

# OFFICIAL NOTICE OF SALE

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## BOARD OF TRUSTEES OF NORTHEASTERN ILLINOIS UNIVERSITY Certificates of Participation (Capital Improvement Project), Series 2012

The Board of Trustees of Northeastern Illinois University (the "Board") will receive bids from prospective purchasers (the "Bidders"; the successful Bidder being sometimes referred to herein as the "Purchaser") for the purchase of the Certificates of Participation referred to above (the "Certificates") either delivered in person in the offices of John S. Vincent & Company LLC (the "Financial Advisor") at 208 South LaSalle Street, Suite 1625, Chicago, Illinois 60604, or submitted electronically via **PARITY** (as more fully described below) until 10:00 a.m., Central Time, on \_\_\_\_, \_\_\_\_, 2012, at which time said bids will be publicly opened and read. No other form of bid (including facsimile) or providers of electronic bidding services will be accepted.

### Method of Payment, Maturities, and Interest Payment Dates

The Certificates are to be fully registered through a book-entry only system operated by The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Certificates. Beneficial Owners will not receive physical certificates representing their interest in the purchased Certificates unless the book-entry system is terminated. The Certificates will be dated their date of delivery and are to be in the denomination of \$5,000 or any authorized integral multiple thereof. U.S. Bank National Association, Chicago, Illinois, as Trustee (the "Trustee"), will receive principal and interest payments from the Board for the benefit of the Certificate holders. Interest on the Certificates will be payable semi-annually on April 1 and October 1, commencing October 1, 2012. Principal and interest will be paid by the Board to the Trustee, which will remit such payments to DTC, which will remit such principal and interest payments to DTC's participants, who will in turn be responsible for remitting such payments to the Beneficial Owners of the Certificates, as more fully described in the Preliminary Official Statement dated \_\_\_\_, 2012 (the "Preliminary Official Statement"). Capitalized terms used in this Official Notice of Sale and not defined herein shall have the meanings set forth in the Preliminary Official Statement. The Certificates will mature serially (or as term certificates if term maturities are optionally designated by the Purchaser, see below) on October 1, in each of the years and in the amounts as follows:

<u>Maturity *</u>	<u>Principal Amount **</u>	<u>Maturity *</u>	<u>Principal Amount **</u>
October 1, 2013	\$	October 1, 2028	\$
October 1, 2014		October 1, 2029	
October 1, 2015		October 1, 2030	
October 1, 2016		October 1, 2031	
October 1, 2017		October 1, 2032	
October 1, 2018		October 1, 2033	
October 1, 2019		October 1, 2034	
October 1, 2020		October 1, 2035	
October 1, 2021		October 1, 2036	
October 1, 2022		October 1, 2037	
October 1, 2023		October 1, 2038	
October 1, 2024		October 1, 2039	
October 1, 2025		October 1, 2040	
October 1, 2026		October 1, 2041	
October 1, 2027			

\* Subject to adjustment as provided herein under "Optional Designation of Term Certificates by the Purchaser" and "Modification of Principal Amounts."

\*\* Subject to adjustment as provided herein under "Modification of Principal Amounts."

## **Security**

Each Certificate evidences and represents an undivided proportionate interest in the Installment Payments required under the Purchase Contract to be paid by the Board to the Trustee. The Board will covenant under the Purchase Contract to include in each of its annual operating budget appropriation requests to the Illinois General Assembly a request for funds sufficient to pay that portion of the Installment Payments and Additional Payments coming due in the next fiscal year commencing July 1 to be paid from State-appropriated funds. The Board will further covenant to include in each annual operating budget for the University an amount of Legally Available Nonappropriated Funds which, when combined with any such State-appropriated funds, will be sufficient to make the Installment Payments and Additional Payments when due in each fiscal year.

