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NEW ISSUE - Book-Entry Only

Ratings: Moody's: ___
S&P: ___
Fitch: ___
(See "RATINGS" herein)

PRELIMINARY OFFICIAL STATEMENT DATED MAY __, 2026

This Official Statement has been prepared by the Local Government Commission of North Carolina and the City of Winston-Salem, North Carolina (the "City") to provide information in connection with the sale and issuance of the Bonds described herein. Selected information is presented on this cover page for the convenience of the user. To make an informed decision regarding the Bonds, a prospective investor should read this Official Statement in its entirety. Capitalized terms used on this cover page have the meanings given such terms in this Official Statement.

\$44,805,000*
City of Winston-Salem, North Carolina
General Obligation Bonds

Consisting of
\$2,000,000 Taxable General Obligation Bonds, Series 2026A
\$8,440,000 General Obligation Bonds, Series 2026B
and
\$34,365,000 General Obligation Refunding Bonds, Series 2026C*

Dated: Date of Delivery

Due: As shown on inside cover page

Tax Treatment

In the opinion of Parker Poe Adams & Bernstein LLP, Bond Counsel, under existing law, (1) assuming compliance by the City with certain requirements of the Internal Revenue Code of 1986, as amended (the "Code"), interest on the 2026B and 2026C Bonds (a) is excludable from gross income for federal income tax purposes, and (b) is not an item of tax preference for purposes of the federal individual alternative minimum tax; provided, however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Code) for the purpose of computing the alternative minimum tax imposed on corporations, and (2) interest on the 2026A, 2026B and 2026CBonds is exempt from State of North Carolina income taxation. See "TAX TREATMENT" herein.

Redemption

The 2026B Bonds will be subject to redemption prior to their maturities as described herein.
The 2026A and 2026C Bonds will not be subject to redemption prior to their stated maturities.

Security

The Bonds constitute general obligations of the City, secured by a pledge of the faith and credit and taxing power of the City.

Interest Payment Dates

June 1 and December 1, commencing December 1, 2026.

Denominations

\$5,000 or any integral multiple thereof.

Expected Closing/Settlement

June 23, 2026 for the 2026A and 2026B Bonds.
June 24, 2026 for the 2026C Bonds.

Bond Counsel

Parker Poe Adams & Bernstein LLP, Raleigh, North Carolina.

Municipal Advisor

First Tryon Advisors LLC, Charlotte, North Carolina.

Sale Date

June 2, 2026.

Sale of Bonds

Pursuant to sealed bids in accordance with the respective Notices of Sale.

The date of this Official Statement is June __, 2026

* Preliminary, subject to change.

MATURITY SCHEDULES

\$2,000,000
City of Winston-Salem, North Carolina
Taxable General Obligation Bonds, Series 2026A

<u>Due June 1</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield¹</u>	<u>CUSIP+</u>
2027	\$500,000			
2028	500,000			
2029	500,000			
2030	500,000			

\$8,440,000
City of Winston-Salem, North Carolina
General Obligation Bonds , Series 2026B

<u>Due June 1</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield²</u>	<u>CUSIP+</u>
2031	\$530,000			
2032	530,000			
2033	530,000			
2034	530,000			
2035	530,000			
2036	530,000			
2037	530,000			
2038	530,000			
2039	525,000			
2040	525,000			
2041	525,000			
2042	525,000			
2043	525,000			
2044	525,000			
2045	525,000			
2046	525,000			

¹ Information obtained from the underwriters of the 2026A Bonds.

² Information obtained from the underwriters of the 2026B Bonds.

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\$34,365,000*
City of Winston-Salem, North Carolina
General Obligation Refunding Bonds, Series 2026C

<u>Due June 1</u>	<u>Principal Amount*</u>	<u>Interest Rate</u>	<u>Yield³</u>	<u>CUSIP+</u>
2027	\$ 2,955,000			
2028	2,980,000			
2029	3,320,000			
2030	3,465,000			
2031	3,575,000			
2032	3,390,000			
2033	3,405,000			
2034	3,575,000			
2035	3,755,000			
2036	3,945,000			

* Preliminary, subject to change.

