

**MUNICIPAL SECONDARY MARKET DISCLOSURE INFORMATION COVER SHEET
FOR THE
CITY OF HARVEY
COOK COUNTY, ILLINOIS**

CUSIP - 6: 417704

VOLUNTARY NOTICE REGARDING POTENTIAL BOND EXCHANGE PRESENTATION

The City of Harvey, Cook County, Illinois (the “City”), is engaging in discussions with certain holders of its General Obligation Bonds, Series 2002B, General Obligation Refunding and Improvement Bonds, Series 2007A, and General Obligation Refunding and Improvement Bonds, Series 2007B (Taxable) (collectively, the “Bonds”), regarding possible structures and strategies for a potential bond exchange offer to owners of the Bonds. Attached hereto is a presentation in connection with discussions.

Under no circumstances shall the presentation constitute an offer to sell or the solicitation of an offer to buy, and any such offer or solicitation will be made available to all Bondholders and accompanied by an offering document at such time, if any, that an offer or solicitation is made.

The filing of this notice does not constitute or imply any representation: (i) that the foregoing event is material to investors; (ii) regarding any other financial, operating or other information about the Bonds or the City; or (iii) that no other circumstances or events have occurred or that no other information exists concerning the Bonds or the City that may have a bearing on the security for the Bonds, or an investor's decision to buy, sell, or hold the Bonds.

This information is subject to change. This notice speaks only of its date and does not imply that there has been no change in any other information relating to the Bonds. The City has not undertaken, and specifically declines to assume responsibility, to provide any further notices or other information regarding this matter.

Dated: January 6, 2022

**CITY OF HARVEY, COOK COUNTY,
ILLINOIS**

/s/ Timothy Williams

/Title/ City Administrator



**City of Harvey
Cook County, Illinois**

January-6-22

Terms of Possible Proposal for Bond Exchange:

**FOR DISCUSSION PURPOSES ONLY;
TERMS ARE UNDER CONSIDERATION, SUBJECT TO CHANGE
AND NOT FINAL**

Issuer	City of Harvey Cook County, Illinois (the “City”) General Obligation Refunding Bonds, Series 2022A (the “Series 2022A Bonds”), and General Obligation Refunding Bonds, Series 2022B (Taxable) (the “Series 2022B Bonds” and collectively with the Series 2022A Bonds, the “New Bonds”)
Bonds Being Exchanged (exempt for exempt, taxable for taxable)	General Obligation Refunding and Improvement Bonds, Series 2007A; General Obligation Refunding and Improvement Bonds, 2007B (Taxable); and General Obligation Bonds, Series 2002B (collectively, the “Outstanding Bonds”)
Exchange Price	Outstanding Bonds are proposed to be converted proportionally into New Bonds with an aggregate par value equal to 100% of outstanding par and past due accrued interest ⁽¹⁾⁽²⁾ .
First Maturity:	December 1, 2022
Maturity Schedule:	The Series 2022A Bonds and Series 2022B Bonds will consist of Term Bonds due December 1, 2053 ⁽³⁾ .
Optional Redemption:	Callable any time in whole or in part. Optional prepayments will not reduce the annual levy requirement.
Mandatory	Mandatory sinking fund redemptions will be required consistent with amortization of outstanding debt (after the Exchange) at level payments of

Redemption:	\$2,010,000 ⁽²⁾ per year through 2053. Any prepayments of principal will be applied to reduce future mandatory sinking fund payments in the years and amounts directed by the City.
Use of Excess Collections	Levy collections in excess of a current year's interest and principal requirements may be used to redeem additional principal on December 1 of each year or used as security for other bonds of the City.
Interest Rate:	Series 2021A: 4.50% ⁽³⁾ Series 2021B: 5.00%
Acceleration:	Holders of the New Bonds will not have acceleration rights.
Expenses:	Expenses to be paid at closing from collected bond levy property taxes.
Security	The security estate for the New Bonds will be administered by a Bank Trustee pursuant to a Trust Agreement. At closing, there will be on file with the Cook County Clerk of Cook County, Illinois an annual irrevocable property tax levy for the New Bonds of \$4,020,000 ⁽⁴⁾ plus a 5% loss in collection allowance for a total extension of \$4,221,000 ⁽⁴⁾ (less the levy currently on file for repayment of amounts owed to Assured Guaranty), calculated to be sufficient to repay the New Bonds by their maturity date assuming a property tax collection rate of at least 50%. The levy will not be subject to decrease except under the terms of the Trust Agreement. All levy collections will be intercepted by the Cook County Clerk and wired directly to the New Bond Trustee. New Bond holders agree that collections from the Bond levy are pledged exclusively to them and are the sole source of payment for the New Bonds. Outstanding bond holders who do not exchange for New Bonds will not benefit from this proportionate increase in the levy or participate in the Trust estate.
Bond Subseries	<p>Each series of New Bonds will be divided into two subseries. Subseries -1 will consist of 80% of the total Series, and Subseries -2 will comprise the remaining 20%. Holders offering bonds for exchange will receive proportionate shares of Subseries -1 and Subseries -2 Bonds.</p> <p>Each Subseries -1 will have payment priority over its corresponding Subseries -2. Subseries -1 of both Series will be amortized prior to any amortization of either Subseries -2. A failure to pay interest in full or mandatory sinking fund payments on either Subseries -1 will trigger a bond payment default. Failures to pay interest or mandatory sinking fund payments on either Subseries -2 will not trigger a default. Shortfalls in payments of Subseries -2 Bonds will continue to be due and accrue interest at the respective bond rates.</p> <p>Each Subseries -2 will expire unpaid to the full extent not repaid from Property Tax Collections received by the Trustee through December 1, 2053.</p>
Allocation of Property Tax Revenues	<p>Each year, Property Tax Revenues received by the Trustee shall be allocated and paid to Bond holders in the following priority:</p> <p><u>First</u>, to provide for the timely payment of all interest due on both Subseries -1 on June 1 and December 1. If Property Tax Revenues are insufficient for this</p>

