

**PRELIMINARY TERM SHEET DATED AUGUST 3, 2017**

**Village of Roscoe,  
Winnebago County, Illinois**

**\$900,000\* General Obligation Alternate Bonds, (Sales Tax Alternate Revenue Source),  
Series 2017**

**Issuer:** Village of Roscoe, Winnebago County, Illinois (the "Village").

**Issue:** \$900,000\* General Obligation Alternate Bonds, (Sales Tax Alternate Revenue Source), Series 2017 (the "Bonds").

**Bids Due:** Monday, August 14, 2017 by 10:15 A.M. C.D.T.

**Award Date:** Tuesday, August 15, 2017.

**Dated/Delivery Date:** August 31, 2017.

**Method of Sale:** Competitive.

**Purchaser:** To be determined.

**Interest Payment Dates:** The Bonds will pay interest semi-annually on each June 15 and December 15 commencing on June 15, 2018. Interest is calculated on the basis of a 360-day year consisting of twelve 30-day months.

**Principal Due:** On December 15 of each year listed below.

**Maturities, Amounts\* Interest Rates and Yields:**

<u>Maturity</u> <u>Dec. 15</u>	<u>Principal</u> <u>Amount*</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>Maturity</u> <u>Dec. 15</u>	<u>Principal</u> <u>Amount*</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>
2018 .....	\$ 85,000	____%	____%	2023 .....	\$105,000	____%	____%
2019 .....	\$ 95,000	____%	____%	2024 .....	\$105,000	____%	____%
2020 .....	\$ 95,000	____%	____%	2025 .....	\$110,000	____%	____%
2021 .....	\$ 95,000	____%	____%	2026 .....	\$110,000	____%	____%
2022 .....	\$100,000	____%	____%				

**Purchase Price:** No less than par.

**Good Faith Deposit:** A good faith deposit will **NOT** be required.

**Bank Qualification:** The Bonds are "qualified tax-exempt obligations" under Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

**Legal Opinion/Tax Exemption:** Schiff Hardin LLP, Chicago, Illinois, Bond Counsel, will provide an opinion as to the validity and federal tax exemption of the interest on the Bonds. Interest on the Bonds is **not** exempt from present State of Illinois income taxes.

**Registrar/Paying Agent:** The Purchaser will act as bond registrar and paying agent on the Bonds, unless an agent is appointed by the Purchaser. However, such appointment will be made at the expense of the Purchaser.

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**Registered or Book-Entry:** The Bonds will be registered in the name of the Purchaser or, if requested by the Purchaser, The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Bonds. In the event of the latter, the ownership of one fully registered Bond for each maturity will be registered in the name of Cede & Co., as nominee for DTC, and no physical delivery of the Bonds will be made to the Purchaser.

**Authorization:** The Bonds are being issued pursuant to the Local Government Debt Reform Act of the State of Illinois (the “Debt Reform Act”), as supplemented and amended, and an ordinance to be adopted by the President and Board of Trustees of the Village on the Award Date.

**Purpose:** Proceeds of the Bonds will be used to finance certain capital improvements within the Village, and to pay the costs of issuance of the Bonds.

**Security:** In the opinion of Bond Counsel, the Bonds are valid and legally binding general obligations of the Village and are payable from (i) revenues derived from sales, use and occupation taxes imposed by the State of Illinois, deposited into the State’s Local Government Tax Fund and distributed to the Village pursuant to Section 6-18 of the of the State Finance Act, 30 ILCS 105/1.1 et seq., as amended, or (ii) any substitute taxes therefore that may be provided by the Village or the State in the future, and (the “Pledged Revenues”) (iii) any funds of the Village legally available for such purpose, and all taxable property in the Village is subject to the levy of taxes to pay the same without limitation as to rate or amount, except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors’ rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion (the “Pledged Taxes”).

In the Bond Ordinance, the Village will covenant and agree with the purchasers and the owners of the Bonds that so long as any of the Bonds remain outstanding, the Village will take no action or fail to take any action which in any way would adversely affect the ability of the Village to collect the Pledged Revenues or, except for abatement of tax levies as permitted in the Bond Ordinance, to levy and collect the Pledged Taxes. The Village and its officers will comply with all present and future applicable laws in order to assure that the Pledged Revenues will be available and that the Pledged Taxes will be levied, extended and collected as provided in the Bond Ordinance and deposited in the hereinafter defined Bond Fund.

For the purpose of providing funds required to pay the interest on the Bonds and any Additional Bonds promptly when and as the same falls due, and to pay and discharge the principal thereof at maturity, the Village will covenant and agree with the purchasers and the owners of the Bonds that the Village will deposit the pledged Revenues into the Bond Fund. The Pledged Revenues are pledged to the payment of the Bonds and the Village Board will covenant and agree, to the extent it is empowered to do so, to provide for, collect and apply the Pledged Revenues to the payment of the Bonds and the provision of not less than an additional 0.25 times debt service on the Bonds and all outstanding parity indebtedness.

