



ADDENDUM NO. 1

QUESTIONS AND ANSWERS

**Addendum to the Indianapolis Local Public
Improvement Bond Bank RFP-CJC-2018-001**

Request for Proposals

\$55 Million Short-Term New Money Financing for the
Indianapolis-Marion County Community Justice Campus

PUBLISHED: FEBRUARY 12, 2018

THE INDIANAPOLIS LOCAL PUBLIC IMPROVEMENT BOND BANK
REQUEST FOR PROPOSAL
\$55 MILLION SHORT-TERM NEW MONEY FINANCING
SERVICES FOR THE INDIANAPOLIS-MARION COUNTY
COMMUNITY JUSTICE CAMPUS

ADDENDUM NO. 1

BOND BANK RFP-CJC-2018-001

DUE: FEBRUARY 19, 2018, AT 5:00 PM EST

INTRODUCTION AND DISCLAIMER

On February 1st, 2018, the Indianapolis Local Public Improvement Bond Bank (“Bond Bank”) issued a Request for Proposals pertaining to services for a *\$55 Million Short-Term New Money Financing Services for the Indianapolis-Marion County Community Justice Campus* (Bond Bank RFP-CJC-2018-001).

As stated in Section 3.3, questions regarding this RFP were required to be submitted via email by February 8, 2018, at noon EST.

This addendum serves as official answers to the questions submitted over email.

DEADLINE

Proposals must be submitted by **Monday, February 19, 2018, at 5:00 PM EST** in PDF form via electronic mail to André Zhang Sonera, Bond Bank Project & Public Affairs Manager, at andre.zhangsonera@indy.gov with reference to **[Firm’s Name] | Indianapolis Bond Bank RFP-CJC-2018-001** in the subject line of the electronic mail.

QUESTIONS AND ANSWERS

The RFP mentions a deadline of Monday, February 19th. The 19th is President's Day which is a Bank and NYSE Holiday. Could you please confirm that this is the deadline?

President's Day is not recognized as a holiday for the Indianapolis City-County government. The responses are due by Monday, February 19th at 5:00 PM EST. Proposals will be accepted (but not reviewed) earlier than February 19.

Can you please provide the executed bond documents for the 2017A LOIT Notes (indenture, note purchase agreement, etc.)?

A copy of the Note Purchase Agreement is attached (see Attachment A & B).

For purposes of indicative pricing/spreads and scales, what date should offerors use?

Please use MMD as of COB February 14, 2018.

Can you provide projected LOIT debt service coverage?

There is no long-term LOIT debt outstanding. We have provided offerors with LOIT History in the RFP. For projection purposes, OFM uses a growth estimate of approximately of 3% for its 5-year forecast.

On what entity's balance sheet will the debt reside?

For the \$55 million (and the \$20 million), the City is the Qualified Entity and the debt will reside on the City's balance sheet. For the long-term financing, the Bond Bank anticipates that it will be the issuer, and the Qualified Entity will be the Indianapolis Marion County Building Authority. The Building Authority may enter into long-term leases for terms up to 40 years.

Is the Bond Bank looking for taxable or tax-exempt rates?

At this time, the Bond Bank anticipates that the entire project, including the \$55 million, would be eligible for tax-exempt financing.

Please explain why RFP pages 23 and 25 do not match.

Page 22, the cover for p. 23, indicates that Attachment C (p.23) is “Projected Cashflows for the \$55 million”, so this is the projected draw for this new short-term facility.

Page 24, the cover for p. 25, indicates that Attachment D (p.25) is “Projected Cashflows for the \$571 Million”, so this is the projected draw schedule for the entire project.

Is the “sum of Jan 19 and later” shown on page 23 intended to indicate a draw in that amount on that date? If not, please specify the expected draws after January 2019 and through what timeframe.

No, the engineers have not provided projections for draws beyond January 2019, but all of the remaining funds would be drawn sometime after that date but prior to the facility maturity date.

Attachment A shows the Historic LOIT Revenues of \$342MM in FY16 but the City’s FY16 CAFR (page IV, PDF 14) states it was \$267MM in FY16. Please explain the discrepancy and confirm that all three components as presented in Attachment A (Public Safety Tax, Levy Freeze Tax & Certified Shares) are pledged as security and there is no other debt secured by these revenues other than the Series 2017 LOIT Notes.

The combined LOIT rate is 2.02% with five components as follows: Special Purpose (IndyGo) 0.25%; Public Safety Tax 0.5%; Levy Freeze Tax 0.27%; Property Tax Relief 0.0507%; and Certified Shares (COIT) 0.9493% are pledged as security. The \$20 million Series 2017A LOIT Notes are the only debt currently secured by these revenues. The 2016 variance includes a \$53M supplemental distribution from the State plus the portion of \$22M of Certified Shares allocated to the County. Only Public Safety Tax, Levy Freeze Tax, and the Certified Shares (COIT) would be pledged as security.

Can you provide A history of monthly or quarterly LOIT revenue collected by the City?

All income tax revenue is processed by the State Department of Revenue, then distributed to the City on a monthly basis in 1/12th increments of a pre-defined annual certified distribution.

