilege or priority of any Bond or Bonds over any other Bond or Bonds; (d) a reduction in the aggregate principal amount of the Bonds the owners of which are required to consent to such Supplemental Indenture; (e) the creation of any lien securing any Bonds other than a lien ratably securing all of the Bonds, at any time Outstanding; (f) a reduction in the Reserve Requirement; or (g) any amendment or modification of the trusts, powers, rights, obligations, duties, remedies, immunities and privileges of the Trustee, which shall also require the written consent of the Trustee.

Additional Provisions Regarding the Series 2006 B Bond Insurer

For so long as the Series 2006 B Bond Insurance Policy remains in full force and effect, the following provisions described below shall govern, notwithstanding anything to the contrary set forth in the Indenture:

(a) Any provision of the Indenture expressly recognizing or granting rights in or to the Series 2006 B Bond Insurer may not be amended in any manner which affects the rights of the Series 2006 B Bond Insurer without the prior written consent of the Series 2006 B Bond Insurer. The Series 2006 B Bond Insurer reserves the right to charge the Bond Bank a fee for any consent or amendment to the Indenture while the Series 2006B Bond Insurance Policy is outstanding.

(b) Unless otherwise provided in this Section, the Series 2006 B Bond Insurer's consent shall be required in lieu of Bondholder consent, when required, for the following purposes: (i) execution and delivery of any Supplemental Indenture, (ii) removal of the Trustee and selection and appointment of any successor trustee or paying agent; and (iii) initiation or approval of any action not described in (i) or (ii) above which requires Bondholder consent.

(c) Any reorganization or liquidation plan with respect to the Bond Bank must be acceptable to the Series 2006 B Bond Insurer. In the event of any reorganization or liquidation, the Series 2006 B Bond Insurer shall have the right to vote on behalf of all Bondholders who hold the Series 2006 B Bond Insurer-insured Series 2006 B Bonds absent a default by the Series 2006 B Bond Insurer under the Series 2006 B Bond Insurer Policy insuring the Series 2006 B Bonds.

(d) Anything in the Indenture to the contrary notwithstanding, upon the occurrence and continuance of an Event of Default as defined in the Indenture, the Series 2006 B Bond Insurer shall be entitled to control and direct the enforcement of all rights and remedies granted to the Bondholders or the Trustee for the benefit of the Bondholders under the Indenture, including, without limitation: (i) the right to accelerate the principal of the Series 2006 B Bonds as described in the Indenture, and (ii) the right to annul any declaration of acceleration, and the Series 2006 B Bond Insurer shall also be entitled to approve all waivers of Events of Default.

(e) While the Series 2006 B Bond Insurance Policy or the Series 2006 B Debt Service Reserve Fund Credit Facility is in effect, the Bond Bank shall furnish to the Series 2006 B Bond Insurer and the Series 2006 B Debt Service Reserve Fund Credit Provider (Attention: Surveillance Department), upon request, the following:

