
Notice of Sale and Bid Form

Notes:

- Bonds are to be awarded on a true interest cost (the “TIC”) basis as described herein.
- No bid for less than all of the Bonds offered or less than 100% of the aggregate principal amount of the Bonds will be entertained.

**City of Durham, North Carolina
\$54,355,000*
Taxable General Obligation Housing Bonds,
Series 2024**

*Sealed and Electronic Bids Will Be Received Until 11:00 A.M., North Carolina Time,
May 7, 2024*

*Preliminary; subject to change as provided herein.

NOTICE OF SALE
\$54,355,000*
CITY OF DURHAM, NORTH CAROLINA
TAXABLE GENERAL OBLIGATION HOUSING BONDS, SERIES 2024

Sealed and electronic bids (as described below) will be received until 11:00 a.m., North Carolina Time, May 7, 2024, by the undersigned at its office, 3200 Atlantic Avenue, Longleaf Building, Raleigh, North Carolina 27604, at which time and place such bids will be opened for \$54,355,000* City of Durham, North Carolina Taxable General Obligation Housing Bonds, Series 2024 (the “Bonds”). The Bonds will be dated their date of delivery and mature annually on June 1 in each year as follows:

<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>
2025	\$2,720,000	2035	\$2,720,000
2026	2,720,000	2036	2,715,000
2027	2,720,000	2037	2,715,000
2028	2,720,000	2038	2,715,000
2029	2,720,000	2039	2,715,000
2030	2,720,000	2040	2,715,000
2031	2,720,000	2041	2,715,000
2032	2,720,000	2042	2,715,000
2033	2,720,000	2043	2,715,000
2034	2,720,000	2044	2,715,000

Proposals may be delivered by hand or by mail or electronic proposals may be submitted via BiDCOMP/PARITY in the manner described below, but no proposal will be considered which is not actually received by the State Treasurer at the place, date and time appointed. The State Treasurer is not responsible for any failure, misdirection or error in the means of transmission selected by any firm submitting a proposal.

The City reserves the right to change, cancel or reschedule, from time to time, the date or time established for the receipt of bids and will undertake to notify registered prospective bidders via notification published on BiDCOMP/PARITY, or by other means as necessary. The City may change the scheduled delivery date for the Bonds by notice given in the same manner as that set forth for a change in the date for the receipt of bids.

To the extent any instructions or directions set forth in BiDCOMP/PARITY conflict with this Notice, the terms of this Notice shall control. For further information about BiDCOMP/PARITY, potential purchasers may contact BiDCOMP/PARITY at 212.849.5021. Each prospective purchaser is solely responsible for making necessary arrangements to access BiDCOMP/PARITY for purposes of submitting its proposal in a timely manner and in compliance with this Notice of Sale. The terms of this Notice and the sale of the Bonds are governed by North Carolina law.

The Local Government Commission of North Carolina (the “Commission”) does not have a registration process for potential purchasers. Prospective purchasers who intend to submit their proposal by BiDCOMP/PARITY must register and be contracted customers of Ipreo LLC’s BiDCOMP Competitive Bidding System before the sale. By submitting a proposal for the Bonds, a prospective purchaser represents and warrants to the State Treasurer that such financial institution’s proposal is submitted for and on behalf of such institution by an officer or agent who is duly authorized to bind the prospective purchaser to a legal, valid and enforceable contract for the purchase of the Bonds. **Neither the Commission nor the City has reviewed or verified the accuracy or completeness of the information contained in BiDCOMP/PARITY and neither assumes responsibility for the accuracy and completeness of such information.**

*Preliminary; subject to change as provided herein.

The Bonds will be general obligations of the City of Durham, North Carolina (the “City”), all the taxable real property within which will be subject to the levy of ad valorem taxes, without limitation as to rate or amount, to pay the Bonds and the interest thereon.

The Bonds will be issued as fully registered Bonds in a book-entry only system under which The Depository Trust Company, a New York corporation (the “DTC”), will act as securities depository nominee for the Bonds as fully described in the Preliminary Official Statement described below. Purchases and transfers of the Bonds may be made only in authorized denominations of \$5,000 and in accordance with the practices and procedures of DTC. Interest on the Bonds will be payable semiannually on each June 1 and December 1, beginning December 1, 2024, and principal of the Bonds will be paid annually on June 1, as set forth in the foregoing schedule to DTC or its nominee as registered owner of the Bonds. The principal and interest on the Bonds will be payable to owners of Bonds shown on the records of DTC at the close of business on the 15th day of the month preceding an interest payment date or a Bond payment date.