³ Information obtained from the underwriters of the 2026C Bonds.

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CITY OF WINSTON-SALEM, NORTH CAROLINA

CITY COUNCIL

Allen Joines..... Mayor

Denise D. Adams.....Mayor Pro-Tempore

Scott Andree-Bowen

Barbara H. Burke

Robert C. Clark

Regina Ford Hall

Vivián V. Joiner

Annette Scippio

James Taylor, Jr.

CITY STAFF

W. Patrick Pate..... City Manager

Aaron King..... Assistant City Manager

Ben Rowe..... Assistant City Manager

Angela Wright-Lanier Assistant City Manager

Sharon Wojda..... Assistant City Manager

Kelly Latham Chief Financial Officer

Camille French. City Attorney

Jayne Waldeck Cranfill City Clerk

MUNICIPAL ADVISOR

First Tryon Advisors LLC
Charlotte, North Carolina

BOND COUNSEL

Parker Poe Adams & Bernstein LLP
Raleigh, North Carolina

TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTION	1
THE NORTH CAROLINA LOCAL GOVERNMENT COMMISSION	1
THE BONDS	
Description	
Redemption Provisions	
Authorization and Purpose	
Security.....	
THE REFUNDING PLAN	
THE CITY	
CONTINUING DISCLOSURE	
APPROVAL OF LEGAL PROCEEDINGS.....	
TAX TREATMENT.....	
Opinion of Bond Counsel.....	
Original Issue Discount.....	
Original Issue Premium	
INVESTMENT CONSIDERATION	
RATINGS	
MUNICIPAL ADVISOR.....	
UNDERWRITING	
MISCELLANEOUS.....	
 Appendices	
A – The City	A-1
B - The North Carolina Local Government Commission	B-1
C - Management Discussion and Analysis	C-1
D - Financial Information, Financial Statements, Combined Budget.....	D-1
E - Certain Constitutional, Statutory and Administrative Provisions Governing or Relevant to the Incurrence of General Obligation Bonded Indebtedness by Units of Local Government of the State of North Carolina	E-1
F - Proposed Forms of Legal Opinions.....	F-1
G - Book-Entry Only System	G-1



STATE AND LOCAL GOVERNMENT FINANCE DIVISION
LOCAL GOVERNMENT COMMISSION

INTRODUCTION

This Official Statement, including the cover page and the appendices, is intended to furnish information in connection with the sale and issuance of \$44,805,000* General Obligation Bonds of the City of Winston-Salem, North Carolina (the “City”), consisting of \$2,000,000 Taxable General Obligation, Series 2026A (the “2026A Bonds”), \$8,440,000 General Obligation Bonds, Series 2026B (the “2026B Bonds”) and \$34,365,000* General Obligation Refunding Bonds, Series 2026C (the “2026C Bonds” and together with the 2026A Bonds and the 2026B Bonds, the “Bonds”).

The information furnished herein includes a brief description of the City and its economic condition, government, debt management, tax structure, financial operations, budget, pension plans and contingent liabilities. The City has assisted the North Carolina Local Government Commission (the “Commission”) in gathering and assembling the information contained herein.

This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy any securities other than the Bonds offered hereby, nor shall there be any offer or solicitation of such offer or sale of the Bonds in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. Neither the delivery of this Official Statement nor the sale of any of the Bonds implies that the information herein is correct as of any date subsequent to the date thereof. The information contained herein is subject to change after the date of this Official Statement, and this Official Statement speaks only as of its date.