After the State of Indiana Department of revenue collects LOIT Revenues, are funds immediately transferred to the City's General Fund? Can this flow be amended by either State statute or bond indenture provisions?

LOIT funds will be transferred to City/County accounts, but it is possible to implement an automatic deposit mechanism from the City or County accounts to the Trustee.

How certain is the draw schedule? Does the Bond Bank anticipate making any principal or interest payments on the draws during the 2-year period?

The draw schedule is not exact and may be amended. If a fixed draw schedule would materially affect your pricing proposal, please provide that pricing in your proposal. The Bond Bank anticipates drawing against the facility to make interest payments and making principal payments at maturity or with a take-out facility.

On Attachment A- Historic LOIT Revenues, could you provide a further explanation of the footnotes? Specifically, what was the purpose of the one-time supplemental distribution in 2016 and what is the anticipated amount of the Special Purpose distribution to IndyGo in 2018?

The City's LOIT trust account managed by the State had its minimum holding reduced to 15% of annual certified distributions. This triggered the release of \$53M to the City. IndyGo will receive the full \$54M of the special purpose distribution in 2018 certified by the State. The purpose distribution is not a pledge revenue stream for the purpose of this transaction.

If the Project is dissolved or does not get the required approvals, will the LOIT pledge on the 2017 and 2018 Notes survive?

The LOIT pledged to any debt issued or to the payment of lease rentals for issued debt would survive dissolution or termination of the project.

Are the LOIT revenues pledged anywhere else? Or are they used for any other purposes?

The \$20 million Series 2017A LOIT Notes are the only debt currently secured by these revenues. LOIT revenues are used by the City for a variety of public safety and governmental purposes.

Can the use of the LOIT revenues be restricted only to repayment of the 2017 and 2018 Notes?

LOIT revenues exceed anticipated debt service and lease rentals payable from LOIT, so the use of all available LOIT will not be restricted to pledged uses.

Is the use of the LOIT revenues to pay debt service subject to appropriation?

The pledge of LOIT is enforceable in accordance with IC 5-1-14.

Is there a sunset on the LOIT taxes?

No.

Can the LOIT taxes be eliminated? If so, what revenues will be used to repay the 2017 and 2018 Notes?

In IC 6-3.6-10-6, the Indiana General Assembly covenants with purchasers or owners of obligations for which a LOIT pledge has been made that the article will not be repealed or amended in any manner that will adversely affect the tax collected under this article as long as the principal of or interest on those obligations is unpaid.

Who will / can provide a non-impairment clause to the LOIT revenues? Is it the City/ County or State?

See the above answer.

What is the detailed timing of collection and distribution mechanism for LOIT?

In October of 2017, the State will certify the 2018 guaranteed amount (certified distribution). This amount is based on the total income tax returns processed from July-December of 2016 and January-July 2017. The certified distribution in 2018 is distributed to the City monthly in 1/12th increments.

Please send LOIT revenue projections for the next 5 years, and historical LOIT revenues collected for last 10 years.

Historical LOIT revenues were provided with the RFP. The projected growth rate for LOIT is approximately 3%.

Is the new special purpose LOIT also dedicated toward repayment on the Notes? How much is the new special purpose LOIT?

No, that is dedicated to IndyGo.

Besides LOIT collections, can any other funds or reserves be used toward repayment on the Notes?

The City has pledged LOIT as a source of repayment for the notes but may use any legally available funds.

Is there a proposed timeline for construction? When would the City-County be fully operational?

Under the Design RFPs recently released by the City, the anticipated completion date would be August of 2021.

How does the remediation of the current land for purchase fit into that schedule?

The timeline for the property owner's remediation work will coordinate with the City's site preparation work.

What is the proposed remediation costs? Has that been factored into the ~\$572MM Project cost?

There is no anticipated unbudgeted remediation work.

What is the timeline for going back to the City-County Council for approval of the long-term financing piece?

We are estimating the third quarter of 2018.

Can excess LOIT be segregated from the City-County's operations; to be used to meet any potential future deficiencies in collections?

The State collects LOIT and sets an annual Certified Distribution for the City, which is paid on a 1/12 monthly basis. The excess LOIT is held by the state in trust until it reaches 15% of the Certified Annual Distribution amount, then the excess is distributed. LOIT revenues will exceed anticipated debt service and lease rentals payable from LOIT, so the use of all available LOIT will not be restricted to pledged uses.

Has the City-County modified the projected annual savings presented in the 2016 Task Force Report? Does the City-County still project that future annual savings will be sufficient to meet projected debt service on the long-term financing? Is the financing expected to meet all expected costs associated with the project prior occupation of the facilities which will facilitate the projected savings?

There were two presentations made to the City-County Council (July 2017 and January 2018) that are currently on the City's website. These presentations provided updates for projections of annual savings and other revenues potentially available to cover full project costs. The City currently anticipates that future annual savings and criminal justice related revenue contributions will be sufficient to meet projected annual debt service, O & M and Life Cycle costs associated with the entire \$572 million facility cost.

Is it possible to review Exhibit A of Proposal No. 411, 2017?

See Attachment C.

Would you please provide a redacted copy of the documents for the \$20 million financing?

See Attachments A & B.

What Additional Bonds Test was included in the original financing?