- (i) a copy of any financial statement, audit and/or annual report of the Bond Bank and the Series 2006 B Qualified Entity; and
- (ii) such additional information it may reasonably request;
- (iii) a copy of any notice to be given to the Bondholders, including, without limitation, notice of any redemption of or defeasance of the Series 2006 B Bonds, and any certificate rendered pursuant to the Indenture relating to the security for the Series 2006 B Bonds; and
- (iv) To the extent that the Bond Bank has entered into a continuing disclosure agreement with respect to the Series 2006 B Bonds, the Series 2006 B Bond Insurer and the Series 2006 B Debt Service Reserve Fund Credit Provider shall be included as party to be notified.
- (f) The Bond Bank shall notify the Series 2006 B Bond Insurer (Attention: General Counsel Office) of any failure of the Bond Bank to provide relevant notices, certificates, etc.
- (g) Notwithstanding any other provision of the Indenture, the Trustee or the Bond Bank shall immediately notify the Series 2006 B Bond Insurer (Attention: General Counsel Office) if at any time there are insufficient moneys to make any payments of principal and/or interest as required and immediately upon the occurrence of any Event of Default hereunder.
- (h) The Bond Bank will permit the Series 2006 B Bond Insurer to discuss the affairs, finances and accounts of the Bond Bank and the Series 2006 B Qualified Entity or any information the Series 2006 B Bond Insurer may reasonably request regarding the security for the Series 2006 B Bonds with appropriate officers of the Bond Bank and the Series 2006 B Qualified Entity. The Trustee or the Bond Bank will permit Series 2006 B Bond Insurer to have access to and to make copies of all books and records relating to the Series 2006 B Bonds at any reasonable time.
- (i) The Series 2006 B Bond Insurer shall have the right to direct an accounting at the Bond Bank's expense, and the Bond Bank's failure to comply with such direction within thirty (30) days after receipt of written notice of the direction from the Series 2006 B Bond Insurer shall be deemed a default under the Indenture; provided, however, that if compliance cannot occur within such period, then such period will be extended so long as compliance is begun within such period and diligently pursued, but only if such extension would not materially adversely affect the interests of any registered owner of the Series 2006 B Bonds.
- (j) As long as the Series 2006 B Bond Insurance Policy shall be in full force and effect, the Bond Bank and the Trustee agree to comply with the following provisions:
 - (i) At least one (1) business day prior to all Interest Payment Dates the Trustee will determine whether there will be sufficient funds in the Funds and Accounts to pay the principal of or interest on the Series 2006 B Bonds on such Interest Payment Date. If the Trustee determines that there will be insufficient funds in such Funds or Accounts, the Trustee shall so notify the Series 2006 B Bond Insurer. Such notice shall specify the amount of the anticipated deficiency, the Series 2006 B Bonds to which such deficiency is applicable and whether such Series 2006 B Bonds will be deficient as to principal or interest, or both. If the Trustee has not so notified the Series 2006 B Bond Insurer at least one (1) business day prior to an Interest Payment Date, the Series 2006 B Bond Insurer will make payments of principal or interest due on the Series 2006 B Bonds on or before the first (1st) business day next following the date on which the Series 2006 B Bond Insurer shall have received notice of nonpayment from the Trustee.

(ii) the Trustee shall, after giving notice to the Series 2006 B Bond Insurer as provided in (i) above, make available to the Series 2006 B Bond Insurer and, at the Series 2006 B Bond Insurer's direction, to The Bank of New York, in New York, New York, as insurance trustee for the Series 2006 B Bond Insurer or any successor insurance trustee (the "Insurance Trustee"), the registration books of the Bond Bank maintained by the Trustee and all records relating to the Funds and Accounts maintained under the Indenture.

(iii) the Trustee shall provide the Series 2006 B Bond Insurer and the Insurance Trustee with a list of registered owners of Series 2006 B Bonds entitled to receive principal or interest payments from the Series 2006 B Bond Insurer under the terms of the Series 2006 B Bond Insurance Policy, and shall make arrangements with the Insurance Trustee (1) to mail checks or drafts to the registered owners of the Series 2006 B Bonds entitled to receive full or partial interest payments from the Series 2006 B Bond Insurer and (2) to pay principal upon the Series 2006 B Bonds surrendered to the Insurance Trustee by the registered owners of the Series 2006 B Bonds entitled to receive full or partial principal payments from the Series 2006 B Bond Insurer.

(iv) the Trustee shall, at the time it provides notice to the Series 2006 B Bond Insurer pursuant to (i) above, notify registered owners of the Series 2006 B Bonds entitled to receive the payment of principal or interest thereon from the Series 2006 B Bond Insurer (1) as to the fact of such entitlement, (2) that the Series 2006 B Bond Insurer will remit to them all or a part of the interest payments next coming due upon proof of Bondholder entitlement to interest payments and delivery to the Insurance Trustee, in form satisfactory to the Insurance Trustee, of an appropriate assignment of the registered owner's right to payment, (3) that should they be entitled to receive full payment of principal from the Series 2006 B Bond Insurer, they must surrender their Series 2006 B Bonds (along with an appropriate instrument of assignment in form satisfactory to the Insurance Trustee to permit ownership of such Series 2006 B Bonds to be registered in the name of the Series 2006 B Bond Insurer) for payment to the Insurance Trustee, and not the Trustee, and (4) that should they be entitled to receive partial payment of principal from the Series 2006 B Bond Insurer, they must surrender their Series 2006 B Bonds for payment thereon first to the Trustee who shall note on such Series 2006 B Bonds the portion of the principal paid by the Trustee and then, along with an appropriate instrument of assignment in form satisfactory to the Insurance Trustee, to the Insurance Trustee, which will then pay the unpaid portion of principal.