This Official Statement is deemed to be a final official statement with respect to the Bonds within the meaning of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (the “Rule”), except, when it is in preliminary form, for the omission of certain pricing and other information to be made available by the successful bidder or bidders for the Bonds to the Commission. In accordance with the requirements of the Rule, the City has agreed in a resolution adopted by the City Council of the City on April 6, 2026 (the “Bond Resolution”) to certain continuing disclosure obligations. See “CONTINUING DISCLOSURE” herein.

THE NORTH CAROLINA LOCAL GOVERNMENT COMMISSION

The Commission, a division of the Department of State Treasurer, State of North Carolina (the “State”), is a State agency that supervises the issuance of the bonded indebtedness of all units of local government and assists these units in the area of fiscal management. Appendix A to this Official Statement contains additional information concerning the Commission and its functions.

* Preliminary, subject to change.

THE BONDS

Description

The Bonds will be dated their date of delivery and will bear interest from their date, payable on each June 1 and December 1, beginning December 1, 2026, at the interest rates set forth on the inside cover pages of this Official Statement. The Bonds will mature on June 1 in the years and principal amounts set forth on the inside cover page of this Official Statement.

Payments of interest will be made by the Bond Registrar on each interest payment date to the registered owner of the Bonds (or the previous Bond or Bonds evidencing the same debt as that evidenced by such Bonds) at the close of business on the record date for such interest, which shall be the 15th day (whether or not a business day) of the calendar month next preceding such interest payment date.

The Bonds will be issuable as fully registered bonds in a book-entry system maintained by The Depository Trust Company, Jersey City, New Jersey (the "DTC"). DTC will act as securities depository for the Bonds. Purchases and transfers of the Bonds may be made only in authorized denominations of \$5,000 and any integral multiple thereof and in accordance with the practices and procedures of DTC. See Appendix G hereto for a description of DTC and the book-entry only system for the Bonds.

Redemption Provisions

The 2026A Bonds and the 2026C Bonds will not be subject to redemption prior to their stated maturities.

The 2026B Bonds maturing on and after June 1, 2037 are subject to redemption prior to their stated maturities at the option of the City on or after June 1, 2036 in whole or in part at any time at a redemption price equal to 100% of the principal amount of each 2026B Bond to be redeemed, together with accrued interest thereon to the redemption date.

If less than all of the 2026B Bonds are called for redemption, the City shall select the maturity or maturities of the 2026B 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 2026B Bonds within a maturity are to be redeemed in accordance with its rules and procedures (or if the 2026B Bonds are not in book-entry, the City will select by lot); provided, however, that the portion of any 2026B Bond to be redeemed shall be in principal amount of \$5,000 or integral multiples thereof and that, in selecting 2026B Bonds for redemption, each 2026B Bond shall be considered as representing that number of 2026B Bonds which is obtained by dividing the principal amount of such 2026B Bond by \$5,000. Whenever the City elects to redeem 2026B Bonds, notice of such redemption of 2026B Bonds, stating the redemption date, redemption price and any conditions to the redemption and identifying the 2026B Bonds or portions thereof to be redeemed and further stating that on such redemption date there shall become due and payable on each 2026B Bond or portion thereof so to be redeemed, the principal thereof, and interest accrued to the redemption date and that from and after such date interest thereon shall cease to accrue, shall be given not less than 30 days nor more than 60 days before the redemption date in writing to DTC or its nominee as the registered owner of the 2026B Bonds, by prepaid certified or registered United States mail (or by such other means as permitted by DTC's rules and procedures), at the address provided to the City by DTC, but any failure or defect in respect of such mailing will not affect the validity of the redemption. If DTC is not the registered owner of the 2026B Bonds, the City will give notice at the time set forth above by prepaid first-class United States mail, to the then-registered owners of the 2026B Bonds or portions thereof to be redeemed at the last address shown on the registration books kept by the City.

If at the time of mailing of the notice of redemption there is not on deposit money sufficient to redeem the 2026B Bonds called for redemption, such notice may state that it is conditional on the

deposit of money for the redemption on the date of redemption as set forth in the notice. Any notice, once given, may be withdrawn by notice delivered in the same manner as the notice of redemption was given.

