



Office of the City Clerk

City Hall
121 N. LaSalle St.
Room 107
Chicago, IL 60602
www.chicityclerk.com

Legislation Details (With Text)

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Title: Notification of sale of Sales Tax Securitization Corporation Second Lien Sales Tax Securitization Bonds, Series 2020A and 2020B
Sponsors: Dept./Agency
Indexes: BONDS & BOND ISSUES
Attachments: 1. F2020-5.pdf

Date	Ver.	Action By	Action	Result
2/19/2020	1	City Council	Placed on File	

Department of Finance

CTTY OF CHICAGO

January 30, 2020

Andrea M. Valencia City
Clerk
121 N. LaSalle St., Room 107 Chicago,
IL 60602

Re: Sales Tax Securitization Corporation Second Lien Sales Tax Securitization Bonds, Series 2020A
and Series 2020B

Dear Ms. Valencia:

Attached is the Notification of Sale which is required to be filed with your office pursuant to Section 5(j) and Section 6(a) of the Ordinance Establishing the Sales Tax Securitization Corporation and Providing for Certain related Matters of the City Council of the City, approved by the City Council of the City of Chicago on October 11, 2017.

Please direct this filing to the City Council.

Very truly yours,

121 NORTH LASALLE STREET, SUITE 700, CHICAGO, ILLINOIS 60602

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NOTIFICATION OF SALE

City Council of the City of Chicago Office of the
City Clerk 121 N. LaSalle St., Room 107 Chicago,
IL 60602

Pursuant to Section 5(j) and Section 6(a) of the Ordinance Establishing the Sales Tax Securitization Corporation and Providing for Certain related Matters of the City Council of the City (the "Ordinance"), approved by the City Council of the City of Chicago on October 11, 2017 authorizing the issuance by the Sales Tax Securitization Corporation (the "Corporation") of \$1,016,915,000 aggregate principal amount of Second Lien Sales Tax Securitization Bonds, consisting of (a) Series 2020A in the aggregate principal amount of \$521,105,000 (the "Series 2020A Bonds"), and (b) Taxable Series 2020B in the aggregate principal amount of \$495,810,000 (the "Series 2020B Bonds" and, together with the Series 2020A Bonds, the "Series 2020AB Bonds"), I am filing with you this notification of sale and providing additional information regarding the Series 2020AB Bonds. Unless otherwise defined, capitalized terms are used as defined in the Ordinance.

The attached Exhibits excerpted from the Offering Circular relating to the Series 2020AB Bonds describe the following information:

- (i) Exhibit 1 describes the series designation, the aggregate principal amount and maturity schedule for the Series 2020AB Bonds, the interest rates on the Series 2020AB Bonds and whether such interest is tax-exempt or taxable;
- ii) Exhibit 2 describes the authorized denominations and redemption provisions for the Series 2020AB Bonds;
- iii) Exhibit 3 describes the specific maturities, series and amounts of the obligations (the "Series 2020AB Refunded Obligations") that are to be refunded with proceeds of the Series 2020AB Bonds and the date on and price at which the Refunded Obligations shall be redeemed (if such redemption shall occur prior to stated maturity or pursuant to mandatory sinking fund redemption) or otherwise retired;

- iv) Exhibit 4 describes the identity of the underwriters for the Series 2020AB Bonds; and
- v) Exhibit 5 describes the purposes for which the Series 2020AB Bonds were issued.