THE BOARD'S OBLIGATION TO MAKE INSTALLMENT PAYMENTS UNDER THE PURCHASE CONTRACT DOES NOT CONSTITUTE A DEBT OF THE BOARD OR THE STATE OF ILLINOIS WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY LIMITATION. THE INSTALLMENT PAYMENTS REQUIRED UNDER THE PURCHASE CONTRACT INCURRED BY THE BOARD ARE NOT SECURED BY THE FULL FAITH AND CREDIT OF THE STATE OF ILLINOIS AND ARE NOT REQUIRED TO BE REPAID, AND MAY NOT BE REPAID, DIRECTLY OR INDIRECTLY FROM TAX REVENUE. PAYMENT OF THE PRINCIPAL AND INTEREST REPRESENTED BY THE CERTIFICATES WILL BE MADE BY THE TRUSTEE SOLELY FROM (A) AMOUNTS DERIVED UNDER THE TERMS OF THE PURCHASE CONTRACT, INCLUDING INSTALLMENT PAYMENTS, (B) AMOUNTS FROM TIME TO TIME ON DEPOSIT WITH THE TRUSTEE OR HELD BY THE BOARD UNDER THE TERMS OF THE INDENTURE, AND (C) PROCEEDS FROM THE EXERCISE OF REMEDIES BY THE TRUSTEE UNDER THE INDENTURE.

The Board has the right to terminate the Purchase Contract and its obligation to pay Installment Payments, as described in the Preliminary Official Statement under the heading "SECURITY FOR THE CERTIFICATES—Termination of Purchase Contract." For further discussion regarding the repayment of the Certificates, please refer to "SECURITY FOR THE CERTIFICATES—Sources of Payment" and "CERTIFICATE OWNERS' RISKS" in the Preliminary Official Statement.

### **Optional Designation of Term Certificates by the Purchaser**

Bidders of the Certificates will have the option to designate and aggregate some or all of the Certificates as term certificates. Each designated maturity of term certificates shall be subject to mandatory sinking fund redemption at par in one or more consecutive years immediately preceding the year of maturity. Such mandatory sinking fund redemptions and payments at maturity shall be in the respective principal amounts shown on the cover page hereof, subject to adjustment as described under "Modification of Principal Amounts" herein, and may not overlap with such payments of another term or serial certificate. Serially maturing Certificates may intervene between maturities of optionally designated term certificates.

## **Redemption**

The Certificates are subject to redemption as described in the Preliminary Official Statement under the heading "DESCRIPTION OF THE CERTIFICATES—Redemption."

### **Bidding Details**

The Certificates will be awarded to the best Bidder, making a conforming bid, determined on the basis of lowest True Interest Cost. True Interest Cost (TIC) is defined herein as the single interest rate that discounts all scheduled principal and interest payments on the Certificates (assuming semiannual compounding and a 30/360 day year) to the Total Purchase Price on the Certificates (Par Amount less discount (or plus premium) on their Date of Purchase (\_\_\_\_\_, 2012)). In the event of identical best bids, the Certificates will be awarded to the Bidder whose proposal is selected by lot from among all such proposals.

Bidders are to specify a rate of interest per annum to be paid on the Certificates of each maturity, subject to the following limitations:

- (i) all Certificates of the same maturity must bear the same rate of interest and no Certificate shall bear more than one rate of interest;
- (ii) no interest rate shall be other than a whole multiple of one-eighth or one-twentieth of one percent, a zero rate of interest may not be named, and no rate of interest may exceed \_\_\_\_ per annum; and

(iii) each interest rate specified for Certificates of any maturity shall not be less than the rate of interest specified for any prior maturity.

No bid for the Certificates at a price less than 97% of their par value (\$\_\_\_\_) or greater than 105% (\$\_\_\_\_) will be considered. Proposals may specify any number of interest rates subject to (i) through (iii) above. No proposal will be considered which does not offer to purchase all of the Certificates.

Each bid must be made on the Official Bid Form or electronically via PARITY, as hereinafter described. All blank spaces therein must be completed, unless noted otherwise.

