

July 23, 2019

Mr. Kirk Openchowski, CPA
Finance Director
Village of Romeoville
1050 West Romeo Road
Romeoville, IL 60446

Via Email: kopenchowski@Romeoville.org

RE: "Lease Purchase of Fire Pumper"

Dear Mr. Openchowski:

BciCapital, Inc., (formally City National Capital Finance) is pleased to present this tax-exempt lease financing proposal (the "Proposal") to the Village in connection with the above referenced privately placed lease financing.

Lessee: Village of Romeoville, IL

Lessor: BciCapital, Inc. or one of its affiliates or assigns

Type of Financing: Tax-exempt Master Lease Agreement (the "Agreement"). Said Agreement shall be considered a net lease arrangement whereby the Lessee is responsible for all costs of operation, maintenance, insurance and taxes. Payments due under the Agreement shall be based on the annual appropriation of funds during each year of the lease.

Equipment Type: One (1) new / replacement 2019 Seagrave Model TB50CT Marauder Pumper Fire Engine

Equipment Cost: \$638,107.00 (+/- 10%)

Lessee's Down-Payment: \$75,000.00 (+/- 10%)

Lease Amount: \$563,107.00 (+/- 10%)

Lease Term: Either seven (7) or ten (10) year Lease Term options, each with annual payments commencing on July 1, 2020. Please refer to Exhibits A and B - Sample Amortization Schedules.

Lease Rates: Seven (7) Year Lease Term: 2.20%
Ten (10) Year Lease Term: 2.40%

Lease Closing Date: On or before August 23, 2019 (anticipated)

Rate Lock: The indicated Lease Rates will be fixed until August 23, 2019.

If, for any reason, the Lease is not closed by August 23, 2019, the Lease Rates shall be adjusted five (5) days prior to the Lease Closing Date using the following formulas:

Seven (7) Year Lease Rate = (4 year LIBOR Swap Rate + 1.00) * .79

Ten (10) Year Lease Rate = (5 year LIBOR Swap Rate + 1.25) * .79

Upon closing the Lease Rate shall remain fixed for the entire duration of the lease.

- Prepayment:** No-call permitted during the IPC Term.
- Bank Qualification:** Lessee reasonably anticipates the total amount of tax-exempt obligations (other than private activity bonds) to be issued by Lessee during calendar year 2019 will exceed ten million dollars (\$10,000,000).
- Reimbursement:** If Lessee intends to be reimbursed for any equipment costs associated with this Agreement, intent for reimbursement from the proceeds of this Agreement must be evidenced, and must qualify under Treasury Regulation Section 1.150.2.
- Escrow Funding:** Proceeds of the Lease will be deposited into Escrow at City National Bank at no cost to Lessee. Payments to vendors will be made directly out of the Escrow account upon the delivery to and acceptance of the equipment by the Lessee. Lessor will maintain a security interest in the Escrow account.
- Authorized Signors:** Lessee's governing board shall provide Lessor with its resolution or ordinance authorizing this Agreement and shall designate the Individual(s) to execute all necessary documents used therein.
- Legal Title:** Title to the equipment will be in the name of the Lessee. Lessor will be granted a security interest or lien on all collateral being financed.
- Legal Opinion:** Lessee's counsel shall furnish Lessor with an opinion covering the Master Lease and the documents used herein. This opinion shall be in a form and substance satisfactory to Lessor.
- Documentation:** Documentation will be furnished by Lessor and will be in a form and substance satisfactory to the parties. Lessee will also provide board resolutions, incumbency certificates and other documentation required by Lessor. Sample Master Lease attached.
- Insurance:** Lessee shall furnish confirmation of all-risk physical damage insurance coverage for the full cost of the property plus one million dollars (\$1,000,000) combined single limit property damage and bodily injury insurance covering the property for each Schedule. In the event the Lessee maintains self-insurance, or alternative coverage, Lessor must approve the final insurance arrangements.

Financial Statements: Lessee shall provide to Lessor updated financial statements as needed so that the Lessor has at least the last three consecutive years of financial information, as well as a current budget, demographics, and proof of appropriation for the ensuing fiscal year and such other financial information relating to the ability of Lessee to continue this Agreement as may be reasonably requested by Lessor.

Assignment: Lessor may sell, assign or encumber all or any part of its right title and interest in any or all Lease Schedules; however, in no event shall the Lessor assign this agreement as a public offer of participation. Lessee consents to a private placement transaction within the meaning of applicable federal securities laws. Lease Schedules may be offered and sold solely to one or more persons who are reasonably believed to be qualified institutional buyers or accredited investors.

Treatment: The Lessor intends to treat the Lease Schedule as a privately placed loan versus a security and will therefore be issued as a single obligation equal to the amount of the borrowing. The Schedule will not be assigned a CUSIP, registered with the DTC, feature certain transfer restrictions between bank affiliates or institutional buyers and cannot be marketed via an offering document.

Disclosure: Lessor is not a registered municipal advisor as defined under the Dodd-Frank Wall Street Reform and Consumer Protection Act and does not provide financial or tax advice.