In addition, the following information is provided pursuant to Section 5(j) of the Ordinance:

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i) The disposition of the revenues pledged and/or the taxes levied or imposed for payment of the Refunded Obligations for the years following the date of issuance of the Series 2020AB Bonds is as follows: the City will partially abate the levy of property taxes for levy years 2020AB and following in order to reflect payment of the Refunded Obligations with the proceeds of the Series 2020AB Bonds;

ii) The following maturities of the Series 2020AB Bonds were insured by BUILD AMERICA MUTUAL ASSURANCE COMPANY: (i) Second Lien Series 2020A Bonds maturing on January 1, 2037 (CUSIP No. 79467BCX1) and January 1, 2040 (CUSIP No. 79467BDA0) and (ii) Second Lien Series 2020B Bonds maturing on January 1, 2043 (CUSIP No. 79467BDK8);

iii) The Bank of New York Mellon Trust Company, N. A. is the trustee for the Series 2020AB Bonds;

iv) Aggregate underwriter compensation paid in connection with the sale of the Series 2020AB Bonds was \$4,020,628.14; and

v) In connection with the refunding of the Refunded Obligations, The Bank of New York Mellon Trust Company, N.A., the Amalgamated Bank of Chicago, U.S. Bank, National Association and Zions Bancorporation, National Association, were named escrow trustees.

In addition, the following information is provided pursuant to Section 6(a) of the Ordinance: with respect to each series of Series 2020AB Bonds: the Sales Tax Revenues for the ' most recently completed fiscal year are at least 150 percent of the aggregate maximum annual debt service for such series of Series 2020AB Bonds plus all other Sales Tax Obligations previously issued and outstanding upon issuance of such series of Sales Tax Obligations.

submitted as of thisH day of January, 2020.

Chief Financial Officer

Notification of Sale Signature Page

IN WITNESS WHEREOF, I have hereunto affixed my signature and caused to be affixed
hereto the corporate seal of the City this day of January, 2020.

Andrea M. Valencia
City Clerk

[SEAL]

Signature Page to Acknowledgement of Filing
Notification of Sale

EXHIBIT 1

MATURITY DATES, AMOUNTS, INTEREST RATES, YIELDS, PRICES AND CUSIP NUMBERS

**\$521,105,000 Sales Tax Securitization Corporation Second Lien Sales Tax
Securitization Bonds, Series 2020A**

Maturity (January 1)	Principal Amount	Interest Rate	Yield	Price	CUSIPt (Base 79467B)
2025	\$ 26,480,000	5.00%	1.400%	117.055%	CQ6
2026	56,055,000	5.00	1.500	119.752	CR4
2027	58,860,000	5.00	1.660	121.746	CS2
2028	61,800,000	5.00	1.760	123.851	CTO

2029	64,890,000	5.00	1.840	125.883	CU7
2030	68,135,000	5.00	1.910	127.800	CV5
2036	41,330,000	5.00	2.210	124.727*	CW3
2037	40,785,000	5.00	2.150	125.335*	CXI
2038	43,445,000	4.00	2.460	113.480*	CY9
2039	25,935,000	4.00	2.490	113.197*	CZ6
2040	33,390,000	4.00	2.400	114.047*	DAO

♦Priced to call January 1, 2030.

**\$495,810,000 Sales Tax Securitization Corporation Second Lien Sales Tax
Securitization Bonds, Taxable Series 2020B**

<u>(January 1)</u>	<u>Maturity</u> <u>Amount</u>	<u>Principal</u> <u>Rate</u>	<u>Interest</u> <u>Yield</u>	<u>Price</u> <u>(Base 79467B)</u>	<u>CUSIPt</u>
2023	\$ 24,405,000	2.128%	2.128%	100.000%	DB8
2024	52,910,000	2.225	2.225100.000	DC6	
2025	27,610,000	2.325	2.325100.000	DD4	
2031	69,315,000	2.857	2.857100.000	DE2	
2032	44,235,000	2.957	2.957100.000	DF9	
2033	41,360,000	3.007	3.007100.000	DG7	
2034	51,930,000	3.057	3.057100.000	DH5	
2035	47,385,000	3.107	3.107100.000	DJ1	

\$136,660,000, 3.411% Series 2020B Term Bonds Due January 1, 2043, Yield 3.411%, Price 100.000, CUSIP No.
79467BDK8

EXHIBIT 2

THE SECOND LIEN SERIES 2020AB BONDS

The following summary describes certain terms of the Second Lien Series 2020AB Bonds. This summary does not purport to be complete and is subject to, and qualified in its entirety by reference to, the provisions of the Indenture and the Second Lien Series 2020AB Bonds. Copies of the Indenture may be obtained upon written request to the Trustee.

