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***Notice of Sale and Bid Form***

**Note:**

- Bonds are to be awarded on a True Interest Cost (TIC) basis as described herein.
- No bid for fewer than all of the bonds offered or for less than 100% of the aggregate principal amount of the bonds will be entertained.

**\$16,765,000\***  
**County of Iredell, North Carolina**  
**General Obligation School Bonds**  
**Series 2016**

*Scaled and Electronic Bids Will Be Received Until 11:00 A.M., North Carolina Time,  
September 20, 2016*

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\*Preliminary; subject to change as provided herein.

**NOTICE OF SALE**  
**\$16,765,000\***  
**COUNTY OF IREDELL, NORTH CAROLINA**  
**GENERAL OBLIGATION SCHOOL BONDS, SERIES 2016**

Sealed and electronic bids (as described below) will be received until 11:00 A.M., North Carolina Time, September 20, 2016, by the undersigned at its office at 3200 Atlantic Avenue, Raleigh, North Carolina 27604, such bids to be opened in public at said time and place on said day, for the purchase of \$16,765,000\* General Obligation School Bonds, Series 2016 of the County of Iredell, North Carolina (the "County"), dated their date of delivery, and maturing (subject to the right of prior redemption as set forth below) annually, April 1 \$840,000 2018 to 2030, inclusive, and \$835,000 2031 to 2037, inclusive.\* There will be no auction.

Proposals may be delivered by hand, by mail or electronically. Electronic proposals must be submitted via BiDCOMP/PARITY, but no proposal shall be considered which is not actually received by the Local Government Commission (the "Commission") at the place and on or prior to the date and time specified above for submission of bids. The Commission shall not be responsible for any failure, misdirection or error in the means of transmission selected by any firm submitting a proposal.

The County 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 County 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 of Sale, the terms of this Notice of Sale 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 of Sale and the sale of the bonds shall be governed by North Carolina law.

The Commission does not have a registration process for prospective purchasers. Prospective purchasers who intend to submit their proposal by BiDCOMP/PARITY must register and be contracted customers of i-Deal LLC's BiDCOMP competitive bidding system before the sale. By submitting a bid for the bonds, the prospective purchaser represents and warrants to the Commission that such proposal is submitted for and on behalf of the prospective purchaser 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 County have reviewed or verified the accuracy or completeness of the information contained in BiDCOMP/PARITY and assume no responsibility for the accuracy or completeness of such information.**

The submission of a bid constitutes the bidder's certification to the State Treasurer that, as of September 20, 2016, it is not listed on any list created and maintained by the North Carolina Department of State Treasurer (the "Treasurer's Office") pursuant to the Iran Divestment Act of 2015, Article 6E Chapter 147, of the General Statutes of North Carolina.

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\*Preliminary; subject to change as provided herein.

The bonds will be issued as fully registered bonds in a book-entry only system under which The Depository Trust Company, New York, New York ("DTC") will act as securities depository 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 on April 1, 2017 and semiannually thereafter on each April 1 and October 1, and the principal of the bonds will be payable at maturity to DTC or its nominee, as registered owner of the bonds.

The bonds will be general obligations of the County, for the payment of the principal of and interest on which all the taxable real and tangible personal property within the County will be subject to the levy of an ad valorem tax, without limitation as to rate or amount.

The bonds maturing on or prior to April 1, 2026 will not be subject to redemption prior to their maturity. The bonds maturing on April 1, 2027 and thereafter will be subject to redemption prior to their maturity, at the option of the County, from any moneys that may be made available for such purpose, either in whole or in part on any date not earlier than April 1, 2026, at a redemption price equal to 100% of the principal amount of the bonds to be redeemed, plus interest accrued thereon to the date fixed for redemption.

Notice of redemption shall be given at the times and in the manner and may be subject to such conditions, and the bonds to be redeemed shall be selected, all as described in the Preliminary Official Statement relating to the bonds (the "Preliminary Official Statement").