Authorization and Purpose

The Bonds are being issued pursuant to the provisions of The Local Government Bond Act, Article 7, as amended, of Chapter 159 of the General Statutes of North Carolina, bond orders duly adopted by the City Council of the City (the “Council”) on April 6, 2026, which bond orders were adopted and are now in effect and the Bond Resolution. The orders and the Bond Resolution authorize the Bonds to be issued to pay the costs for streets and sidewalks projects, for parks and recreation projects, for public safety projects, for public facilities improvements, for housing projects, to refund certain prior bonds of the City and to pay the cost of issuance of the Bonds. See “THE PLAN OF FINANCE” herein for more information.

Security

The Bonds are general obligations of the City. The City is authorized and required by law to levy on all real and tangible personal property taxable by the City such ad valorem taxes, without limitation as to rate or amount, as may be necessary to pay the Bonds and the interest thereon.

THE PLAN OF FINANCE

The 2026A Bonds are being issued for the purpose of providing funds, together with other available funds, to pay the capital costs of acquiring, constructing, renovating, and improving certain housing facilities for the benefit of persons of low income, or moderate income, or low and moderate income

The 2026B Bonds are being issued for the purpose of providing funds, together with other available funds, to pay the capital costs of (1) improving, repairing, resurfacing, and replacing certain streets, sidewalks, bridges, and greenways located in the City; (2) acquiring, constructing, renovating, expanding and improving parks and recreation facilities; (3) renovating and improving certain public safety facilities, including, among other things, fire station facilities; and (4) acquiring, constructing, renovating, and improving certain public facilities.

The 2026C Bonds are being issued for the purpose of providing funds, together with other available funds, for refunding \$820,000 of the City’s General Obligation Bonds, Series 2012A, dated June 20, 2012, and stated to mature on June 1, 2027 to 2032, inclusive, \$1,460,000 of the City’s General Obligation Bonds, Series 2014, dated June 26, 2014, and stated to mature on June 1, 2027 to 2031, inclusive, \$2,045,000 of the City’s General Obligation Bonds, Series 2016A, dated April 5, 2016, and stated to mature on June 1, 2027 to 2036, inclusive and \$30,040,000 of the City’s General Obligation Bonds, Series 2016B, dated April 6, 2016, and stated to mature on June 1, 2027 to 2036, inclusive (collectively, the “Refunded Bonds”). To accomplish the refunding of the Refunded Bonds, a portion of the proceeds of the Series 2026C Bonds will be used, together with other funds of the City, to pay the redemption price of and interest on the Refunded Bonds on **June 24**, 2026. The Refunded Bonds will be redeemed at a redemption price equal to 100% of the principal amount thereof plus accrued interest thereon to the redemption date.

THE CITY

Information about the City can be found in **Appendix A** attached hereto.

CONTINUING DISCLOSURE

In the Bond Resolution, the City has undertaken, for the benefit of the beneficial owners of the Bonds, to provide to the Municipal Securities Rulemaking Board (the "MSRB"):