General

The Second Lien Series 2020AB Bonds will be dated their date of delivery and will bear interest from their dated date until paid or redeemed, payable semiannually on each January 1 and July 1, commencing July 1, 2020. The Second Lien Series 2020AB Bonds will bear interest at the rates per year and will mature in the principal amounts on January 1 in each year, as set forth on the inside cover page of this Offering Circular. Interest on the Second Lien Series 2020AB Bonds will be computed on the basis of a 360-day year consisting of twelve 30-day months. The Second Lien Series 2020AB Bonds will be issued as fully registered bonds in denominations of \$5,000 or any integral multiples thereof (each an "Authorized Denomination").

Interest on the Second Lien Series 2020AB Bonds will be payable by check mailed to the registered owner thereof at the address thereof as it appears on the registry books of the Corporation as of the 15th day (whether or not a Business Day) of the calendar month next preceding each interest payment date (the "Record Date") or, at the option of any owner of \$1,000,000 or more in aggregate principal amount of the Second Lien Series 2020AB Bonds, by wire transfer of immediately available funds to such bank in the continental United States as such owner requests in writing.

The Second Lien Series 2020AB Bonds will initially be registered through a book-entry only system operated by The Depository Trust Company, New York, New York ("DTC"). Beneficial interests in the Second Lien Series 2020AB Bonds may be held through DTC, directly as a participant or indirectly through organizations that are participants in DTC. Details of payments of the Second Lien Series 2020AB Bonds and the book-entry only system are described in APPENDIX A - "BOOK-ENTRY ONLY SYSTEM". Except as described in APPENDIX A - "BOOK-ENTRY ONLY SYSTEM", beneficial owners of the Second Lien Series 2020AB Bonds will not receive or have the right to receive physical delivery of the Second Lien Series 2020AB Bonds, and will not be or be considered to be the registered owners thereof. Accordingly, beneficial owners must rely upon (i) the procedures of DTC and,

if such beneficial owner is not a DTC Direct Participant or Indirect Participant (as defined in APPENDIX A - "BOOK-ENTRY ONLY SYSTEM"), the Direct or Indirect Participant who will act on behalf of such beneficial owner to receive notices and payments of principal or Redemption Price of and interest on the Second Lien Series 2020AB Bonds, and to exercise voting rights and (ii) the records of DTC and, if such beneficial owner is not a Participant, such beneficial owner's Direct or Indirect Participant, to evidence its beneficial ownership of the Second Lien Series 2020A13 Bonds. So long as DTC or its nominee is the registered owner of the Second Lien Series 2020AB Bonds, references herein to Bondholders or registered owners of such Second Lien Series 2020AB Bonds means DTC or its nominee and do not mean the beneficial owners of such Second Lien Series 2020AB Bonds.

Redemption of Second Lien Series 2020A Bonds

Optional Redemption

The Second Lien Series 2020A Bonds maturing on or after January 1, 2036 are subject to redemption prior to maturity, at the election or direction of the Corporation, in whole or in part (and, if in part, in an Authorized Denomination) on any date on or after January 1, 2030 at a Redemption price of par plus any accrued interest on such Second Lien Series 2020A Bonds being redeemed to the date fixed for redemption.

Selection of Second Lien Series 2020A Bonds to be Redeemed

If less than all of the Second Lien Series 2020A Bonds of maturity and tenor are to be redeemed, the particular Second Lien Series 2020A Bonds of such maturity to be redeemed will be selected by lot by the Trustee by such method of selection as it shall deem proper in its discretion.