Bidders are requested to name the interest rate or rates, in multiples of 1/8 or 1/20 of 1%, and each bidder must specify in its bid the amount and the maturities of the bonds of each rate. 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. No bid for less than all the bonds offered or for less than 100% of the aggregate principal amount of the bonds will be entertained. The bonds will be awarded to the bidder offering to purchase the bonds at the lowest interest cost to the County, such cost to be determined in accordance with the true interest cost (TIC) method by doubling the semiannual interest rate, compounded semiannually, necessary to discount the debt service payments from the interest payment dates to the proposed delivery date (October 11, 2016), and equal to the price bid.

**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 decreased after the receipt and opening of sealed bids for their purchase in an amount determined by the County in its sole discretion not to exceed the amount of premium bid by the successful bidder in excess of 100% of the initial par amount of the bonds. 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 County 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 by 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 School Bonds (County of Iredell)." A good faith deposit (the "Deposit") in the amount of **\$335,300** will be required for each bid. 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 in the form of a wire transfer sent by the successful bidder 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 no 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 Commission 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 a good faith deposit prior to awarding the bonds. The Deposit of the successful bidder will be invested solely for the benefit of the County, 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 County 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 CUSIP identification numbers is solely within the discretion of the CUSIP Service Bureau, and neither the failure to print such number 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 its bid. All expenses in relation to the printing of CUSIP numbers on the bonds and the CUSIP Service Bureau charge for the assignment of such numbers shall be paid for by the County.

The successful bidder will be required to furnish prior to the delivery of the bonds a certificate substantially in the form attached to the Notice of Sale and Bid Form relating to the bonds and acceptable to Bond Counsel as to the "issue price" of the bonds within the meaning of Section 1273 of the Internal Revenue Code of 1986, as amended (the "Code").

The Board of Commissioners for the County has adopted a resolution undertaking, for the benefit of the beneficial owners of the bonds, to provide the information described under the heading "CONTINUING DISCLOSURE" in the Preliminary Official Statement in the manner provided therein.

The bonds will be delivered on or about **October 11, 2016**, against payment therefor in federal reserve funds, at DTC.

The approving opinion of Womble Carlyle Sandridge & Rice, LLP, Raleigh, North Carolina, Bond Counsel, the proposed form of which appears in the Preliminary Official Statement, 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.

Copies of the Preliminary Official Statement, including the Notice of Sale and Bid Form relating to the bonds, may be obtained from the Local Government Commission, 3200 Atlantic Avenue, Raleigh, North Carolina 27604 (919-814-4300).

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, except for the omission of certain pricing and other information to be made available by the successful bidder to the Commission for inclusion in a final Official Statement for the bonds (the "Final Official Statement"). By the submission of a bid for the bonds, the successful bidder contracts for the receipt of up to five hundred (500) copies of the Final Official Statement which will be delivered by the Commission to the successful bidder by September 29, 2016. 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 or yield per maturity). The Commission and the County will not accept "not reoffered" (NRO) designations for any maturity of the bonds for inclusion in the Final Official Statement.
- 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 County or the Commission (such as the bidder's purchase of credit enhancement).

Concurrently with the delivery of the bonds, the Chairman of the Board of Commissioners, the County Manager and the Finance Officer of the County 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 date, and the Final Official Statement does not, as of the date of delivery of the bonds, contain an untrue statement of a material fact or omit 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.

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 attention which would lead him to believe that the Preliminary Official Statement, as of its date and as of the sale date, and the Final Official Statement, as of the date of delivery of the bonds, contained or contains an untrue statement of a material fact or omitted 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.

**LOCAL GOVERNMENT COMMISSION  
Raleigh, North Carolina**

Greg C. Gaskins  
Secretary of the Commission

## CERTIFICATE AS TO ISSUE PRICE

This certificate is furnished by [name of firm], the book-running senior manager of the underwriters (the “Underwriters”) of the \$\_\_\_\_\_ General Obligation School Bonds, Series 2016 (the “Bonds”) of the County of Iredell, North Carolina, dated as of their date of delivery, to establish the “issue price” of the Bonds within the meaning of Section 1273 of the Internal Revenue Code of 1986, as amended.