- (a) by not later than seven months from the end of each fiscal year of the City, beginning with the fiscal year ending June 30, 2026, audited financial statements of the City for the preceding fiscal year, if available, prepared in accordance with Section 159-34 of the General Statutes of North Carolina, as it may be amended from time to time, or any successor statute, or, if such audited financial statements are not then available, unaudited financial statements of the City for such fiscal year to be replaced subsequently by audited financial statements of the City to be delivered within 15 days after such audited financial statements become available for distribution;
- (b) by not later than seven months from the end of each fiscal year of the City, beginning with the fiscal year ending June 30, 2026, (1) the financial and statistical data as of a date not earlier than the end of the preceding fiscal year of the City for the type of information included in the tables under headings "THE CITY - Debt Information and - Tax Information" in this Official Statement (excluding any information on overlapping units), and (2) the combined budget of the City for the then-current fiscal year, to the extent such items are not included in the audited financial statements referred to in (a) above;
- (c) in a timely manner not in excess of ten business days after the occurrence of the event, notice of any of the following events with respect to the Bonds:
 - (1) principal and interest payment delinquencies;
 - (2) non-payment related defaults, if material;
 - (3) unscheduled draws on debt service reserves reflecting financial difficulties;
 - (4) unscheduled draws on credit enhancements reflecting financial difficulties;
 - (5) substitution of credit or liquidity providers, or their failure to perform;
 - (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds;
 - (7) modification to the rights of the beneficial owners of the Bonds, if material;
 - (8) bond calls, if material, and tender offers;
 - (9) defeasances;
 - (10) release, substitution or sale of any property securing repayment of the Bonds if material;
 - (11) rating changes;
 - (12) bankruptcy, insolvency, receivership or similar event of the City;
 - (13) the consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of

business, the entry into a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

- (14) appointment of a trustee or a successor or additional trustee or the change of name of a trustee, if material;
 - (15) incurrence of a financial obligation (as defined below) of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the City, any of which affect beneficial owners of the Bonds, if material, and
 - (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the City, any of which reflect financial difficulties.
- (d) in a timely manner, notice of a failure by the City to provide required annual financial information described in (a) or (b) above on or before the date specified.

For purposes of the preceding paragraphs (15) and (16), the term “financial obligation” means a (i) debt obligation, (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or (iii) guarantee of either (i) or (ii). The term “financial obligation” shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with Rule 15c2-12.

All information provided to the MSRB as described above shall be provided in an electronic format as prescribed by the MSRB and accompanied by identifying information as prescribed by the MSRB.

The City may meet the continuing disclosure filing requirements described above by complying with any other procedure that may be authorized or required by the United States Securities and Exchange Commission.

At present, Section 159-34 of the General Statutes of North Carolina requires the City’s financial statements to be prepared in accordance with generally accepted accounting principles and to be audited in accordance with generally accepted auditing standards.

The Bond Resolution provides that if the City fails to comply with the undertaking described above, any beneficial owner of the Bonds may take action to protect and enforce the rights of all beneficial owners with respect to such undertaking, including an action for specific performance provided; however, that failure to comply with such undertaking shall not be an event of default and shall not result in any acceleration of payment of the Bonds. All actions shall be instituted, had and maintained in the manner provided in this paragraph for the benefit of all beneficial owners of the Bonds.

Pursuant to the Bond Resolution, the City has reserved the right to modify from time to time the information to be provided to the extent necessary or appropriate in the judgment of the City, provided that:

- (a) any such modification may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the City;
- (b) the information to be provided, as modified, would have complied with the requirements of the Rule the date of this Official Statement, after taking into account any amendments or interpretations of the Rule, as well as any changes in circumstances, and

- (c) any such modification does not materially impair the interests of the beneficial owners of the Bonds, as determined either by parties unaffiliated with the City (such as bond counsel), or by the approving vote of the registered owners of a majority in principal amount of the Bonds pursuant to the terms of such resolution, as it may be amended from time to time, at the time of such amendment.

In the event that the City makes such a modification, any annual financial information containing modified operating data or financial information is required to explain, in narrative form, the reasons for the modification and the impact of the change in the type of operating data or financial information being provided.

The undertaking described above will terminate upon payment, or provision having been made for payment in a manner consistent with the Rule, in full of the principal of and interest on all of the Bonds.

The City has regularly filed its audited financial statements, certain operating data and certain material event notices as required pursuant to its prior continuing disclosure undertakings. To the best of the City's knowledge, it has complied in all material respects with its previous continuing disclosure undertakings under Rule 15c2-12 for the past five fiscal years.