The Bonds maturing on or before June 1, 2034 will not be subject to redemption prior to maturity. The Bonds maturing on or after June 1, 2035 will be subject to redemption prior to maturity, at the option of the City, from any moneys that may be made available for such purpose, either in whole or in part on any date on or after June 1, 2034, at the redemption price of the principal amount of Bonds to be so redeemed, plus accrued interest to the redemption date.

If less than all of the Bonds are called for redemption, the City shall select the maturity or maturities of the Bonds to be redeemed in such manner as the City in its discretion may determine, and DTC and its participants shall determine which of the Bonds within a maturity are to be redeemed in accordance with its rules and procedures; provided, however, that the portion of any Bonds to be redeemed must be in principal amount of \$5,000 or integral multiples thereof and that, in selecting Bonds for redemption, each Bond is to be considered as representing that number of Bonds which is obtained by dividing the principal amount of such Bonds by \$5,000.

Notice of redemption will be given to the registered owners of the Bonds and to the Municipal Securities Rulemaking Board, as provided in the Resolution authorizing the issuance of the Bonds (the “Bond Resolution”). Such notice will be given not less than 30 nor more than 60 days prior to the date fixed for redemption. Any notice of redemption may state that (1) the redemption to be affected is conditioned upon the receipt by the City on or prior to the redemption date of moneys sufficient to pay the principal of and premium, if any, and interest on the Bonds to be redeemed, and that if such moneys are not so received, such notice shall be of no force or effect and such Bond shall not be required to be redeemed, and (2) that the City retains the right to rescind the redemption notice on or prior to the scheduled redemption date, and such notice and optional redemption shall be of no effect if such money is not so deposited or if the notice is rescinded.

Any scheduled redemption of Bonds or portions thereof may be rescinded in whole or in part at any time prior to the redemption date if the City delivers written notice of such rescission to the affected owners of the Bonds. Any Bonds where redemption has been rescinded shall remain outstanding, and the rescission shall not constitute an event of default. Further, the failure of the City to make funds available in part or in whole on or before the redemption date shall not constitute an event of default, and the City shall give immediate notice to the affected owners of the Bonds that the redemption did not occur and that the Bonds called for redemption and not so paid remain outstanding.

No bid for less than all of the Bonds offered or for less than the face value of the Bonds will be entertained. Bidders are requested to indicate the interest rate or rates, in multiples of 1/8 or 1/20 of 1%, to be applicable to the maturities of the Bonds. Any number of interest rates may be named, provided the difference between the lowest and highest rates named in the bid shall not exceed 3%. All Bonds maturing on the same date must bear interest at the same rate, and the interest rate on any Bond shall be the same throughout its life. The Bonds will be awarded to the bidder offering to purchase the Bonds at the lowest interest cost to the City, such cost to be determined in accordance with the TIC method by doubling the semiannual interest rate, compounded semiannually, necessary

to discount the debt service payments from the payment dates to the expected delivery date (May 29, 2024) such that the sum of such present values is equal to the price bid. In the event of more than one bid with the same lowest TIC, the Commission shall select the winning bidder by lot in such manner as the Commission and the City may determine and such determination shall be conclusive.

Bidders may Contact First Tryon Advisors, Charlotte, North Carolina, at 704-926-2447 (Attention: David Cheatwood) or 704-926-2456 (Attention: Charles Habliston) for more information.

The aggregate principal amount and the principal amount of each maturity of the Bonds described above and as set forth in the Bid Form attached hereto are subject to adjustment after the receipt and opening of sealed bids for their purchase as described below. **The aggregate principal amount of the Bonds may be increased or decreased after the receipt and opening of sealed bids for their purchase in an amount determined by the City in its sole discretion not to exceed 20% of the aggregate principal amount shown above. The principal amount of each maturity of the Bonds may be increased or decreased by an amount not to exceed 20% of the principal amount shown above for each such maturity.** The bid price paid by the successful bidder will be adjusted to reflect any adjustments in the principal amount of the Bonds. Such adjusted bid will reflect changes in the dollar amount of the underwriting discount and original issue premium, but will not change the underwriting discount percentage based on the bid price in the winning bid and the initial reoffering prices. The interest rate specified by the successful bidder for each maturity at the initial reoffering price will not change. The successful bidder may not withdraw its bid as a result of any changes made within these limits.