Pursuant the Indenture at the City level for the original financing, the ABT is 200% coverage.

Do you anticipate leveraging this revenue source beyond \$75 million?

Yes. The City is contemplating pledging LOIT as a source of security for the lease payments (which would include debt service, O & M and life cycle costs) related to the final project costs.

The RFP states that the Bond Bank envisions taking out the \$20 million Series 2017A Notes and the \$55 million Series 2018 Notes with one or more bond issues with project funds totaling approximately \$571.59 million. Do the cash flows shown in Attachment D account for the expenditures for the Series 2017A Notes and Series 2018 Notes?

The cashflows shown in Attachment D for the RFP are for the entire project expenditures - it includes principal repayment but not interest expenses on the LOIT Notes.



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ATTACHMENT A

2017A LOIT NOTES

BOND BANK NOTE PURCHASE AGREEMENT

NOTE PURCHASE AGREEMENT

THIS NOTE PURCHASE AGREEMENT (the "Purchase Agreement") having been made and entered into this 15th day of November, 2017, among PNC Bank, National Association, located in Indianapolis, Indiana (the "Purchaser"), The Indianapolis Local Public Improvement Bond Bank (the "Bond Bank"), a body corporate and politic, separate from the City of Indianapolis, Indiana, organized under the provisions of Indiana Code 5-1.4, as amended (the "Act"), and the City of Indianapolis, Indiana (the "City"), a municipality organized and existing under the laws of the State of Indiana,

W I T N E S S E T H:

WHEREAS, pursuant to Resolution No. 2, 2017, adopted by the Board of Directors of the Bond Bank (the "Board") on October 23, 2017 (the "Resolution"), the Bond Bank has authorized the issuance of The Indianapolis Local Public Improvement Bond Bank Notes, Series 2017 A (the "Notes"), for the purpose of providing funds to purchase certain notes issued by the City (the "Qualified Obligations") and to pay certain financing costs and costs of issuance of the Notes; and

WHEREAS, the Notes are being issued pursuant to the Trust Indenture dated as of November 1, 2017 (the "Trust Indenture"), between the Bond Bank and U.S. Bank National Association, as trustee; and

WHEREAS, the Resolution authorizes the Chairman and the Executive Director of the Bond Bank to enter into a Note Purchase Agreement for the purpose of providing for the issuance and sale of the Notes, and the Purchaser desires to purchase the Notes in the aggregate maximum principal amount of Twenty Million Dollars (\$20,000,000) pursuant to the terms contained in the Trust Indenture and herein;

NOW, THEREFORE, the Purchaser and the Bond Bank agree:

1. The Purchaser hereby agrees to purchase the Notes in the aggregate maximum principal amount of Twenty Million Dollars (\$20,000,000), which Notes shall mature on November 15, 2019. The Notes shall bear interest and shall be payable on such dates as provided in the Trust Indenture, and interest on the Notes shall be calculated on the basis of twelve (12) thirty (30)-day months for a three hundred sixty (360)-day year. The Notes shall be dated as of the date of their delivery. The purchase price of the Notes shall be equal to the par amount of the Notes, with no accrued interest.

The Notes are being issued as "draw notes," such that principal of the Notes shall be payable and interest thereon shall not accrue until such principal amount has been advanced pursuant to disbursement requests made to the Purchaser pursuant to the provisions of the Trust Indenture. To the extent that principal is drawn on the Notes, the Qualified Obligations shall be treated as having a corresponding amount of principal drawn on the Qualified Obligations.

2. The Notes are subject to redemption at the option of the Bond Bank, in whole or in part, on any date, upon at least thirty (30) days' written notice to the registered owner or owners of the Notes to be redeemed, at a redemption price equal to one hundred percent (100%)

of the principal amount of the Notes to be redeemed, plus accrued and unpaid interest on the Notes so redeemed to the redemption date, and without premium.

3. The terms of the Notes referred to in Sections 1 and 2 hereof are more fully set forth in the Trust Indenture, and such terms are incorporated herein by reference.

4. Simultaneously with the delivery to the Purchaser of the Notes, which Notes shall be registered in the name of the Purchaser, the Bond Bank shall furnish to the Purchaser a transcript of proceedings and an opinion of Faegre Baker Daniels LLP, Indianapolis, Indiana, bond counsel, which shall set forth, among other things, the unqualified approval of the Notes and the excludability of interest on the Notes for State and Federal income taxes. The Bond Bank shall bear the cost of such bond counsel's opinion.

5. The Purchaser of the Notes agrees to provide a "sophisticated investor" letter to the Bond Bank prior to the issuance of the Notes. The Bond Bank acknowledges receipt of such letter in a form acceptable to the Bond Bank. The Purchaser is purchasing the Notes for its own account without a present intent to transfer the Notes, provided that the Purchaser reserves the right in its sole discretion to assign, sell, pledge or participate interests in the Notes without the consent of the Bond Bank. The Notes are transferable or exchangeable by the Purchaser, but only upon compliance by the Purchaser with applicable registration and disclosure requirements of state and federal securities laws.

6. The Bond Bank hereby represents, warrants and covenants to the Purchaser that:

(a) It is a body politic and corporate, separate from the City, organized and validly existing under the Act, with requisite power and authority pursuant to the Act to execute, sell and deliver the Notes for the purposes described in the Trust Indenture.