Proposal Expiration: Lessee must notify Lessor that the Lessor is the apparent winner of the bid by August 7, 2019, otherwise this Proposal shall expire unless extended, in writing, by Lessor. If notification occurs by this date the Lessor will honor the quoted Lease Rate until the anticipated closing date of September 23, 2019, after which the Lease Rates will be indexed as described herein. This Proposal will expire if the Lease is not closed by October 30, 2019.

Credit Due Diligence: In order for Lessor's credit administration group to expedite its review of this transaction, Lessor will require the following Borrower information:

- 3 most recent years of audited financial statements (received)
- Most recent Interim financial statements
- Most recent financial projections
- Documentation referenced throughout the RFP and this Proposal

Additional information may be requested during the underwriting process.

This Proposal is a summary regarding the financing transaction on the general terms and conditions outlined herein. This Proposal is not intended to and does not create any binding legal obligation on the part of either party. Credit, legal and investment approval have not yet been obtained for the amount or other aspects of the proposed financing, and after obtaining the same, any commitment will be subject to the negotiation, execution and delivery of final legal documentation acceptable to all parties and their counsel.

Lessor may change the terms or cease future consideration of the financing at any time without liability to Lessee. In any event, the terms and conditions of this Proposal, shall be superseded by and shall no longer be effective upon the execution and delivery of final legal documentation with respect to this proposed transaction. This Proposal does not purport to summarize all of the terms and conditions upon which the Lease is to be based, which terms and conditions would be contained fully in final documentation, and indicates only the principal term and conditions under which the transaction will be considered

It is a pleasure to offer this financing proposal to the Village. We hope that our genuine excitement regarding the opportunity shines through in our response. And as always, please don't hesitate to reach out with any questions.

Very truly yours,



Michael J. Horkey
Senior Vice President
BciCapital, Inc.
michael.horkey@bcicmg.com.com

Agreed to and Accepted by:
Village of Romeoville, IL

Name of Authorized Signor

Title of Authorized Signor

Repayment Option of Choice (Either 7 or 10 Years)

Date of Proposal Execution

**Exhibit A
Sample Seven (7) Year
Amortization Schedule**

Option A - 7 Year Term						
Compound Period:		Annual				
Nominal Annual Rate:		2.200%				
CASH FLOW DATA						
	Event	Date	Amount	Number	Period	End Date
1	Loan	8/23/2019	563,107.00	1		
2	Payment	7/1/2020	87,430.50	7	Annual	7/1/2026
AMORTIZATION SCHEDULE - Normal Amortization, 360 Day Year						
	Date	Payment	Interest	Principal	Balance	
Loan	8/23/2019				563,107.00	
1	7/1/2020	87,430.50	10,770.99	76,659.51	486,447.49	
2	7/1/2021	87,430.50	10,701.84	76,728.66	409,718.83	
3	7/1/2022	87,430.50	9,013.81	78,416.69	331,302.14	
4	7/1/2023	87,430.50	7,288.65	80,141.85	251,160.29	
5	7/1/2024	87,430.50	5,525.53	81,904.97	169,255.32	
6	7/1/2025	87,430.50	3,723.62	83,706.88	85,548.44	
7	7/1/2026	87,430.50	1,882.06	85,548.44	0.00	
Grand Totals		612,013.50	48,906.50	563,107.00		
Last interest amount decreased by 0.01 due to rounding.						

**Exhibit B
Sample Ten (10) Year
Amortization Schedule**

Option B - 10 Year Term						
Compound Period:		Annual				
Nominal Annual Rate:		2.400%				
CASH FLOW DATA						
	Event	Date	Amount	Number	Period	End Date
1	Loan	8/23/2019	563,107.00	1		
2	Payment	7/1/2020	63,812.03	10	Annual	7/1/2029
AMORTIZATION SCHEDULE - Normal Amortization, 360 Day Year						
	Date	Payment	Interest	Principal	Balance	
Loan	8/23/2019				563,107.00	
1	7/1/2020	63,812.03	11,750.17	52,061.86	511,045.14	
2	7/1/2021	63,812.03	12,265.08	51,546.95	459,498.19	
3	7/1/2022	63,812.03	11,027.96	52,784.07	406,714.12	
4	7/1/2023	63,812.03	9,761.14	54,050.89	352,663.23	
5	7/1/2024	63,812.03	8,463.92	55,348.11	297,315.12	
6	7/1/2025	63,812.03	7,135.56	56,676.47	240,638.65	
7	7/1/2026	63,812.03	5,775.33	58,036.70	182,601.95	
8	7/1/2027	63,812.03	4,382.45	59,429.58	123,172.37	
9	7/1/2028	63,812.03	2,956.14	60,855.89	62,316.48	
10	7/1/2029	63,812.03	1,495.55	62,316.48	0.00	
Grand Totals		638,120.30	75,013.30	563,107.00		
Last interest amount decreased by 0.05 due to rounding.						