APPROVAL OF LEGAL PROCEEDINGS

Certain legal matters incident to the authorization and issuance of the Bonds are subject to the approval of Parker Poe Adams and Bernstein LLP, Raleigh, North Carolina, Bond Counsel, whose approving legal opinion will be available at the time of the delivery of the Bonds. The proposed form of such opinion is attached hereto as Appendix F.

TAX TREATMENT [Bond Counsel to update]

On the date of issuance of the Bonds, Parker Poe Adams & Bernstein LLP, Bond Counsel, will render an opinion that, under existing law (1) assuming compliance by the City with certain provisions of the Code, interest on the Bonds (a) is excludable from gross income for federal income tax purposes and (b) is not an item of tax preference for purposes of the federal individual alternative minimum tax; provided, however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Code) for the purpose of computing the alternative minimum tax imposed on corporations, and (2) interest on the Bonds is exempt from State of North Carolina income taxation.

The Code imposes various restrictions, conditions and requirements relating to the exclusion of interest on obligations, such as the Bonds, from gross income for federal income tax purposes, including, but not limited to, the requirement that the City rebate certain excess earnings on proceeds and amounts treated as proceeds of the Bonds to the United States Treasury, restrictions on the investment of such proceeds and other amounts, and restrictions on the ownership and use of the facilities financed or refinanced with proceeds of the Bonds. The foregoing is not intended to be an exhaustive listing of the post-issuance tax compliance requirements of the Code, but is illustrative of the requirements that must be satisfied by the City subsequent to issuance of the Bonds to maintain the excludability of the interest on the Bonds from gross income for federal income tax purposes. Bond Counsel's opinion is given in reliance on certifications by representatives of the City as to certain facts material to the opinion and the requirements of the Code.

The City has covenanted to comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that the interest on the Bonds be, or continue to be, excludable from gross income for federal income tax purposes. The opinion of Bond Counsel assumes compliance by the City with such covenants, and Bond Counsel has not been retained to monitor compliance by the City with such covenants subsequent to the date of issuance of the Bonds. Failure

to comply with certain of such requirements may cause the interest on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of the issuance of the Bonds. No other opinion is expressed by Bond Counsel regarding the federal tax consequences of the ownership of or the receipt, accrual or amount of interest with respect to the Bonds.

If the interest on the Bonds subsequently becomes included in gross income for federal income tax purposes due to a failure by the City to comply with any requirements described above, the City is not required to redeem the Bonds or to pay any additional interest or penalty.

The Internal Revenue Service has established an ongoing program to audit tax-exempt obligations to determine whether interest on such obligations is includible in gross income for federal income tax purposes. Bond Counsel cannot predict whether the Internal Revenue Service will commence an audit of the Bonds. Prospective purchasers and owners of the Bonds are advised that, if the Internal Revenue Service does audit the Bonds, under current Internal Revenue Service procedures, at least during the early stages of an audit, the Internal Revenue Service will treat the City as the taxpayer, and the owners of the Bonds may have limited rights, if any, to participate in such audit. The commencement of an audit could adversely affect the market value and liquidity of the Bonds until the audit is concluded, regardless of the ultimate outcome.

Prospective purchasers and owners of the Bonds should be aware that ownership of the Bonds and the accrual or receipt of interest on the Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, financial institutions; property or casualty insurance companies; individual recipients of Social Security or Railroad Retirement benefits; certain Subchapter S Corporations with “*excess net passive income*,” foreign corporations subject to the branch profits tax; life insurance companies and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry the Bonds. Bond Counsel does not express any opinion as to any such collateral tax consequences. Prospective purchasers and owners of the Bonds should consult their own tax advisors as to collateral tax consequences.