WE HEREBY CERTIFY as follows:

1. The Underwriters reasonably expected on September 20, 2016, which is the date on which the Underwriters agreed to purchase the Bonds (the “Sale Date”), that the Bonds would be sold to the General Public (hereinafter defined), at the following initial offering prices (each an “Initial Public Offering Price”):

| <u>Due<br/>April 1</u> | <u>Principal<br/>Amount Maturing</u> | <u>Initial Public<br/>Offering Price</u> | <u>Due<br/>April 1</u> | <u>Principal<br/>Amount Maturing</u> | <u>Initial Public<br/>Offering Price</u> |
|------------------------|--------------------------------------|--|------------------------|--------------------------------------|--|
| 2018                   | \$                                   | _____%                                   | 2028                   | \$                                   | _____%                                   |
| 2019                   |                                      | _____%                                   | 2029                   |                                      | _____%                                   |
| 2020                   |                                      | _____%                                   | 2030                   |                                      | _____%                                   |
| 2021                   |                                      | _____%                                   | 2031                   |                                      | _____%                                   |
| 2022                   |                                      | _____%                                   | 2032                   |                                      | _____%                                   |
| 2023                   |                                      | _____%                                   | 2033                   |                                      | _____%                                   |
| 2024                   |                                      | _____%                                   | 2034                   |                                      | _____%                                   |
| 2025                   |                                      | _____%                                   | 2035                   |                                      | _____%                                   |
| 2026                   |                                      | _____%                                   | 2036                   |                                      | _____%                                   |
| 2027                   |                                      | _____%                                   | 2037                   |                                      | _____%                                   |

2. The Underwriters have made a bona fide offering of all of the Bonds to the General Public at prices not in excess of their Initial Public Offering Prices.
- [3. The Underwriters first sold at least 10% of aggregate principal amount of each maturity of the Bonds to the General Public at prices not in excess of their Initial Public Offering Prices.]
- [3. The Underwriters first sold at least 10% of the aggregate principal amount of the Bonds maturing on April 1 in the years \_\_\_\_\_ to the General Public at prices not in excess of their Initial Public Offering Prices. With respect to the Bonds maturing on April 1 in the years \_\_\_\_\_, the Underwriters reasonably expected as of the Sale Date to sell at least 10% of the aggregate principal amount of each such maturity of the Bonds to the General Public at prices not in excess of their Initial Public Offering Prices.]
4. The Initial Public Offering Price for each maturity of the Bonds is not less than the fair market value of such maturity as of the Sale Date.
5. For purposes of this certificate, the term “General Public” means the general public of investors who are purchasing for their own account as ultimate purchasers and does not include bond houses, brokers and similar persons acting in the capacity of underwriters or wholesalers.

We have relied on the undertakings and representations of the other Underwriters respecting the offering of the Bonds and set forth in the account letter. Although certain information furnished in this certificate has been derived from other bond houses and brokers and cannot be independently verified by us, we have no reason to believe it to be untrue in any material respect.

Signed as of this \_\_\_\_ day of October, 2016.

[Name of book-running senior manager]

By: \_\_\_\_\_  
Title: \_\_\_\_\_

[Note: This certificate may contain either one of the paragraphs number 3 above, as applicable.]



## BID FOR BONDS

\_\_\_\_\_, 2016

Local Government Commission  
3200 Atlantic Avenue  
Raleigh, North Carolina 27604

Sirs:

*Subject to the provisions and in accordance with the terms set forth in the Notice of Sale and Bid Form relating to the bonds hereinafter mentioned, which provisions and terms are hereby made a part of this bid, we make the following bid for the \$16,765,000\* General Obligation School Bonds, Series 2016 of the County of Iredell, North Carolina, described in said Notice of Sale, this bid being for not less than all of said bonds:*