(b) It has full authority pursuant to the Act to (i) adopt the Resolution, (ii) enter into this Agreement, the Trust Indenture and the Qualified Entity Purchase Agreement dated November 15, 2017, between the Bond Bank and the City, relating to the purchase of the Qualified Obligations (the "Qualified Entity Purchase Agreement"), (iii) issue and sell the Notes to the Purchaser as provided in this Agreement for the purposes for which they are to be issued, and (iv) perform its obligations under and as contemplated in each such document or agreement.

(c) The Resolution has been adopted and has not been modified, amended or repealed.

(d) Neither the execution and delivery of this Agreement, the Notes, the Trust Indenture and the Qualified Entity Purchase Agreement, the adoption of the Resolution, nor compliance with the provisions hereof and thereof, will conflict with or result in a violation of the Constitution of the State of Indiana or conflict with or result in a violation of, or breach of, or constitute a default under, any law or administrative regulation or judgment, or any of the terms, conditions or provisions of any material loan agreement, note, indenture, mortgage, deed of trust or other agreement or instrument to which the Bond Bank is a party or by which it is bound, or the Bond Bank's by-laws; and no approval or other action by, or filing or registration with, any governmental authority or

agency is required in connection therewith that has not been obtained or accomplished as of the date hereof.

(e) Any certificate signed by any authorized signatory of the Bond Bank and delivered to the Purchaser shall be deemed a representation and warranty by the Bond Bank to the Purchaser as to the truth of those statements made by the Bond Bank therein.

(f) The Bond Bank has not been notified of any listing or proposed listing of it by the Internal Revenue Service as a bond authority whose arbitrage certifications may not be relied upon.

(g) Pursuant to the Resolution, the Bond Bank has duly authorized the execution, delivery and due performance of the Notes, the Trust Indenture, this Agreement and the Qualified Entity Purchase Agreement, and the taking of any action as may be required on the part of the Bond Bank to consummate the transactions contemplated therein, and no election, public vote or referendum, of or by any person, organization or public body whatsoever is required in connection with any of the foregoing actions, and, assuming the due authorization, execution and delivery by the other parties thereto, such documents are, as of the date hereof, valid, binding and enforceable agreements of the Bond Bank, except as the enforceability thereof may be limited by bankruptcy, insolvency or similar laws affecting the enforcement of creditors' rights generally.

(h) To the best knowledge of the Bond Bank, no litigation, action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, authority, body, board or arbitrator or any public board or body is pending or threatened and no referendum or public vote is pending (i) in any way seeking to restrain or enjoin the issuance, sale or delivery of any of the Notes or the payment, collection or application of the proceeds thereof or the payments of other moneys or other properties pledged or to be pledged under the Notes, the Trust Indenture or the Qualified Entity Purchase Agreement, (ii) in any way contesting, questioning or affecting the validity, issuance or delivery of the Notes in the manner provided in the Trust Indenture and the Act or the proceedings of the Bond Bank under which the Notes were issued, or the validity of, or the Bond Bank's power to engage in any of the transactions contemplated by this Agreement, the Trust Indenture or the Qualified Entity Purchase Agreement, (iii) in any way questioning or contesting the creation, the organization, the existence or the powers of the Bond Bank, (iv) in any way contesting the title of any of the present members or other officials of the Bond Bank to their respective offices, or (v) in any way contesting or questioning the exclusion of interest paid from federal gross income of the owners of the Notes.

(i) Each of the representations of the Bond Bank contained in the Trust Indenture and the Qualified Entity Purchase Agreement is true and correct in all material respects and is hereby made to the Purchaser as if set forth herein.

7. The City hereby represents, warrants and covenants to the Purchaser that:

(a) It is an Indiana municipality organized and validly existing under Indiana law, with requisite power and authority to execute, sell and deliver the Qualified Obligations for the purposes described in the Trust Indenture dated as of November 1, 2017 (the "City Indenture"), between the City and U.S. Bank National Association, as trustee, which City Indenture secures the Qualified Obligations.

(b) It has full authority pursuant to Indiana law and the City Authorizing Resolution (as hereinafter defined) to (i) enter into this Agreement, the City Indenture and the Qualified Entity Purchase Agreement, (ii) issue and sell the Qualified Obligations to the Bond Bank as provided in the Qualified Entity Purchase Agreement for the purposes for which they are to be issued, (iii) levy local option income taxes and pledge such taxes to the payment of the Qualified Obligations, and (iv) perform its obligations under and as contemplated in each such document or agreement.

(c) The City-County Council for the City of Indianapolis and Marion County, Indiana duly adopted its General Resolution No. 10, 2017 on July 24, 2017 (the "City Authorizing Resolution"), and the City Authorizing Resolution has not been modified, amended or repealed.

(d) Neither the execution and delivery of this Agreement, the Qualified Obligations, the City Indenture and the Qualified Entity Purchase Agreement, the adoption of the City Authorizing Resolution, the levy of local option income taxes, nor compliance with the provisions hereof and thereof, will conflict with or result in a violation of the Constitution of the State of Indiana or conflict with or result in a violation of, or breach of, or constitute a default under, any law or administrative regulation or judgment, or any of the terms, conditions or provisions of any material loan agreement, note, indenture, mortgage, deed of trust or other agreement or instrument to which the City is a party or by which it is bound; and no approval or other action by, or filing or registration with, any governmental authority or agency is required in connection therewith that has not been obtained or accomplished as of the date hereof.