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- Abatement of Pledged Taxes:** Whenever the Village Board determines that funds are or will be available to pay any principal of or interest on the Bonds when due so as to enable the abatement of the Pledged Taxes levied for the same, the Village Board or the officers of the Village acting with proper authority shall direct the abatement of the Pledged Taxes, and proper notification of such abatement shall be filed with the County Clerk of Winnebago County in a timely manner to effect such abatement.
- Additional Bonds:** The Village is authorized to issue from time to time additional bonds payable from the Pledged Revenues as permitted by law and such additional bonds may share ratably and equally in the Pledged Revenues with the Bonds; provided, however, that no such additional bonds shall be issued except in accordance with the provisions of the Debt Reform Act.
- Certain Risk Factors:** The ability of the Village to pay the Bonds from the Pledged Revenues may be limited by circumstances beyond the control of the Village. There is no guarantee that the Pledged Revenues will continue to be available at current levels.
- To the extent that the Pledged Revenues are insufficient to pay the Bonds, the Bonds are to be paid from the Pledged Taxes. If the Pledged Taxes are ever extended for the payment of the Bonds, the amount of the Bonds then outstanding will be included in the computation of the indebtedness of the Village for purposes of all statutory provisions or limitations until such time as an audit of the Village show that the Bonds have been paid from the Pledged Revenues for a complete fiscal year.
- Denomination:** Minimum denominations of \$5,000.
- Municipal Advisor:** Speer Financial, Inc., Chicago, Illinois.
- Expenses:** The Village will pay for the legal opinion and municipal advisor's fee. At closing, the Village will deliver one typed bond per maturity.
- Optional Redemption:** The Bonds are not subject to redemption prior to maturity.
- Credit Rating:** A credit rating will not be requested for the Bonds.
- Secondary Market Disclosure:** The Village is exempt from the information undertaking provisions of SEC Rule 15c2-12(b)(5) because the aggregate principal amount of the Bonds is less than \$1,000,000. Upon request, the Village will provide annual financial statements including the comprehensive annual financial report if one is prepared. The Village intends to comply with all future rules, laws and requirements with respect to continuing disclosure which are applicable, including 15c2-12(d)(2)(ii) and (d)(2)(iii) with respect to any offerings of municipal securities.

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**Representations of Purchaser:**

The Purchase will be required to execute an investor letter. In the Investor Letter, the Purchaser will certify, among other things, that it (i) has knowledge and experience in financial and business matters, including the acquisition and holding of tax-exempt and taxable obligations, that it is capable of evaluating the merits and risks of purchasing the Bonds and is able to bear such risks, (ii) is purchasing the Bonds for its own account solely for investment purposes and not with a view to any distribution, and (iii) consents to the engagement of Schiff Hardin LLP by the Village as Bond Counsel with respect to the Bonds and waives any conflict of interest arising from such engagement.

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*President, Village of Roscoe*

**Comprehensive Annual Financial Report for the Fiscal Year Ended December 30, 2016**

The financial report of the Village contained in this **APPENDIX A** (the "2016 Audit") was approved by formal action of the Board of Trustees of the Village. The Village has not requested that its auditor update information contained in the 2016 Audit; nor has the Village requested that its auditor consent to the use of the 2016 Audit in this Term Sheet. The financial information contained in the 2016 Audit has not been updated since the date of the 2016 Audit. The inclusion of the 2016 Audit in this Term Sheet in and of itself is not intended to demonstrate the fiscal condition of the Village since the date of the 2016 Audit. Questions or inquiries relating to financial information of the Village since the date of the 2016 Audit should be directed to Mr. Scott Sanders, Village Administrator, Village of Roscoe, (815) 623-2829.

Dear President and Board of Trustees:

For the \$900,000\* General Obligation Alternate Bonds, (Sales Tax Alternate Revenue Source), Series 2017 (the "Bonds"), of the Village of Roscoe, Winnebago County, Illinois (the "Village"), as described in the annexed Preliminary Term Sheet, we will pay \$ \_\_\_\_\_ (no less than par) plus any accrued interest from the dated date of the Bonds to the date of delivery for the Bonds bearing interest as follows (each rate a multiple of 1/8 or 1/100 of 1%).

**MATURITY\* – DECEMBER 15**

Maturity Dec. 15	Principal Amount*	Interest Rate	Yield	Maturity Dec. 15	Principal Amount*	Interest Rate	Yield
2018 .....	\$ 85,000	____%	____%	2023 .....	\$105,000	____%	____%
2019 .....	\$ 95,000	____%	____%	2024 .....	\$105,000	____%	____%
2020 .....	\$ 95,000	____%	____%	2025 .....	\$110,000	____%	____%
2021 .....	\$ 95,000	____%	____%	2026 .....	\$110,000	____%	____%
2022 .....	\$100,000	____%	____%				

By submitting a bid, any bidder makes the representation that it understands Schiff Hardin LLP, Chicago, Illinois ("Bond Counsel") represents the Village in the Bond transaction and, if such bidder has retained Bond Counsel in an unrelated matter, such bidder represents that the signatory to the bid is duly authorized to, and does consent to and waive for and on behalf of such bidder any conflict of interest of Bond Counsel arising from any adverse position to the Village in this matter; such consent and waiver shall supersede any formalities otherwise required in any separate understandings, guidelines or contractual arrangements between the bidder and Bond Counsel.

The Bonds are to be executed and delivered to us in accordance with the terms of this bid accompanied by the approving legal opinion of Bond Counsel. The purchaser, should it so choose, agrees to **apply for CUSIP numbers within 24 hours** and pay the fee charged by the CUSIP Service Bureau and will accept the Bonds with the CUSIP numbers as entered on the Bonds.

**ACCOUNT MANAGER INFORMATION**

Firm Name:			
Name/Title of Firm Representative:		Direct Phone:	
Signature:		FAX #:	
Street Address:		State:	
City:		Zip Code:	
Email:			

The foregoing bid was accepted and the Bonds sold by ordinance of the Village on August 15, 2017.

VILLAGE OF ROSCOE, WINNEBAGO COUNTY, ILLINOIS

\_\_\_\_\_  
 President

----- **NOT PART OF THE BID** -----  
 (Calculation of net interest cost)

	Bid	Post Sale Revision
Gross Interest	\$	
Less Premium/Plus Discount	\$	
True Interest Cost	\$	
True Interest Rate	%	%
TOTAL BOND YEARS	4,937.50 Years	Years
AVERAGE LIFE	5.486 Years	Years

\*Subject to change.