Redemption of Second Lien Series 2020B Bonds

Make Whole Optional Redemption

The Second Lien Series 2020B Bonds are subject to redemption prior to maturity, at the election or direction of the Corporation, on any date, in whole or in part, and if in part from such maturities and interest rates as shall be determined by the Corporation on any Business Day (as defined below) at a redemption price (the "Make Whole Optional Redemption Price") equal to the greater of: (A) the principal amount of such Second Lien Series 2020B Bonds to be redeemed, or (B) the sum of the present values of the remaining scheduled payments of principal and interest on such Second Lien Series 2020B Bonds to be redeemed, discounted to the date of redemption of such Second Lien Series 2020B Bonds to be redeemed on a semiannual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate (defined below) plus (i) with respect to the Series 2020B Bonds maturing on January 1, 2023 and January 1, 2024, 10 basis points, (ii) with respect to the Series 2020B Bonds maturing on January 1, 2025, 15 basis points, and (iii) with respect to the Series 2020B Bonds maturing on and after January 1, 2031, 20 basis points, plus, in each case, accrued interest on such Series 2020B Bonds being redeemed to the date fixed for redemption.

The Make Whole Optional Redemption Price of any Second Lien Series 2020B Bonds to be redeemed will be calculated by an independent accounting firm, investment banking firm or financial advisor (the "Calculation Agent") retained by the Corporation at the Corporation's expense. The Trustee and the Corporation may rely on the Calculation Agent's determination of the Make Whole Optional Redemption Price and will not be liable for such reliance. The Corporation shall confirm and transmit the Make Whole Redemption Price as so calculated on such dates and to such parties as shall be necessary to effectuate such redemption.

The "Treasury Rate" is, as of any redemption date for a Second Lien Series 2020E Bond, the time-weighted interpolated average yield for a term equal to the Make Whole Period of the yields of the two U.S. Treasury nominal securities at "constant maturity" (as compiled and published in the Federal Reserve Statistical Release H. 15 (519) that is publicly available not less than two (2) Business Days (as defined below) nor more than 30 calendar days prior to the redemption date (excluding inflation indexed securities) (or, if such Statistical Release is no longer published, any publicly available source of similar market data) maturing immediately preceding and succeeding the Make Whole Period. The Treasury Rate will be determined by the Calculation Agent or an independent accounting firm, investment banking firm, or financial advisor retained and compensated by the Corporation as a Corporation Expense.

"Make Whole Period" means the number of years, including any fractional portion thereof, calculated on the basis of a 360-day year consisting of twelve 30-day months, between the redemption date and the remaining weighted average life of each Second Lien Series 2020B Bond to be redeemed.

"Business Day" means for purposes of this section "- Make Whole Optional Redemption of the Second Lien Series 2020B Bonds " any day other than a day on which banks in New York; New York, Chicago, Illinois, or the city in which the Trustee maintains its designated office are required or authorized to close.

Mandatory Redemption from Sinking Fund Installments

The Second Lien Series 2020B Bonds maturing on January 1, 2043 are Term Bonds subject to mandatory redemption from Sinking Fund Installments at a Redemption Price equal to 100% of the principal amount being redeemed, plus accrued interest, on the dates and in the amounts set forth below:

\$136,660,000 Second Lien Series 2020B Bonds maturing on January 1, 2043

<u>Year</u>	<u>Principal (January 1) Amount</u>
2040	\$ 23,000,000
2041	58,510,000
2042	27,115,000
2042	2043t28,035,000

fStated maturity

Purchase of Second Lien Series 2020B Bonds to be Redeemed from Mandatory Sinking Funds

The Corporation may, at any time subsequent to the first day of any Fiscal Year but in no event less than twenty (20) days prior to the succeeding date on which a Sinking Fund Installment is scheduled to be due, direct the Trustee to purchase, with money on deposit in the Second Lien Subordinate Debt Service Account, at a price not in excess of par plus interest accrued and unpaid to the date of such purchase, Second Lien Series 2020B Bonds to be redeemed from such Sinking Fund Installment. The principal amount of each Second Lien Series 2020B Bond so canceled will be credited against the Sinking Fund Installment due on such date.

