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**From:** Richard Kahn [REDACTED]  
**Sent:** Thursday, February 2, 2017 9:06 PM  
**To:** jeffrey E.  
**Subject:** USVI

i think this may be the relevant section of the article for =E Tax revenue. Also we would need to know how existing debt may =r may not be cross collateralized against various assets or revenues of =SVI: assuming that property taxes is largest revenue =ources other than income taxes so that they would need cash flow for =ther uses. would love to structure a fully amortizing loan over =0 years with high rate and prepayment options for USVI (with penalties) =o they are incentivized to refi once house is in order

Protection =f Special Bond Revenues. Chapter 9 of the Bankruptcy Code expressly provides protection to creditors holding liens on special project revenues of a municipal debtor. For example, municipalities often finance special projects, such as water and sewer plants, with bonds that are collateralized with the revenues and fees earned by such =projects. Section 928 of the Bankruptcy Code states that the =special revenues" from these projects remain subject to the liens of the bondholders in the specific projects. Accordingly, these revenues must =be used to fund the necessary operating expenses of the special project =and may not be diverted to support the general obligations of the municipality.

This result is the opposite of what normally occurs in a =ankruptcy. Pursuant to section 552(a) of the Bankruptcy Code, liens on future =revenues generally terminate as of the date of the bankruptcy filing. Accordingly, a debtor normally is able to use these otherwise pledged revenues for its general purposes. A municipality will not be able to avail itself of these special revenues to fund its general expenses during a chapter 9 proceeding, however, as such revenues will =emain subject to the liens of the bondholders in the special =roject.

<http://www.jonesday.com/an-overview-of-chapter-9-of-the-bankrup=cy-code-municipal-debt-adjustments-08-15-2010/>

Other =etailed articles

<http://www.cadwalader.com/uploads/books/93f1695e93f36727586428f=06bf27ba.pdf>

<http://www.uscourts.gov/services-forms/bankruptcy/bankruptcy-ba=ics/chapter-9-bankruptcy-basics>

<http://www.nuveen.com/Home/Documents/Default.aspx?fileId=4836=>

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