	<p>purpose, Property Tax Revenues shall be allocated in proportion to the interest owed on each Subseries -1;</p> <p><u>Second</u>, until no Subseries B-1 Bonds are outstanding, to provide for the payment of principal on Subseries B-1 in an amount sufficient to pay the currently due Subseries B-1 mandatory sinking fund payment including any past due amount;</p> <p><u>Third</u>, until no Subseries A-1 Bonds are outstanding, to provide for the payment of principal on Subseries A-1 in an amount sufficient to pay the currently Subseries A-1 mandatory sinking fund payment including any past due amount;</p> <p><u>Fourth</u>, to provide for the timely payment of interest on both Subseries -2 on December 1 and the following June 1; If Property Tax Revenues are insufficient for this purpose, Property Tax Revenues shall be allocated in proportion to interest amounts owed under this section on each Subseries-2;</p> <p><u>Fifth</u>, to provide for the payment of principal on Subseries A-2 and Subseries B-2 in an amount sufficient to pay the Subseries A-2 and Subseries B-2 mandatory sinking fund payments including any past due amount; If Property Tax Revenues are insufficient for this purpose, Property Tax Revenues shall be allocated in proportion to the outstanding amount owed on each Subseries;</p> <p><u>Sixth</u>, subsequent to each December 1, designated as “Excess Property Tax Revenues” and applied as directed by the City (See “Allocation of Excess Property Tax Revenues When All New Bonds Are Current,” below).</p>
Allocation of Excess Property Tax Revenues When All New Bonds are Current	Following the December 1 Bond payment each year, the Bond Trustee will determine the amount of Excess Property Taxes, if any. At the City’s request, Excess Property Taxes may used by the City to pay down additional New Bonds, or be released from the Trust Estate and used as security for other New Bonds or for any other legal purpose.
Additional Bonds	The City shall be allowed to issue additional bonds secured by a separate bond levy and/or Excess Property Taxes without limitation.
Legal Opinion	Standard validity and enforceability and tax-exempt bond counsel opinion.
Trustee	All levy moneys will be intercepted by Cook County, and directed to and irrevocably held by a bond Trustee in favor of Bondholders pursuant to a Trust Agreement. Trustee to be mutually acceptable to the City and Bondholders.
Outstanding Bonds	Holders of currently outstanding bonds who do not exchange their bonds for New Bonds will retain their rights pursuant to the original bond documents.
Disclaimer:	<p>The attached material is as of the date indicated, not complete, is subject to change and does not contain all material information regarding the City including risks factors.</p> <p>This information is not intended to be, nor should it be construed or used an offer to sell, or a solicitation of an offer to buy, an interest in any security.</p>

	<p>The City undertakes no obligation to update if circumstances, estimates or opinions should change except as required by applicable securities laws.</p> <p>All information contained in this communication constitutes the City's judgment as of the date of this communication and is subject to change without notice and is provided in good faith but without legal responsibility. The information contained in this communication has been compiled by the City from sources believed to be reliable, but no representation or warranty, express or implied, is made by City, its affiliates or any other person as to its accuracy, completeness or correctness.</p>
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⁽¹⁾City proposes that the amount of past due accrued interest be calculated at the new bond rates.

⁽²⁾Exchange offer to be made to all holders of Series 2007 Bonds.

⁽³⁾A second term bond with a shorter maturity at a lower interest rate could also be offered for the benefit of Series 2002B holders exchanging bonds.

⁽⁴⁾Preliminary, subject to change based on final proportion of outstanding bonds tendered. Final amount to be the amount necessary to amortize all Series 2022 Bonds and make required Assured Guaranty payments with level debt service by 2053.