*For the \$16,765,000\* General Obligation School Bonds, Series 2016 maturing and bearing interest as follows:*

| <u>Due</u><br><u>April 1</u> | <u>Principal</u><br><u>Amount*</u> | <u>Interest</u><br><u>Rate</u> | <u>Due</u><br><u>April 1</u> | <u>Principal</u><br><u>Amount*</u> | <u>Interest</u><br><u>Rate</u> |
|------------------------------|------------------------------------|--------------------------------|------------------------------|------------------------------------|--------------------------------|
| 2018                         | \$ 840,000                         | _____%                         | 2028                         | \$840,000                          | _____%                         |
| 2019                         | 840,000                            | _____%                         | 2029                         | 840,000                            | _____%                         |
| 2020                         | 840,000                            | _____%                         | 2030                         | 840,000                            | _____%                         |
| 2021                         | 840,000                            | _____%                         | 2031                         | 835,000                            | _____%                         |
| 2022                         | 840,000                            | _____%                         | 2032                         | 835,000                            | _____%                         |
| 2023                         | 840,000                            | _____%                         | 2033                         | 835,000                            | _____%                         |
| 2024                         | 840,000                            | _____%                         | 2034                         | 835,000                            | _____%                         |
| 2025                         | 840,000                            | _____%                         | 2035                         | 835,000                            | _____%                         |
| 2026                         | 840,000                            | _____%                         | 2036                         | 835,000                            | _____%                         |
| 2027                         | 840,000                            | _____%                         | 2037                         | 835,000                            | _____%                         |

*We will pay \$16,765,000\* plus a premium of \$\_\_\_\_\_.*

*We will also 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 **\$335,300**, payable to the State Treasurer of North Carolina, to provide the good faith deposit required by said Notice of Sale. In the event this bid is the successful bid, then said check will be cashed in accordance with the terms of said Notice of Sale. Otherwise, said good faith deposit is to be returned to the undersigned.*
- ( ) *A good faith deposit of **\$335,300** 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 said successful bidder for said bonds in accordance with the terms in said Notice of Sale. Said good faith deposit is to be applied in accordance with the terms in said Notice of Sale.*

\_\_\_\_\_  
\*Preliminary; subject to change as provided in said Notice of Sale.

*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 signer(s) of such certificate, threatened affecting the validity of the bonds.*

*To communicate changes in the principal amounts after the bids are opened as described in said Notice of Sale and to obtain initial offering prices and yields for the bonds, please contact*

\_\_\_\_\_ at \_\_\_\_\_.  
Name Telephone Number

\_\_\_\_\_  
Name of Firm

\_\_\_\_\_  
Authorized Officer

*(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. Bidder may for information only enter its calculation of true interest cost to be \_\_\_\_\_%. This information is neither required nor to be construed as a part of the foregoing bid.)*

*The submission of a bid constitutes the bidder's certification to the State Treasurer that, as of September 20, 2016, it is not listed on any list created and maintained by the North Carolina Department of State Treasurer (the "Treasurer's Office") pursuant to the Iran Divestment Act of 2015, Article 6E Chapter 147, of the General Statutes of North Carolina.*

**Final Divestment List of Treasurer's Office pursuant to Iran Divestment Act**

Companies listed as a result of their own apparent investment activities in Iran:

| Listed Company                         | Country  | Ticker          |
|--|----------|-----------------|
| Chennai Petroleum Corporation Ltd.     | India    | BSE:500110      |
| China CSSC Holdings Ltd.               | China    | SHSE:600150     |
| China Oilfield Services Ltd.           | China    | SEHK:2883       |
| China Petroleum & Chemical Corporation | China    | SEHK:386        |
| China Shipbuilding Industry            | China    | SHSE:601989     |
| Daelim Industrial Company Ltd.         | South    | KOSE:A000210    |
| Indian Oil Corporation Ltd.            | India    | BSE:530965      |
| ITOCHU Corporation                     | Japan    | TSE:8001        |
| JNK Heaters Company Ltd.               | South    | KOSDAQ:A126880  |
| Odfjell SE                             | Norway   | OB:ODF          |
| Oil and Natural Gas Corporation Ltd.   | India    | NSEI:ONGC       |
| PetroChina Company Ltd.                | China    | SEHK:857        |
| PTT Global Chemical Public             | Thailand | SET:PTTGC       |
| Sinopec Kantons Holdings Ltd.          | Hong     | SEHK:934        |
| The Siam Cement Public Company         | Thailand | SET:SCC         |
| Welcron Kangwon Company Ltd.           | South    | KOSDAQ:A1141190 |