Selection of Second Lien Series 2020B Bonds to be Redeemed

If less than all of the Second Lien Series 2020B Bonds of a single Series and maturity are to be redeemed, the particular Second Lien Series 2020B Bonds or portions thereof to be redeemed will be selected on a pro-rata pass-through distribution of principal basis in accordance with DTC procedures, provided that the selection for redemption of such Second Lien Series 2020B Bonds will be made in accordance with the operational arrangements of DTC then in effect.

It is the Corporation's intent that redemption allocations made by DTC be made on a pro-rata pass-through distribution of principal basis as described above. However, none of the Corporation, the Underwriters or the Trustee can provide any assurance that DTC, DTC's Participants or any other intermediary will allocate the redemption of Second Lien Series 2020B Bonds on such basis. If the DTC operational arrangements do not allow for the redemption of the Second Lien Series 2020B Bonds on a pro-rata pass-through distribution of principal basis as discussed above, then the Second Lien Series 2020B Bonds will be selected for redemption in accordance with DTC procedures, by lot.

Additional Redemption Provisions

Notice of Redemption

When Second Lien Series 2020AB Bonds are to be redeemed, the Trustee will give notice of the redemption of the Second

Lien Series 2020AB Bonds in the name of the Corporation which notice will specify the Second Lien Series 2020AB Bonds to be redeemed, the maturity dates and interest rates of the Second Lien Series 2020AB Bonds to be redeemed and the date such Second Lien Series 2020AB Bonds were issued; the numbers and other distinguishing marks of the Second Lien Series 2020AB Bonds to be redeemed, including CUSIP numbers; the redemption date; the Redemption Price, if then known; and the principal amount of each Bond to be redeemed. If the Corporation's obligation to redeem the Second Lien Series 2020AB Bonds is subject to conditions, the notice will include a statement to that effect and of the conditions to such redemption. Such notice shall further state that, if on such date all conditions to redemption have been satisfied, there shall become due and payable on such date upon each Second Lien Series 2020AB Bond to be redeemed the Redemption Price thereof, together with interest accrued and unpaid thereon to the redemption date, and that, from and after such date, payment having been made or provided for, interest thereon shall cease to accrue.

The Trustee will give notice by mailing a copy of such notice not less than 20 days (or such shorter period if then permitted by DTC) nor more than 60 days prior to the redemption date by mail, to the registered owners of the Second Lien Series 2020AB Bonds which are to be redeemed, at their last known addresses appearing on the registration books not more than ten Business Days prior to the date such notice is given. The failure of any Holder of

a Second Lien Series 2020AB Bond to be redeemed to receive such notice shall not affect the validity of the proceedings for the redemption of the Second Lien Series 2020AB Bonds.

Payment of Redeemed Second Lien Series 2020AB Bonds

Notice having been given by mail in the manner described above, the Second Lien Series 2020AB Bonds or portions thereof so called for redemption will become due and payable on the redemption date so designated at the Redemption Price, plus interest accrued and unpaid to the redemption date, and, upon presentation and surrender of such Second Lien Series 2020AB Bonds, at the office or offices specified in such notice, such Second Lien Series 2020AB Bonds, or portions thereof, shall be paid at the Redemption Price, plus interest accrued and unpaid to the redemption date. If there is called for redemption less than all of the principal amount of a Second Lien Series 2020AB Bond, the Corporation will execute and the Trustee will authenticate and deliver, upon the surrender of such Second Lien Series 2020AB Bond, without charge to the owner thereof, for the unredeemed balance of the principal amount of the registered Second Lien Series 2020AB Bond so surrendered, Second Lien Series 2020AB Bonds of like Series, maturity and tenor in any of the authorized denominations. If, on the redemption date, money for the redemption of all Second Lien Series 2020AB Bonds or portions thereof of any like Series, maturity and tenor to be redeemed, together with interest accrued and unpaid thereon to the redemption date, shall be held by the Trustee and Paying Agents so as to be available therefor on such date and if notice of redemption shall have been mailed as described above, then, from and after the redemption date, interest on the Second Lien Series 2020AB Bonds or portions thereof so called for redemption shall cease to accrue and such Second Lien Series 2020AB Bonds shall no longer be considered to be Outstanding under the Indenture. If such money is not available on the redemption date, such Second Lien Series 2020AB Bonds or portions thereof shall continue to bear interest until paid at the same rate as they would have borne had they not been called for redemption.