(v) in the event that the Trustee has notice that any payment of principal or interest on a Series 2006 B Bonds which has become Due for Payment (as defined in the Series 2006 B Bond Insurance Policy) and which is made to a Bondholder by or on behalf of the Bond Bank has been deemed a preferential transfer and theretofore recovered from its registered owner pursuant to the United States Bankruptcy Code by a trustee in bankruptcy in accordance with the final, nonappealable order of a court having competent jurisdiction, the Trustee shall, at the time the Series 2006 B Bond Insurer is notified pursuant to (i) above, notify all registered owners that in the event that any registered owner's payment is so recovered, such registered owner will be entitled to payment from the Series 2006 B Bond Insurer to the extent of such recovery if sufficient funds are not otherwise available, and the Trustee shall furnish to the Series 2006 B Bond Insurer its records evidencing the payments of principal of and interest on the Series 2006 B Bonds which have been made by the Trustee and subsequently recovered from registered owners and the dates on which such payments were made.

(vi) in addition to those rights granted to the Series 2006 B Bond Insurer under the Indenture, the Series 2006 B Bond Insurer shall, to the extent it makes payment of principal or interest on the Series 2006 B Bonds, become subrogated to the rights of the recipients of such payments in accordance with the terms of the Series 2006 B Bond Insurance Policy, and to evidence such subrogation (1) in the case of subrogation as to claims for past due interest, the Trustee shall note the Series 2006 B Bond Insurer's rights as subrogee on the registration books of the Bond Bank maintained by the Trustee upon receipt from the Series 2006 B Bond Insurer of proof of the payment of interest thereon to the registered owners of the Series 2006 B Bonds, and (2) in the case of subrogation as to claims for past due principal, the Trustee shall note the Series 2006 B Bond Insurer's rights as subrogee on the registration books of the Bond Bank maintained by the Trustee upon surrender of the Series 2006 B Bonds by the registered owners thereof together with proof of the payment of principal thereof.

(k) To the extent that the Indenture confers upon or gives or grants to the Series 2006 B Bond Insurer any right, remedy or claim under or by reason of the Indenture, the Series 2006 B Bond Insurer is explicitly recognized as being a third-party beneficiary hereunder and may enforce any such right, remedy or claim conferred, given or granted under the Indenture.

(l) Nothing in the Indenture expressed or implied is intended or shall be construed to confer upon, or to give or grant to, any person or entity, other than the Bond Bank, the Trustee, the Series 2006 B Bond Insurer and the registered owners of the Series 2006 B Bonds, any right, remedy or claim under or by reason of the Indenture or any covenant, condition or stipulation hereof, and all covenants, stipulations, promises and agreements in the Indenture contained by and on behalf of the Bond Bank shall be for the sole and exclusive benefit of the Bond Bank the Trustee, the Series 2006 B Bond Insurer and the registered owners of the Series 2006 B Bonds.

(m) Notwithstanding any other provision of the Indenture, in determining whether the rights of the Bondholders will be adversely affected by any action taken pursuant to the terms and provisions of the Indenture, the Trustee shall consider the effect on the Bondholders as if there were no Series 2006 B Insurance Policy.

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX D

DEFINITIONS

The following are definitions of certain terms used in the Official Statement, including its Appendices:

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

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

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

“Bankruptcy Code” means the Bankruptcy Reform Act of 1978, as amended from time to time.

“Beneficial Owner” means any person that has or shares the power, directly or indirectly, to make investment decisions concerning the ownership of any Bonds (including any person holding Bonds through nominees, depositories or other intermediaries).

“Bond Bank” means The Indianapolis Local Public Improvement Bond Bank, a public body corporate and politic, separate from the City in its corporate capability, organized under the provisions of the Act, or any successor to its functions.

“Bondholder” or “holder of Bonds” or “owner of Bonds” or any similar term means the registered owner of any Bond.

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

“Bonds” means the Series 2006 B Bonds and any Refunding Bonds.

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

“City” means the City of Indianapolis, Indiana.

“City-County Council” means the Legislative Body.

“Code” means the Internal Revenue Code of 1986 in effect on the date of issuance of the Series 2006 B Bonds, and the applicable regulations or rulings promulgated or proposed thereunder, and any successor thereto.