As promptly as reasonably practicable after the bids are opened, the Commission will notify the bidder to whom the Bonds will be awarded, if and when such award is made, and, as described below, such bidder, upon such notice, shall advise the Commission by telephone of the initial offering prices and yields to the public of each maturity of the Bonds and shall, within 30 minutes, confirm that information by electronic mail or facsimile transmission. Such offering prices and yields, among other things, will be used by the City to calculate the final aggregate principal amount of the Bonds and the final principal amount of each maturity of the Bonds. It is anticipated that the final aggregate principal amount of the Bonds and the final principal amount of each maturity of the Bonds will be communicated to the successful bidder by 5:00 p.m., North Carolina Time, on the date of the sale.

Each bid delivered by hand or mail must be submitted on a form to be furnished with additional information by the undersigned and must be enclosed in a sealed envelope marked "Bid for Bonds, Taxable Housing, Series 2024 (City of Durham)." A good faith deposit (the "Deposit") in the amount of **\$1,087,100** will be required for each bid. This amount will not change if the principal amount of the Bonds changes. The Deposit may be submitted in the form of an official bank check, a cashier's check or a certified check upon an incorporated bank or trust company payable unconditionally to the order of the State Treasurer of North Carolina accompanying the bid. Alternatively, the successful bidder's Deposit may be a wire transfer upon initial notification of the award of the Bonds. Award or rejection of bids will be made on the date above stated for receipt of bids, and any checks of unsuccessful bidders will be returned immediately. If the Deposit of the successful bidder is provided by check, the check of the successful bidder will be cashed by the State Treasurer. If the Bonds are awarded to a bidder whose Deposit is by wire transfer, the successful bidder must submit its Deposit to the State Treasurer not later than 2:00 P.M. North Carolina Time on the date of the award of the Bonds, to the bank account instructed to the successful bidder by the State Treasurer during the initial notification of the award. If the Deposit is not received by that time, the Commission will reject its award to the initial successful bidder, and will contact the next lowest bidder and offer said bidder the opportunity to become the successful bidder, on the terms as outlined in said bidder's bid, so long as said bidder submits a good faith wire within two hours of the time offered. The Commission will not award the Bonds to the successful bidder absent receipt of the Deposit prior to awarding the Bonds. The Deposit of the successful bidder will be invested solely for the benefit of the City, and no interest on the Deposit will accrue to the successful bidder. At closing, the principal amount of the Deposit will be applied, without interest, as partial payment for the Bonds. In the event that the successful bidder fails to comply with the terms of its bid, the Deposit and any interest earnings will be retained as and for full

liquidated damages. If the City fails to deliver the Bonds, then the Deposit and any interest earnings will be remitted to the successful bidder as and for full liquidated damages.

The CUSIP Service Bureau will be requested to assign CUSIP identification numbers to the Bonds. Assignment of the CUSIP identification numbers is solely within the discretion of the CUSIP Service Bureau, and neither the failure to print such numbers on any Bond nor any error with respect thereto shall constitute cause for failure or refusal by the successful bidder to accept delivery of or pay for the Bonds in accordance with the terms of his or her bid. All expenses in relation to the printing of CUSIP numbers on the Bonds and the CUSIP Service Bureau charge for the assignment of said numbers shall be paid for by the City.

The Bonds will be delivered on or about May 29, 2024, against payment therefor in Federal Reserve funds.

The unqualified approving opinion of Parker Poe Adams & Bernstein LLP, Raleigh, North Carolina, will be furnished without cost to the purchaser. There will also be furnished the usual closing papers.

The right to reject all bids and to waive any irregularities or informalities is reserved.

The City has in the Bond Resolution undertaken, for the benefit of the beneficial owners of the Bonds, to provide the information under the caption “**CONTINUING DISCLOSURE**” in the Official Statement in the manner provided therein.

Copies of the Preliminary Official Statement and the Notice of Sale and Bid Form relating to the Bonds may be obtained from the Commission, 3200 Atlantic Avenue, Longleaf Building, Raleigh, North Carolina 27604 (919.834.4300).

The Preliminary Official Statement is deemed to be a final official statement within the meaning of Rule 15c2-12 of the Securities and Exchange Commission (the “Rule”) except for the omission of certain pricing and other information allowed to be omitted by such Rule to be made available to the successful bidder by the Commission in a Final Official Statement.