EXHIBIT 3

SUMMARY OF SERIES 2020AB REFINANCED OBLIGATIONS

The CUSIP numbers are provided for convenience and no representation is made with respect to the accuracy of such CUSIP number. All of the obligations listed below are the Series 2020AB Refinanced Obligations described in "PLAN OF FINANCE".

<u>CUSIP</u>	<u>Maturity</u>	<u>Interest</u>	<u>Outstanding</u>	<u>Principal</u>	<u>Redemption</u>		
<u>Series</u>	<u>Number</u>		<u>Date</u>	<u>Rate%</u>	<u>Principal</u>	<u>Refinanced</u>	<u>Date</u>
					<u>Redemption/ Purchase Price</u>		
2005-IA 2005-1A							
General Obligation Bonds							
167485-KG5	167485-KZ3						

01/01/25 01/01/30

4.150% 4.300

\$ 2,395,000 4,749,000

2,395,000 4,749,000

02/20/20 02/20/20

100.000 100.000

2005-IB 2005-IB

167485-KR1 167485-MU2

01/01/29 01/01/30

4.400 4.500

4,435,000 4,135,000

4,435,000 4,135,000

02/20/20 02/20/20

100.000 100.000

2005-2A 167485-KH3 01/01/28 4.500

2005-2B 2005-2B

167485-NJ6 167485-NA5

01/01/25 01/01/29

4.400 4.500

1,630,000 3,213,000

1,630,000 3,213,000

02/20/20 02/20/20

100.000 100.000

2005-3A 2005-3A 2005-3A

167485-NR8 167485-NK3 167485-NN7

01/01/27 01/01/28 01/01/29

4.500 4.500 4.500

1,865,000 4,440,000 1,430,000

1,865,000 4,440,000 1,430,000

02/20/20 02/20/20 02/20/20

100.000 100.000 100.000

2005-3B 167485-NT4 01/01/27 4.500

2005-3C 2005-3C 2005-3C

167485-NM9 167485-KQ3 167485-NY3

01/01/25 01/01/26 01/01/27

4.450 4.500 4.500

3,900,000 2,752,000 3,270,000

3,900,000 2,752,000 3,270,000

02/20/20 02/20/20 02/20/20

100.000 100.000 100.000

2005-3D 167485-PJ4

2006A* 2006A 2006A* 2006A*

167485-RH6 167485-RJ2 167485-RK9 167485-RL7

01/01/30 01/01/31 01/01/36 01/01/38

4.750 4.625 4.750 4.750

4.600
4.700
4.750
4.800
5.000
5.000

315,000 330,000 355,000 370,000 395,000 425,000 465,000 495,000 58,190,000

315,000 330,000 355,000 370,000 395,000 425,000 465,000 495,000 58,190,000

03/02/20 03/02/20 03/02/20 03/02/20 03/02/20 03/02/20 03/02/20 03/02/20 03/02/20

100.000 100.000 100.000 100.000 100.000 100.000 100.000 100.000 100.000

\$ 61,340,000

Chicago Infrastructure Trust

Notes 04/30/29 4.950% \$ 9,589,359 \$ 9,589,359

2009B
2010C1
201 IB
2012B
2014B
2015B
2015B
167486-167486-167486-167486-167486-167486-167486-
HL6
MM8
NN5
PG8
SD2
VV8
D22