(e) Any certificate signed by any officer of the City and delivered to the Bond Bank or the Purchaser shall be deemed a representation and warranty by the City to the Bond Bank or the Purchaser as to the truth of those statements made by the City therein.

(f) The City has not been notified of any listing or proposed listing of it by the Internal Revenue Service as a bond authority whose arbitrage certifications may not be relied upon.

(g) The City has duly authorized the execution, delivery and due performance of the Qualified Obligations, the City Indenture, this Agreement and the Qualified Entity Purchase Agreement, the pledge of local option income tax revenues to the payment of the Qualified Obligations pursuant to the City Authorizing Resolution, and the taking of any action as may be required on the part of the City to consummate the transactions contemplated therein, and no election, public vote or referendum, of or by any person, organization or public body whatsoever is required in connection with any of the foregoing actions, and, assuming the due authorization, execution and delivery by the

other parties thereto, such documents are, as of the date hereof, valid, binding and enforceable agreements of the City, except as the enforceability thereof may be limited by bankruptcy, insolvency or similar laws affecting the enforcement of creditors' rights generally.

(h) To the best knowledge of the City, no litigation, action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, authority, body, board or arbitrator or any public board or body is pending or threatened and no referendum or public vote is pending (i) in any way seeking to restrain or enjoin the issuance, sale or delivery of any of the Qualified Obligations or the payment, collection or application of the proceeds thereof or the payments of other moneys or other properties pledged or to be pledged under the Qualified Obligations, the City Indenture or the Qualified Entity Purchase Agreement, (ii) in any way contesting, questioning or affecting the validity, issuance or delivery of the Qualified Obligations or the pledge of the local option income tax revenues to the payment thereof in the manner provided in the City Indenture or the proceedings of the City under which the Qualified Obligations were issued, or the validity of, or the City's power to engage in any of the transactions contemplated by this Agreement, the City Indenture, the City Authorizing Resolution or the Qualified Entity Purchase Agreement, (iii) in any way questioning or contesting the creation, the organization, the existence or the powers of the City, (iv) in any way contesting the title of any of the present members or other officials of the City to their respective offices, or (v) in any way contesting or questioning the exclusion of interest paid from federal gross income of the owners of the Qualified Obligations or the Notes.

(i) Each of the representations of the City contained in the City Indenture and the Qualified Entity Purchase Agreement is true and correct in all material respects and is hereby made to the Purchaser as if set forth herein.

8. The Bond Bank hereby represents and warrants to and covenants with the Purchaser that, for so long as the Notes remain outstanding, the Bond Bank will provide to the Purchaser, but only to the extent such information is not available on the Electronic Municipal Market Access (EMMA) website, the audited comprehensive financial report (the "CAFR") of the City of Indianapolis, Indiana (the "City"), as prepared and examined by the State Board of Accounts, beginning with the financial statements for the twelve (12)- month period ending December 31, 2017, within sixty (60) days of receipt of such CAFR by the City.

9. The Notes shall not be (i) assigned a separate rating by any municipal securities rating agency, (ii) registered with The Depository Trust Company or any other securities depository, (iii) issued pursuant to any type of offering document or official statement, or (iv) assigned a CUSIP number by Standard & Poor's CUSIP Service.

10. The Bond Bank acknowledges and agrees that (i) the transaction contemplated herein is an arm's length commercial transaction between the Bond Bank and the Purchaser and its affiliates, (ii) in connection with such transaction, the Purchaser and its affiliates are acting solely as a principal and not as an advisor including, without limitation, a "Municipal Advisor" as such term is defined in Section 15B of the Securities and Exchange Act of 1934, as amended, and the related final rules (the "Municipal Advisor Rules"), agent or a fiduciary of the Bond

Bank, (iii) the Purchaser and its affiliates are relying on the bank exemption in the Municipal Advisor Rules, (iv) the Purchaser and its affiliates have not provided any advice or assumed any advisory or fiduciary responsibility in favor of the Bond Bank with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (whether or not the Purchaser, or any affiliate of the Purchaser, has provided other services or advised, or is currently providing other services or advising the Bond Bank on other matters), (v) the Purchaser and its affiliates have financial and other interests that differ from those of the Bond Bank, and (vi) the Bond Bank has consulted with its own financial, legal, accounting, tax and other advisors, as applicable, to the extent it deemed appropriate.

11. If any provision of this Purchase Agreement shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such provision shall not affect any of the remaining provisions of this Purchase Agreement and this Purchase Agreement shall be construed and in force as if such invalid or unenforceable provision had not been contained herein.

12. This Purchase Agreement may be executed in one or more counterparts, any of which shall be regarded for all purposes as an original and all of which constitute but one and the same instrument. The Purchaser and the Bond Bank each agree that it will execute any and all documents or other instruments, and take such other actions as may be necessary to give effect to the terms of this Purchase Agreement.