A Good Faith Deposit in the amount of \$350,000 is only required of the winning Bidder for the Certificates. The winning Bidder for the Certificates is required to submit such Good Faith Deposit payable to the order of the Board in the form of a wire transfer in federal funds as instructed by the Board's Financial Advisor, John S. Vincent & Company LLC (see wire instructions below). The winning Bidder shall submit the Good Faith Deposit not later than 1 p.m. Central Time on the day following the award. The winning Bidder should provide as quickly as it is available, evidence of wire transfer by providing the Board the federal funds reference number. If the Good Faith Deposit is not received in the time allotted, the bid of the winning Bidder may be rejected and the Board may direct the next lowest Bidder to submit a Good Faith Deposit and thereafter may award the sale of the Certificates to the same. If the winning Bidder fails to comply with the Good Faith Deposit requirement as described herein, that Bidder is nonetheless obligated to pay to the Board the sum of \$350,000 as liquidated damages due to the failure of the winning Bidder to timely deposit the Good Faith Deposit.

*Submission of a bid to purchase the Certificates serves as acknowledgement and acceptance of the terms of the Good Faith Deposit requirement.*

The Good Faith Deposit so wired will be retained by the Board until the delivery of the Certificates, at which time the Good Faith Deposit will be applied against the purchase price of the Certificates or the Good Faith Deposit will be retained by the Board as partial liquidated damages in the event of the failure of the successful Bidder to take up and pay for such Certificates in compliance with the terms of this Official Notice of Sale and of its bid. No interest on the Good Faith Deposit will be paid by the Board. The balance of the purchase price must be wired in federal funds to the account detailed in the closing memorandum, simultaneously with delivery of the Certificates.

Wire Instructions for Good Faith Deposit:

Bank:	U.S. Bank N.A.
ABA Routing #:	091000022
Account #:	_____
Account Name:	_____
For Further Credit To Acct. #:	_____
Attn:	Grace Gorka (ph. 312-332-6772)

Action awarding the Certificates or rejection of all bids will be taken not later than one hour after expiration of the time prescribed in this notice for the receipt of bids. Notice of award will be given promptly to the successful Bidder. The right is reserved to reject any or all bids and to waive any irregularity or informality in any bid.

The Board also reserves the right to postpone the date for the receipt of bids to a later date. If such right is exercised, notice thereof will be announced via The Thomson Municipal News Wire at the internet website address [www.tm3.com](http://www.tm3.com) and subject to confirmation by the Financial Advisor of the Board not later than noon (Central Time) on the day preceding the bid opening.

**Modification of Principal Amounts**

The principal amounts and maturity dates will be as shown on the cover page hereto, unless alternative amounts and maturities are announced via The Thomson Municipal News Wire, not later than noon (CST) on the day preceding the bid opening. In addition, once the winning bid is determined in accordance with the "Bidding Details" described above, the Board reserves the right to modify the principal amounts of the Certificates up to 10%, higher or lower, per maturity. Such modifications, if made, will be disclosed to the winning bidder within one hour of receipt by the Board from the Purchaser of the initial offering prices to the public of the Certificates, as required under the "Certification of the Purchaser" herein. In the event that such modifications are made to the principal amounts, the purchase price of the Certificates will be modified pro rata, based upon the initial offering prices to the public of each maturity so modified.

## Form of Bids

Any bid for the purchase of the Certificates must be submitted by one of the following methods:

(a) On the Official Bid Form and in a sealed envelope delivered in person to the Financial Advisor, as the Board's representative, at the following place no later than the following date and time:

Place: John S. Vincent & Company, LLC  
Attention: John Vincent  
208 South LaSalle Street, Suite 1625  
Chicago, IL 60604  
(312) 332-1336

Date: \_\_\_\_, 2012

Time: 10:00 A.M., Central Time

(b) Electronically via **PARITY** pursuant to this Official Notice of Sale, until 10:00 A.M., Central Time, on \_\_\_\_2012, but no bid will be received after such specified time. To the extent any instructions or directions set forth in **PARITY** conflict with this Official Notice of Sale, the terms of this Official Notice of Sale shall control. For further information about **PARITY**, potential bidders may contact John S. Vincent & Company, LLC, the financial advisor to the Board at (312) 332-1336, or BIDCOMP/PARITY at [(212) 849-5021].

Every bid must be unconditional and irrevocable. Bidders are requested to supply an estimate of the true interest cost resulting from their bids, computed as prescribed above under the caption "Bidding Details," which estimate shall not be binding on the Board. Each bid must be in accordance with the terms and conditions set forth in this notice.