GO Tender Candidates (Final)

01/01/32 01/01/35 01/01/42 01/01/42 01/01/44 01/01/33 01/01/42

6.207%
7.781
6.034
5.432
6.314
7.375
7.750

159,855,000 299,340,000 205,705,000 307,975,000 450,790,000 321,695,000 66,845,000

22,470,000 11,400,000 16,845,000 96,420,000 113,730,000 112,922,000 185,000

01/30/20 01/30/20 01/30/20 01/30/20 01/30/20 01/30/20 01/30/20

115.685 129.157 115.646 111.108 122.153 126.317 114.666

\$1,812,205,000 \$ 373,972,000

Total Refinanced Par

Term Bond

EXHIBIT 4

\$521,105,000 SALES TAX SECURITIZATION CORPORATION SECOND LIEN SALES TAX
SECURITIZATION BONDS, SERIES 2020A

Goldman Sachs & Co. LLC Cabrera Capital Markets LLC

RBC Capital Markets

\$495,810,000 SALES TAX SECURITIZATION CORPORATION SECOND LIEN SALES TAX
SECURITIZATION BONDS, TAXABLE SERIES 2020B

J.P. Morgan Siebert Williams Shank & Co., LLC Stifel

BofA Securities Loop Capital Markets

Estrada Hinojosa Melvin Securities, LLC

Harvestons Securities, Inc. Rice Financial Products Company

EXHIBIT 5

PLAN OF FINANCE

The Second Lien Series 2020AB Bonds are being issued to provide funds for the City to finance the Refunding Plan with respect to the Series 2020AB Refinanced Obligations; (ii) fund capitalized interest on the Second Lien Series 2020AB Bonds; (iii) pay the Costs of Issuance of the Second Lien Series 2020AB Bonds; and (iv) pay costs of the premium on the Policy for the Insured Bonds. See APPENDIX D - "SUMMARY OF SERIES 2020AB REFINANCED OBLIGATIONS" for a list of the Series 2020AB Refinanced Obligations.

The portion of the proceeds of the Second Lien Series 2020AB Bonds to be used to finance the Refunding Plan will be used as follows: (i) a portion of such proceeds will be paid to the holder of the CIT Notes (in return for cancellation of the CIT Notes) on the Second Lien Series 2020AB Bonds Closing Date, and (ii) except as described in the next paragraph, the remaining portion of such proceeds will be deposited pursuant to one or more escrow deposit agreements with the respective paying agents for the Series 2020AB Refinanced Obligations other than the GO Tendered Bonds (as defined below) upon issuance of the Second Lien Series 2020AB Bonds. Pursuant to the escrow deposit agreements, a portion of the amounts deposited will be invested in obligations (the "Series 2020 Defeasance Obligations"), the interest on and principal of which together with any remaining amount deposited will be used to pay the redemption price of such Series 2020AB Refinanced Obligations on the applicable redemption date, as set forth in APPENDIX D - "SUMMARY OF SERIES 2020AB REFINANCED OBLIGATIONS".

In connection with the Refunding Plan, on December 23, 2019, the City issued an Invitation to Tender Bonds (the "Invitation to Tender Bonds") to the beneficial owners of certain taxable general obligation bonds of the City. In connection with the Invitation to Tender bonds, the City has determined to purchase the taxable general obligation bonds of the City identified in Appendix D under the caption "GO Tendered Bonds" (the "GO Tendered Bonds") with a portion of the proceeds of the Second Lien Series 2020AB Bonds.

The Corporation expects that the City will issue the Series 2020 City GO Bonds contemporaneously with the Corporation's issuance of the Second Lien Series 2020AB Bonds (as described in the Official Statement of the City related to the issuance and sale of the Series 2020 City GO Bonds) and to use a portion of the proceeds of the Series 2020 City GO Bonds to refund certain outstanding general obligation bonds of the City.