13. No waiver by either the Purchaser or the Bond Bank of any term or condition of this Purchase Agreement shall be deemed or construed as a waiver of any other terms or conditions, nor shall a waiver of any breach be deemed to constitute a waiver of any subsequent breach, whether of the same or of a different section, subsection, paragraph, clause, phrase or other provision of this Purchase Agreement.

14. This Purchase Agreement merges and supersedes all prior negotiations, representations and agreements between the Purchaser and the Bond Bank relating to the subject matter hereof and constitutes the entire agreement between the Purchaser and the Bond Bank in respect hereof.

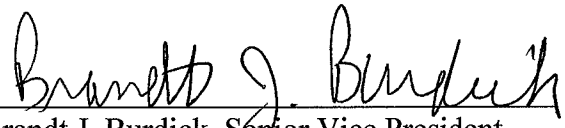
15. The Purchaser and the Bond Bank, to the fullest extent permitted by law, hereby waive any right to have a jury participate in resolving any dispute in any way related to this Purchase Agreement or any of the transaction contemplated hereby. This Purchase Agreement and all transactions contemplated hereby will be governed by the laws of the State of Indiana.

16. Each representation, warranty, covenant and agreement of the Bond Bank contained herein shall remain operative and in full force and effect as long as any of the Notes remain outstanding.

17. Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Trust Indenture.

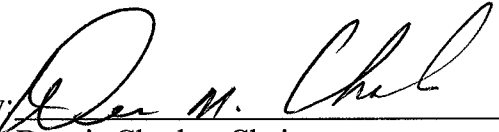
The parties hereto have caused this Purchase Agreement to be entered into on the date first above written.

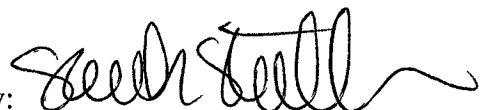
PNC BANK, NATIONAL ASSOCIATION

By: 
Brandt J. Burdick, Senior Vice President

Accepted and agreed to as of the date first above written:

THE INDIANAPOLIS LOCAL PUBLIC
IMPROVEMENT BOND BANK

By: 
Dennis Charles, Chairman

By: 
Sarah Riordan, Executive Director

CITY OF INDIANAPOLIS, INDIANA

By: _____
Joseph H. Hogsett, Mayor

By: _____
Fady Qaddoura, Controller

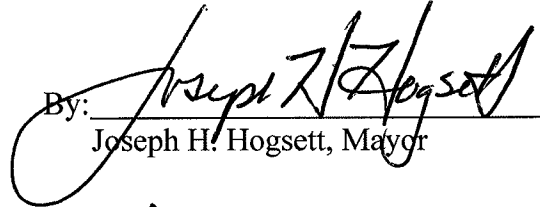
Accepted and agreed to as of the date first above written:

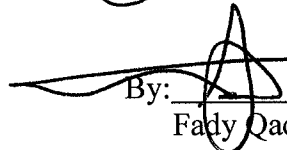
THE INDIANAPOLIS LOCAL PUBLIC
IMPROVEMENT BOND BANK

By: _____
Dennis Charles, Chairman

By: _____
Sarah Riordan, Executive Director

CITY OF INDIANAPOLIS, INDIANA

By:  _____
Joseph H. Hogsett, Mayor

By:  _____
Fady Qaddoura, Controller



ADDENDUM NO. 1

QUESTIONS AND ANSWERS

**Addendum to the Indianapolis Local Public
Improvement Bond Bank RFP-CJC-2018-001**

ATTACHMENT B

2017A LOIT NOTES

CITY OF INDIANAPOLIS

NOTE PURCHASE AGREEMENT

QUALIFIED ENTITY PURCHASE AGREEMENT

Re:

**\$20,000,000
City of Indianapolis, Indiana,
Local Option Income Tax Revenue Notes,
Series 2017A**

This QUALIFIED ENTITY PURCHASE AGREEMENT, dated as of the 15th day of November, 2017 (the "Purchase Agreement"), by and between THE INDIANAPOLIS LOCAL PUBLIC IMPROVEMENT BOND BANK, a body corporate and politic (the "Bond Bank"), created pursuant to the provisions of Indiana Code 5-1.4 (the "Act"), having its principal place of business in the City of Indianapolis, Indiana, and the CITY OF INDIANAPOLIS, INDIANA, a separate municipal corporation existing and operating under the provisions of Indiana law (the "Qualified Entity"),

WITNESSETH:

WHEREAS, on October 23, 2017, the Bond Bank adopted its Resolution No. 2, 2017 (the "Resolution"), authorizing the issuance of one or more series of special program notes of the Bond Bank; and

WHEREAS, the Bond Bank intends to issue certain notes pursuant to the Resolution, designated as "The Indianapolis Local Public Improvement Bond Bank Notes, Series 2017 A," in the original aggregate maximum principal amount of Twenty Million Dollars (\$20,000,000) (the "Bond Bank Notes"), pursuant to a Trust Indenture dated as of November 1, 2017 (the "Bond Bank Indenture"), between the Bond Bank and U.S. Bank National Association, as trustee; and

WHEREAS, pursuant to the Act, the Bond Bank is authorized to purchase "securities" (as defined in the Act) ("Securities"), issued by qualified entities (as defined the Act); and