**Envelopes containing bids should have endorsed thereon "Bid for the Board of Trustees of Northeastern Illinois University – Northeastern Illinois University Certificates of Participation (Capital Improvement Project), Series 2012," and should be addressed and physically delivered to the Financial Advisor, as the undersigned Treasurer's representative, at the address set out in the first paragraph of this Official Notice of Sale. Bids must be signed with a manual signature. Such signature indicates acknowledgment, understanding and acceptance of the terms and provisions of this Official Notice of Sale and of such bid. BIDS MAY NOT BE SENT BY FACSIMILE TO THE OFFICE AT WHICH BIDS ARE TO BE OPENED.**

## Concerning the Preliminary Official Statement

The Preliminary Official Statement is deemed final by the Board within the meaning of Rule 15c2-12 of the Securities and Exchange Commission. Upon the sale of the Certificates, a final Official Statement will be published in substantially the same form as the Preliminary Official Statement subject to minor additions, deletions, and revisions as required to complete the final Official Statement. By submission of its bid, the successful bidder will be deemed to have certified that it has obtained and reviewed the Preliminary Official Statement. Promptly after the sale date, but in no event more than seven business days after the sale date, the successful bidder will be provided with a reasonable number (not to exceed \_\_\_\_) of final Official Statements. The successful bidder agrees to supply to John S. Vincent & Company LLC all necessary pricing information and any underwriter identification necessary to complete the final Official Statement within 24 hours after the award of the Certificates.

## Concerning the Final Official Statement

The Board will deliver at closing a certificate to the effect that the facts contained in the final Official Statement relating to the Board and the Certificates are correct in all material respects, and that the final Official Statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

## **Certification of the Purchaser**

The successful bidder (the "Purchaser") will be required to provide within one hour of the award, and in certificate form at the time of the delivery of the Certificates, a confirmation of the initial prices at which the Purchaser has made a bona fide offering of all of each maturity to the public (not including bond houses and brokers or similar persons or organizations acting in the capacity of underwriters, or wholesalers or affiliates of the Purchaser or affiliated accounts of the Purchaser) and at which price the Purchaser reasonably expected to sell at least the first 10% of each maturity of the Certificates to the public, or such other certification as approved by Special Counsel. The written certification (the "Certification of Purchaser") to be executed by the Purchaser will be provided by Special Counsel following the sale of the Certificates.

## **Closing Documents**

The Certificates, together with the approving opinion of Special Counsel covering the legality of the Certificates, will be furnished to the Purchaser, and all bids are so conditioned. The Board will provide the usual closing certificates dated as of the date of delivery of and payment for the Certificates, including a certificate from Counsel to the Board that there is no litigation pending or to its knowledge, threatened, affecting the legality of the Certificates.

## **Tax Exemption**

The opinion of Chapman and Cutler LLP, Chicago, Illinois, Special Counsel, will state that, subject to compliance by the Board of Trustees of Northeastern Illinois University with certain covenants, under present law the interest portion of each Installment Payment made by the Board to the Trustee, as trustee for the owners of the Certificates, is excludable from gross income of the owners thereof for federal income tax purposes, and is not included as an item of tax preference in computing the federal alternative minimum tax for individuals and corporations, but such interest is taken into account in computing an adjustment used in determining the federal alternative minimum tax for certain corporations. See "TAX EXEMPTION" in the Preliminary Official Statement. Interest on the Certificates is not exempt from present Illinois income taxes.

## **Potential Conflicts**

By submitting a bid, any Bidder makes the representation that it understands Special Counsel represents the Board in this transaction and, if such Bidder has retained Special 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 Special Counsel arising from any adverse position to the Board 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 Special Counsel.

