
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 99% or greater than 110% of the aggregate principal amount of the bonds will be entertained.

County of Johnston, North Carolina

\$14,520,000*

Taxable General Obligation Refunding Bonds, Series 2021

*Sealed and Electronic Bids Will Be Received Until 11:00 A.M., North Carolina Time,
May 11, 2021*

**Preliminary, subject to change as described herein.*

NOTICE OF SALE
COUNTY OF JOHNSTON, NORTH CAROLINA
\$14,520,000*
TAXABLE GENERAL OBLIGATION REFUNDING BONDS, SERIES 2021

Sealed and electronic bids (as described below) will be received until 11:00 A.M., North Carolina Time, May 11, 2021, by the undersigned at its office, 3200 Atlantic Avenue, Longleaf Building, Raleigh, North Carolina 27604, such bids to be opened in public at said time and place on said day, for the purchase of \$14,520,000 Taxable General Obligation Refunding Bonds, Series 2021 of the County of Johnston, North Carolina (the "County"), dated their date of delivery, and maturing (subject to the right of prior redemption as hereinafter set forth) February 1, \$265,000 2022, \$200,000 2023, \$205,000 2024, \$1,605,000 2025, \$1,560,000 2026, \$1,530,000 2027, \$1,505,000 2028, \$1,485,000 2029, \$1,460,000 2030, \$1,435,000 2031, \$1,415,000 2032, \$1,390,000 2033 and \$465,000 2034. There will be no auction.

Proposals may be delivered by hand, by mail or electronically. Electronic proposals must be submitted via BiDCOMP/PARITY in the manner described below, but no proposal shall be considered which is not actually received by the Local Government Commission of North Carolina (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 Ipreo LLC 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 Ipreo 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 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 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 February 1 and August 1, beginning February 1, 2022, and principal of the bonds will be paid annually on February 1 as set forth in the foregoing maturity schedule 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 February 1, 2032 and thereafter will be subject to redemption prior to 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 February 1, 2031 at a redemption price equal to 100% of the principal amount of the bonds to be redeemed, together with interest accrued thereon to the date fixed for redemption.

If less than all of the bonds of any one maturity shall be called for redemption, the particular bonds or portions of bonds to be redeemed shall be selected by lot in such manner as the County may determine, provided that DTC shall determine the amount of the interest of each direct participant in the bonds to be redeemed so long as a book-entry system with DTC is continued. If less than all of the bonds then subject to redemption shall be called for redemption, the County shall determine the maturities and the amounts of the bonds to be redeemed.

*Preliminary, subject to change.

Notice of redemption shall be given by certified or registered mail to Cede & Co. as the registered owner of the bonds. Such notice shall be mailed not more than 60 nor less than 30 days prior to the date fixed for redemption. The County will not be responsible for mailing notices of redemption to anyone other than Cede & Co.

The election to call bonds for redemption may be revoked by the County. The notice of redemption may state that the County retains the right to rescind such notice on or prior to the third business day preceding the scheduled redemption date.

Bidders are requested to indicate the interest rate or rates, in multiples of 1/8, 1/20 or 1/100 of 1%, to be applicable to the maturities of the bonds. 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. Any number of interest rates may be named, provided that no interest rate shall be less than 0.01% or greater than 3.5%. No bid for fewer than all of the bonds offered or for less than 99% or greater than 110% 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 payment dates to the expected delivery date (May 27, 2021) such that the sum of such present values is equal to the price bid.

Bidders may provide in the bid form for all of the bonds to be issued as serial bonds or may designate consecutive annual principal amounts (beginning not earlier than February 1, 2032) of the bonds to be combined into not more than one term bond.

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 County and the Commission, in their sole discretion, to provide for approximately level savings. In making such changes, the aggregate principal amount of the Bonds will not be increased or decreased by more than fifteen percent (15%) and the principal maturities due February 1 of 2022, 2023, and 2024 may be removed from the final amounts. 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.

Bidders may Contact Davenport & Company, LLC at 804-697-2913 (Attention: Kyle Laux) for more information.

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 Bonds (County of Johnston)." A good faith deposit (the "Deposit") in the amount of **\$290,400** 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, on which no interest will be allowed. 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 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 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 relating to the bonds in the manner provided therein.

The bonds will be delivered on or about **May 27, 2021**, against payment therefor in federal reserve funds, at DTC.

The approving opinion of Nexsen Pruet, PLLC, Charlotte, North Carolina, Bond Counsel, the proposed form of which appears in the Official Statement relating to the bonds, 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 irregularity or informality 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 Commission, 3200 Atlantic Avenue, Longleaf Building, 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. By the submission of a bid for the bonds, the successful bidder contracts for the receipt of up to one hundred (100) copies of the Final Official Statement which will be delivered by the Commission to the successful bidder by May 20, 2021. 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 Commission 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 County or the Commission (such as the bidder's purchase of credit enhancement).

Concurrently with the delivery of the Bonds, the Chair of the Board of Commissioners of the County, the County Manager and the Director of Finance 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 her attention which would lead 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.

**LOCAL GOVERNMENT COMMISSION
Raleigh, North Carolina**

Sharon G. Edmundson
Secretary of the Commission

BID FOR BONDS

_____, 2021

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 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 \$14,520,000 Taxable General Obligation Refunding Bonds, Series 2021 of the County of Johnston, North Carolina, described in said Notice of Sale, this bid being for not less than all of said bonds:

For the \$14,520,000 Taxable General Obligation Refunding Bonds, Series 2021 maturing 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>
2022	\$265,000	_____%	2029	\$1,485,000	_____%
2023	200,000	_____%	2030	1,460,000	_____%
2024	205,000	_____%	2031	1,435,000	_____%
2025	1,605,000	_____%	2032	1,415,000	_____%
2026	1,560,000	_____%	2033	1,390,000	_____%
2027	1,530,000	_____%	2034	465,000	_____%
2028	1,505,000	_____%			

We will pay \$14,520,000 plus a premium of \$_____, which is not less than 100% of the aggregate principal amount.

(CROSS OUT THE SERIAL BOND MATURITIES BEING BID AS TERM BONDS – FIRST YEAR MAY NOT BE EARLIER THAN FEBRUARY 1, 2032)

Term Bonds (Optional – No More Than One Term Bond)

<u>First Year of Mandatory Redemption</u>	<u>Year of Maturity</u>	<u>Total Principal Amount of Term Bond</u>	<u>Interest Rate</u>
_____	_____	\$_____	_____%

(LEAVE BLANK IF NO TERM BONDS ARE SPECIFIED)

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 **\$290,400**, payable to the State Treasurer of North Carolina, to provide the good faith deposit required by the Notice of Sale. In the event 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 **\$290,400** 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 said bonds in accordance with the terms in the Notice of Sale. Said good faith deposit is to be applied in accordance with the terms in the 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.

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 his calculation of true interest cost to be _____%. This information is neither required nor to be construed as a part of the foregoing bid.)