WHEREAS, on July 24, 2017, the City-County Council for the City of Indianapolis and Marion County, Indiana (the "City County Council"), adopted its General Resolution No. 10, 2017 (the "Qualified Entity Resolution"), duly authorizing the issuance of one or more series of the Qualified Entity's notes payable solely from local option income tax revenues (as described in the Qualified Entity Resolution), in an original aggregate principal amount not to exceed Twenty Million Dollars (\$20,000,000); and

WHEREAS, the Qualified Entity now desires to issue its notes pursuant to the Qualified Entity Resolution and Indiana Code 5-1.4-8-6, designated as the "City of Indianapolis, Indiana, Local Option Income Tax Revenue Notes, Series 2017A," in the original aggregate maximum principal amount of Twenty Million Dollars (\$20,000,000) (the "Qualified Obligations"), as more specifically described on Exhibit A attached hereto, which Qualified Obligations are further being issued pursuant to and secured under the Trust Indenture dated as of November 1, 2017 (the "Qualified Entity Indenture"), by and between the Qualified Entity and U.S. Bank National Association, as trustee; and

WHEREAS, the Qualified Obligations are Securities to be purchased by the Bond Bank from proceeds of the Bond Bank Notes, all in accordance with this Purchase Agreement.

NOW, THEREFORE, the Bond Bank and the Qualified Entity hereby agree:

1. (a) The Bond Bank hereby agrees to purchase the Qualified Obligations and the Qualified Entity hereby agrees to sell to the Bond Bank the Qualified Obligations, concurrently with the issuance by the Bond Bank of its Bond Bank Notes, at an aggregate maximum purchase price for the Qualified Obligations equal to \$20,000,000.00 (which amount represents the par amount of the Qualified Obligations).

(b) A first advance on the Qualified Obligations in the amount of \$1,782,652.06 is being made on the date hereof (with the remaining \$18,217,347.94 being available for future advances under the provisions of the Bond Bank Indenture and the Qualified Entity Indenture). However, the Qualified Entity shall receive only \$1,663,902.06 of such first advance, with the following amounts to be deemed to have been received by the Qualified Entity, but retained by the Bond Bank under the Bond Bank Indenture: \$118,750.00 of the proceeds will be deemed to be received by the Qualified Entity and will be deposited in the Bond Issuance Expense Account of the General Fund under the Bond Bank Indenture and used to pay costs of issuance of the Bond Bank Notes and the Qualified Obligations.

(c) The Qualified Obligations shall mature and bear interest and be subject to redemption as set forth in Exhibit A attached hereto. The other terms of the Qualified Obligations are set forth in the Qualified Entity Indenture, the provisions of which are incorporated herein by reference.

(d) The Qualified Obligations are being issued as "draw notes," such that principal of the Qualified Obligations shall not be payable and interest thereon shall not accrue until such principal amount has been advanced pursuant to disbursement requests made from time to time. The Bond Bank Notes are similarly being issued as "draw notes," and any draw on the Bond Bank Notes shall be treated as a draw on the Qualified Obligation in the same principal amount and with the same date of such draw. Disbursement requests shall be signed by the Qualified Entity and the Bond Bank and submitted to PNC Bank, National Association, as the purchaser of the Bond Bank Notes.

2. The Qualified Entity has taken, or will take prior to closing, all proceedings required by law to enable it to issue its Qualified Obligations to be purchased by the Bond Bank.

3. Subject to Section 9 hereof, the Qualified Entity agrees to pay the Bond Bank from moneys available to the Qualified Entity for such purposes, at such time as the Bond Bank shall reasonably request, fees and charges to: (a) pay rebate amounts as set forth in Section 8 hereof; and (b) pay costs of the administration of the Qualified Obligations and services performed by the Bond Bank in connection therewith, the amount and nature of such costs of administration and services to be established in consultation with the Qualified Entity; and (c) to pay all other fees owed by the Bond Bank to PNC Bank, National Association under the Bond Bank Indenture (including, without limitation, the Bank Fees, as defined in the Bond Bank Indenture).

4. Notwithstanding anything herein to the contrary, the Qualified Entity's obligation to make payments on the Qualified Obligations shall be credited to the extent necessary to take into account investment earnings on moneys held under the Bond Bank Indenture, unless the Qualified Entity and the Bond Bank otherwise mutually agree.

5. Simultaneously with the delivery to the Bond Bank of the Qualified Obligations, which Qualified Obligations shall be substantially in the form set forth in the Qualified Entity Indenture and registered in the name of the Bond Bank, the Qualified Entity shall furnish to the Bond Bank a transcript of proceedings for the Qualified Obligations and the opinion of Faegre Baker Daniels LLP, Indianapolis, Indiana, as bond counsel, as to, among other things, the validity of the Qualified Obligations, with a reliance letter addressed to the purchaser of the Bond Bank Notes. The Qualified Entity agrees to execute and deliver any certificates, documents, instruments or closing papers as may be reasonably required by the Bond Bank to carry out the intent of this Purchase Agreement and to enable the Bond Bank to sell the Bond Bank Notes.