## **Delivery and Payment**

The Certificates are expected to be ready for delivery through the facilities of DTC on or about \_\_\_\_ 2012, and at delivery will be registered in the name of Cede & Co., as described above. Payment for the Certificates must be made in immediately available funds on the day of delivery. The Purchaser shall have the right, at its option, to cancel the contract to purchase if the Certificates are not tendered for delivery within sixty (60) days from the date of sale thereof, and in such event the Purchaser shall be entitled to the return of the amount of the Good Faith Deposit sent to the University. The Board shall have the right, at its option, to cancel the contract of purchase if upon tender of the Certificates for delivery, the Purchaser shall not have accepted delivery and paid for the Certificates, in which event the good faith deposit sent to the University shall be forfeited to the Board as partial payment of damages for failure to comply with the contract of purchase.

## **CUSIP, MSRB and Other Costs**

The Purchaser will be responsible for applying for CUSIP numbers for each maturity of the Certificates and for the CUSIP fees plus any other customary costs of a competitive underwriting including, but not limited to, MSRB, DTC, day loan and any clearance costs incurred by the Purchaser.

The Preliminary Official Statement, the Official Notice of Sale and the Official Bid Form, together with other pertinent information, may be obtained from John S. Vincent & Company LLC, Financial Advisor, 208 S. LaSalle Street, Suite 1625, Chicago, Illinois 60604, Telephone (312) 332-1336.

Dated this \_\_\_\_ day of \_\_\_\_, 2012.

**Board of Trustees of  
Northeastern Illinois University**

/s/ Mark Wilcockson

Mark Wilcockson  
Treasurer, Board of Trustees  
Northeastern Illinois University

**OFFICIAL BID FORM**

\_\_\_\_\_, 2012

Mark Wilcockson  
Board Treasurer  
Board of Trustees of Northeastern Illinois University  
c/o John S. Vincent & Company LLC  
208 S. LaSalle Street, Suite 1625  
Chicago, IL 60604

Dear Mr. Wilcockson:

For \$\_\_\_\_\_ Northeastern Illinois University, Certificates of Participation (Capital Improvement Project), Series 2012 (the "Certificates"), dated their date of delivery and maturing as shown in the Official Notice of Sale, which is made a part hereof by reference, and which Certificates are described in the Official Notice of Sale and the Preliminary Official Statement, we will pay you, the sum of:

\$ \_\_\_\_\_  
(Purchase price not to be less than 97% (\$\_\_\_\_\_) or greater than 105% (\$\_\_\_\_\_) of the Par Amount of Certificates)

The \$\_\_\_\_\_ aggregate principal amount of said Certificates, are to bear interest at the following respective interest rates (each a multiple of 1/8 or 1/20 of 1%, not greater than \_\_\_\_\_%, a zero rate of interest may not be named, and each interest rate shall not be less than the interest rate of any preceding maturity) for the Certificates of each designated October 1 maturity<sup>(1)</sup>:

<u>Maturity Date</u> *	<u>Principal Amount</u> <sup>(1)</sup>	<u>Interest Rate</u>
October 1, 2013	\$	_____ %
October 1, 2014		_____ %
October 1, 2015		_____ %
October 1, 2016		_____ %
October 1, 2017		_____ %
October 1, 2018		_____ %
October 1, 2019		_____ %
October 1, 2021		_____ %
October 1, 2021		_____ %
October 1, 2022		_____ %
October 1, 2023		_____ %
October 1, 2024		_____ %
October 1, 2025		_____ %
October 1, 2026		_____ %
October 1, 2027		_____ %
October 1, 2028		_____ %
October 1, 2029		_____ %
October 1, 2030		_____ %
October 1, 2031		_____ %
October 1, 2032		_____ %
October 1, 2033		_____ %
October 1, 2034		_____ %
October 1, 2035		_____ %
October 1, 2036		_____ %
October 1, 2037		_____ %
October 1, 2038		_____ %
October 1, 2039		_____ %
October 1, 2040		_____ %
October 1, 2041		_____ %

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\* Subject to adjustment as provided in the Official Notice of Sale under “Optional Designation of Term Certificates by the Purchaser” and “Modification of Principal Amounts.”

<sup>(1)</sup> The principal amounts for each Maturity Date above shall be serial maturities unless specified on the reverse hereof to be designated and aggregated into term certificate maturities as described in the Official Notice of Sale, in which case the maturities so specified shall be retired by mandatory sinking fund redemption in such years prior to maturity.