“Costs of Issuance” shall mean items of expense payable or reimbursable directly or indirectly by the Bond Bank and related to the authorization, sale and issuance of the Bonds, which items of expense shall include, but not be limited to, printing costs, costs of reproducing documents, filing and recording fees, initial fees and charges of the Trustee, underwriter's discounts, legal fees and charges, professional consultants' fees, costs of credit ratings, fees and charges for the execution, transportation and safekeeping of the Bonds, bond or reserve fund insurance premiums, credit enhancements (including Credit Facilities) or liquidity facility fees, and other costs, charges and fees in connection with the foregoing.

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

“Credit Facility” means any letter of credit, revolving credit agreement, surety bond, insurance policy or other agreement or instrument.

“Credit Provider” means the issuer of any Credit Facility and its successor in such capacity and their assigns. To qualify under the Indenture, the Credit Provider providing such Credit Facility shall be either:

(i) an insurer whose municipal bond insurance policies insuring the payment, when due, of the principal of and interest on municipal bond issues results in such issues being rated in a rating category that is at least as high as the rating assigned to the Bonds by the rating agency or agencies rating the Bonds; or

(ii) a bank or trust company which at the time of issuance of such Credit Facility has an outstanding, unsecured, uninsured and unguaranteed debt issue rated in a rating category that is at least as high as the rating assigned to the Bonds by the rating agency or agencies rating the Bonds.

“Debt Service Reserve Fund” means the fund by that name created by the Indenture.

“Debt Service Reserve Fund Credit Facility” means any Credit Facility issued or provided by a Credit Provider: (i) which may be deposited in a reserve account in the Debt Service Reserve Fund in lieu of or in partial substitution for cash or investment securities to be on deposit therein, and (ii) which shall be payable (upon the giving of notice as required thereunder) on any due date on which moneys will be required to be withdrawn from such reserve account in which such Credit Facility is deposited and applied to the payment of the principal of or interest on any Bonds.

“Debt Service Reserve Fund Reimbursement Obligation” means any obligation to reimburse the Credit Provider of any Debt Service Reserve Fund Credit Facility for any payment made under such Debt Service Reserve Fund Credit Facility or any other obligation to repay any amounts (including, but not limited to, fees or additional interest) to the Credit Provider.

“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.

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

“Fiscal Year” means the twelve-month period from January 1 through the following December 31.

“Funds” means the funds created pursuant to the Indenture, except for the Rebate Fund.

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

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

“Governmental Obligations” means (a) direct obligations (other than an obligation subject to variation in principal repayment) of the United States of America (“United States Treasury Obligations”), (b) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by the United States of America, (c) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by any agency or instrumentality of the United States of America when such obligations are backed by the full faith and credit of the United States of America, or (d) evidences of ownership of proportionate interests in future interest and principal payments on obligations described above held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying government obligations are not available to any person claiming through the custodian or to whom the custodian may be obligated.

“Indenture” means the Trust Indenture, dated as of February 15, 2006, between The Indianapolis Local Public Improvement Bond Bank and Hoosier Trust Company, as trustee, and all supplements and amendments thereto entered into pursuant thereto.

“Interest Payment Date” means any date on which interest is payable on the Bonds.

“Investment Earnings” means earnings and profits (after consideration of any accrued interest paid and/or amortization of premium or discount on the investment) on the moneys in the Funds and Accounts established under the Indenture.

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

“Opinion of Bond Counsel” means an Opinion of Counsel by a nationally recognized firm experienced in matters relating to the tax exemption for interest payable on obligations of states and their instrumentalities and political subdivisions under federal law and which is acceptable to the Bond Bank and the Trustee.

“Opinion of Counsel” means a written opinion of Counsel addressed to the Trustee, for the benefit of the owners of the Bonds, who may (except as otherwise expressly provided in the Indenture) be Counsel to the Bond Bank or Counsel to the owners of the Bonds and who is acceptable to the Trustee.

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

- (1) Bonds canceled after purchase in the open market or because of payment at or redemption prior to maturity;
- (2) Bonds deemed paid under the Indenture; and
- (3) Bonds in lieu of which other Bonds have been authenticated under the Indenture or under any Supplemental Indenture.

“Principal Payment Date” means the maturity date or the mandatory sinking fund redemption date of any Bond.

“Program” means the program for purchasing Qualified Obligations by the Bond Bank pursuant to the Act.

“Program Expenses” means all of the fees and expenses of the Trustee and costs of determining the amount rebatable, if any, to the United States of America under the Indenture, all to the extent properly allocable to the Program.