6. The Qualified Entity and the Bond Bank agree that the Qualified Obligations and the payments to be made thereon may be pledged or assigned by the Bond Bank, under and pursuant to the Bond Bank Indenture, for the benefit of the registered owners of the Bond Bank Notes.

7. As long as any of the Qualified Obligations remain outstanding, the Qualified Entity agrees to furnish to the Bond Bank audit reports and such other financial information as is reasonably requested by the Bond Bank, and, if requested to do so at any time during the term of the Qualified Obligations, the Qualified Entity agrees to execute and deliver to the Bond Bank a continuing disclosure undertaking agreement.

8. The Qualified Entity covenants and agrees to comply with the rebate requirement of Section 148(f) of the Internal Revenue Code of 1986, as amended.

9. If the Bond Bank determines to sell all or part of the Qualified Obligations, it agrees to pay or reimburse the Qualified Entity for all costs associated therewith, including the printing of notes, obtaining ratings therefor and providing services of a registrar and paying agent therefor.

10. So long as the Bond Bank shall own the Qualified Obligations, the Qualified Entity Resolution shall constitute a contract for the benefit of the Bond Bank as owner of the Qualified Obligations, and the Qualified Entity shall not permit any amendments, modifications or supplements thereto without the written consent of the Bond Bank.

11. If any provision of this Purchase Agreement shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such provision shall not affect any of the remaining provisions of this Purchase Agreement and this Purchase Agreement shall be construed and be in force as if such invalid or unenforceable provision had not been contained herein.

12. This Purchase Agreement may be executed in one or more counterparts, any of which shall be regarded for all purposes as an original and all of which constitute but one and the

same instrument. The Bond Bank and the Qualified Entity each agree that they will execute any and all documents or other instruments, and take such other actions as may be necessary to give effect to the terms of this Purchase Agreement.

13. No waiver by either the Bond Bank or the Qualified Entity of any term or condition of this Purchase Agreement shall be deemed or construed as a waiver of any other terms or conditions, nor shall a waiver of any breach be deemed to constitute a waiver of any subsequent breach, whether of the same or of a different section, subsection, paragraph, clause, phrase or other provision of this Purchase Agreement.

14. This Purchase Agreement and the Qualified Entity Resolution merge and supersede all prior negotiations, representations and agreements between the Bond Bank and the Qualified Entity relating to the subject matter hereof and, together with the Qualified Entity Indenture, constitute the entire agreement between the Bond Bank and the Qualified Entity in respect hereof.

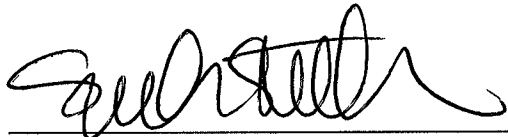
* * * * *

IN WITNESS WHEREOF, we have hereunto set our hands as of the day and year first above written.

THE INDIANAPOLIS LOCAL PUBLIC
IMPROVEMENT BOND BANK

By: 
Dennis Charles, Chair

Attest:


Sarah S. Riordan, Executive Director

CITY OF INDIANAPOLIS, INDIANA

By: _____
Joseph H. Hogsett, Mayor

Attest:

NaTrina DeBow, Clerk of the
City-County Council

IN WITNESS WHEREOF, we have hereunto set our hands as of the day and year first above written.

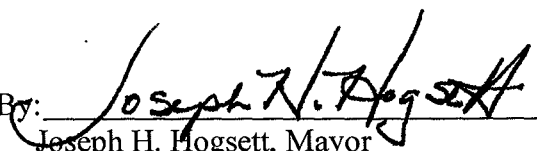
THE INDIANAPOLIS LOCAL PUBLIC
IMPROVEMENT BOND BANK

By: _____
Dennis Charles, Chair

Attest:

Sarah S. Riordan, Executive Director

CITY OF INDIANAPOLIS, INDIANA

By:  _____
Joseph H. Hogsett, Mayor

Attest:

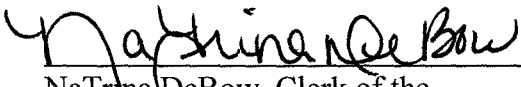
 _____
NaTrina DeBow, Clerk of the
City-County Council

Exhibit A

Description of the Qualified Obligations

City of Indianapolis, Indiana, Local Option Income Tax Revenue Notes, Series 2017A

Maximum Principal Amount:	\$20,000,000
Original Date:	November 15, 2017
Interest Payable:	As provided in the Qualified Entity Indenture.
Interest Rate:	As provided in the Qualified Entity Indenture.
Maturity Date:	November 15, 2019
Redemption:	The Qualified Obligations are subject to redemption as set forth in the Qualified Entity Indenture; provided, however, for so long as any of the Qualified Obligations are held by the Bond Bank, the Qualified Obligations are only subject to any such redemption upon receiving the consent of the Bond Bank in accordance with the terms and conditions set forth by the Bond Bank.



ADDENDUM NO. 1

QUESTIONS AND ANSWERS

**Addendum to the Indianapolis Local Public
Improvement Bond Bank RFP-CJC-2018-001**

ATTACHMENT C

EXHIBIT A OF CITY-COUNTY COUNCIL RESOLUTION No. 411, 2017

EXHIBIT A