By the submission of a bid for the Bonds, the successful bidder contracts for the receipt of up to 100 copies of the Final Official Statement which will be delivered by the Commission to the successful bidder by May 16, 2024. In order to complete the Final Official Statement, the successful bidder must furnish on behalf of the underwriters of the Bonds the following information to the Commission by facsimile transmission (919.855.5812) or overnight delivery received by the Commission within 24 hours after the receipt of bids for the Bonds:

- a. Initial offering prices (expressed as a price exclusive of accrued interest, or yield per maturity). The successful bidder must provide the initial public offering prices, as the City will not include in the Official Statement an “NRO” (“not reoffered”) designation to any maturity of the Bonds.
- b. Selling compensation (aggregate total anticipated compensation to the underwriters expressed in dollars).
- c. The identity of the underwriters if the successful bidder is a part of a group or syndicate.
- d. Any other material information necessary for the Final Official Statement but not known to the City or the Commission.

Concurrently with the delivery of the Bonds, the Mayor, the City Manager and the Chief Financial Officer of the City will deliver to the purchaser of the Bonds a certificate stating that, to the best of their knowledge, the Preliminary Official Statement did not, as of its date and as of the sale

In addition, concurrently with the delivery of the Bonds the Secretary of the Commission will deliver to the purchaser of the Bonds a certificate stating that nothing has come to his or her attention which would lead him or her to believe that the Preliminary Official Statement, as of its date and as of the date of sale, and the Final Official Statement as of the date of delivery of the Bonds, contains an untrue statement of a material fact or omits to state a material fact required to be included therein for the purpose for which the Preliminary Official Statement or the Final Official Statement is to be used or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, provided such certificate shall not include consideration of information supplied by, or which should have been supplied by, the successful bidder for the Bonds for inclusion in the Final Official Statement.

By: Jennifer Wimmer
Deputy Secretary of the Commission

BID FOR BONDS

_____, 2024

Local Government Commission
3200 Atlantic Avenue, Longleaf Building
Raleigh, North Carolina 27604

Ladies and Gentlemen:

Subject to the provisions and in accordance with the terms of the annexed Notice of Sale, which are hereby made a part of this bid, we make the following bid for the \$54,355,000* aggregate principal amount of the City of Durham, North Carolina Taxable General Obligation Housing Bonds, Series 2024 (the "Bonds"), described in said Notice of Sale, this bid being for not less than all of said Bonds:

For the Bonds maturing on June 1, of the years and bearing interest as follows:

<u>Year of Maturity</u>	<u>Principal Amount*</u>	<u>Interest Rate</u>	<u>Year of Maturity</u>	<u>Principal Amount*</u>	<u>Interest Rate</u>
2025	\$2,720,000	_____%	2035	\$2,720,000	_____%
2026	2,720,000	_____%	2036	2,715,000	_____%
2027	2,720,000	_____%	2037	2,715,000	_____%
2028	2,720,000	_____%	2038	2,715,000	_____%
2029	2,720,000	_____%	2039	2,715,000	_____%
2030	2,720,000	_____%	2040	2,715,000	_____%
2031	2,720,000	_____%	2041	2,715,000	_____%
2032	2,720,000	_____%	2042	2,715,000	_____%
2033	2,720,000	_____%	2043	2,715,000	_____%
2034	2,720,000	_____%	2044	2,715,000	_____%

We will pay \$_____ for said Bonds plus a premium of \$_____ for all of said Bonds. We will accept delivery of the Bonds at The Depository Trust Company in accordance with said Notice of Sale.

One of the following two paragraphs must be checked and completed as appropriate:

() We enclose herewith a check for \$1,087,100, as required by said Notice of Sale, payable unconditionally to the order of the State Treasurer of North Carolina, which check is to be returned to us if this bid is not accepted, but otherwise is to be applied in accordance with said Notice of Sale. If this bid is the successful bid, then said check will be cashed in accordance with the terms of the Notice of Sale. Otherwise, said good faith deposit is to be returned to the undersigned.

() A good faith deposit of \$1,087,100 is not enclosed, but will be delivered to the State Treasurer of North Carolina by wire transfer by 2:00 P.M. on the date hereof if the undersigned is the successful bidder for the Bonds in accordance with the terms of the Notice of Sale. Said good faith deposit is to be applied in accordance with the terms of the Notice of Sale.

*Preliminary; subject to change as provided herein.

The closing papers referred to in said Notice of Sale are to include a certificate, dated as of the day of the delivery of the Bonds, stating that there is no litigation pending or, to the knowledge of the signers of such certificate, threatened affecting the validity of the Bonds.

(No addition or alteration, except as provided above, is to be made to this bid, which may be detached from the annexed Notice of Sale. The Bidder may enter his or her calculation of true interest cost to be _____. This information is neither required nor to be construed as a part of the foregoing bid.)