“Purchase Agreement” means a Qualified Entity Purchase Agreement between the Bond Bank and a Qualified Entity, pursuant to which one or more Qualified Obligations are sold to the Bond Bank.

“Qualified Entity” means an entity defined in IC 5-1.4-1-10, as amended from time to time, including the Series 2006 B Qualified Entity.

“Qualified Obligation” means a Security (as that term is defined in the Act), including the Series 2006 B Qualified Obligations, 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 of and interest on a Qualified Obligation held by the Trustee pursuant to the Indenture.

“Rebate Fund” means the fund by that name created by the Indenture.

“Record Date” means, with respect to any Interest Payment Date, the first day of the calendar month immediately preceding such Interest Payment Date.

“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 prior to maturity.

“Refunding Bonds” means Bonds issued pursuant to the Indenture and any Supplemental Indenture.

“Reserve Requirement” means an amount equal to the least of (i) 10% of the stated principal amount of the Bonds; provided, however, if any Series of Bonds has more than a de minimus amount of original issue discount or premium, the issue price of such Series of Bonds (net of preissuance accrued interest) shall be used to measure the 10% limitation in lieu of such Series’ stated principal amount; (ii) the maximum annual principal and interest requirements on the Bonds; or (iii) 125% of the average annual principal and interest requirements on the Bonds. At the time of issuance of the Series 2006 B Bonds, the Reserve Requirement means an amount equal to \$1,595,747.52, and thereafter, if less than such amount, shall be the maximum annual principal and interest requirements on the Outstanding Bonds in the then current or any succeeding Fiscal Year.

“Revenues” means the Funds and Accounts and all 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.

“S&P” means Standard & Poor’s Ratings Services, a Division of The McGraw-Hill Companies, or any successor thereto.

“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 2006 B Bond Insurance Policy” means the insurance policy issued by the Series 2006 B Bond Insurer guaranteeing the scheduled payment of principal of and interest on the Series 2006 B Bonds when due.

“Series 2006 B Bond Insurer” means Ambac Assurance Corporation.

“Series 2006 B Bonds” means The Indianapolis Local Public Improvement Bond Bank Bonds, Series 2006 B, issued pursuant to the Indenture.

“Series 2006 B Qualified Entity” means the City of Indianapolis, Indiana.

“Series 2006 B Qualified Obligations” means those Qualified Obligations issued by the Series 2006 B Qualified Entity and designated as “City of Indianapolis, Indiana Facilities Revenue Bonds of 2006.”

“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.

“Trustee” means Hoosier Trust Company, an Indiana corporate fiduciary, with a corporate trust office located in Indianapolis, Indiana, or any successor thereto under the Indenture.

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

“Underwriter” means City Securities Corporation, for itself and as representative of the other underwriters of the Bonds.

APPENDIX E

SPECIMEN FINANCIAL GUARANTY INSURANCE POLICY

[THIS PAGE INTENTIONALLY LEFT BLANK]

Ambac

Financial Guaranty Insurance Policy

Ambac Assurance Corporation
One State Street Plaza, 15th Floor
New York, New York 10004
Telephone: (212) 668-0340

Obligor:

Policy Number:

Obligations:

Premium:

Ambac Assurance Corporation (Ambac), a Wisconsin stock insurance corporation, in consideration of the payment of the premium and subject to the terms of this Policy, hereby agrees to pay to The Bank of New York, as trustee, or its successor (the "Insurance Trustee"), for the benefit of the Holders, that portion of the principal of and interest on the above-described obligations (the "Obligations") which shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Obligor.

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

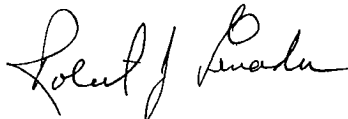
In cases where the Obligations are issued in registered form, the Insurance Trustee shall disburse principal to a Holder only upon presentation and surrender to the Insurance Trustee of the unpaid Obligation, uncanceled and free of any adverse claim, together with an instrument of assignment, in form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

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


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

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

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



President



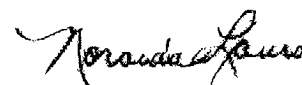
Secretary

Effective Date:

Authorized Representative

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

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



Authorized Officer of Insurance Trustee

[THIS PAGE INTENTIONALLY LEFT BLANK]



Recycled Paper - Printed by
IMAGEMASTER 800.452.5152