Proposed legislation is considered from time to time by the United States Congress that, if enacted, would affect the tax consequences of owning the Bonds. No assurance can be given that any future legislation, or clarifications or amendments to the Code, if enacted into law, will not contain provisions which could cause the interest on the Bonds to be subject directly or indirectly to federal, state or local income taxation, adversely affect the market price or marketability of the Bonds or otherwise prevent the owners of the Bonds from realizing the full current benefit of the status of the interest on the Bonds.

Bond Counsel’s opinion is based on existing law, which is subject to change. Such opinion is further based on factual representations made to Bond Counsel as of the date thereof. Bond Counsel assumes no duty to update or supplement its opinion to reflect any facts or circumstances that may thereafter come to Bond Counsel’s attention, or to reflect any changes in law that may thereafter occur or become effective. Moreover, Bond Counsel’s opinion is not a guarantee of a particular result, and is not binding on the Internal Revenue Service or the courts; rather, such opinion represents Bond Counsel’s professional judgment based on its review of existing law, and in reliance on the representations and covenants that Bond Counsel deems relevant to such opinion. Bond Counsel’s opinion expresses the professional judgment of the attorneys rendering the opinion regarding the legal issues expressly addressed therein. By rendering its opinion, Bond Counsel does not become an insurer or guarantor of the result indicated by that expression of professional judgment, of the transaction on which the opinion is rendered, or of the future performance of the City, nor does the rendering of such opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

An owner of a Bond may be subject to backup withholding at the applicable rate determined by statute with respect to interest paid on the Bond if such owner fails to provide to any person required to collect information in accordance with Section 6049 of the Code with such owner’s taxpayer identification number, furnishes an incorrect taxpayer identification number, fails to report interest, dividends or other “reportable payments” described in Section 6049 of the Code properly, or, under

certain circumstances, fails to provide such persons with a certified statement, under penalty of perjury, that such owner is not subject to backup withholding.

Original Issue Discount

As indicated on the inside cover page, the 2026A Bonds maturing on June 1, 20__¹ and the 2026B Bonds maturing on June 1, 20__¹ (collectively, the “OID Bonds”), are being sold at initial offering prices that are less than the principal amount payable at maturity.¹ Under the Code, the difference between (a) the initial offering prices to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers) at which a substantial amount of each maturity of the OID Bonds is sold and (b) the principal amount payable at maturity of such OID Bonds, constitutes original issue discount treated as interest which will be excluded from the gross income of the owners of such OID Bonds for federal income tax purposes.

In the case of an owner of an OID Bond, the amount of original issue discount on such OID Bond is treated as having accrued daily over the term of such OID Bond on the basis of a constant yield compounded at the end of each accrual period and is added to the owner’s cost basis of such OID Bond in determining, for federal income tax purposes, the gain or loss upon the sale, redemption or other disposition of such OID Bond (including its sale, redemption or payment at maturity). Amounts received upon the sale, redemption or other disposition of an OID Bond which are attributable to accrued original issue discount on such OID Bonds will be treated as interest exempt from gross income, rather than as a taxable gain, for federal income tax purposes, and will not be a specific item of tax preference for purposes of the federal individual alternative minimum tax. However, it should be noted that the original issue discount that accrues to an owner of an OID Bond may result in other collateral federal income tax consequences for certain taxpayers in the year of the accrual.

Original issue discount is treated as compounding semiannually (which yield is based on the initial public offering of the OID Bond) at a rate determined by reference to the yield to maturity of each individual OID Bond. The amount treated as original issue discount on an OID Bond for a particular semiannual accrual period is equal to (a) the product of (i) the yield to maturity for such OID Bond (determined by compounding at the close of each accrual period) and (ii) the amount which would have been the tax basis of such OID Bond at the beginning of the particular accrual period if held by the original purchaser, less (b) the amount of interest payable on such OID Bond during the particular accrual period. The tax basis is determined by adding to the initial public offering price on such OID Bond the sum of the amounts which have been treated as original issue discount for such purposes during all prior accrual periods. If an OID Bond is sold between semiannual compounding dates, original issue discount which would have accrued for that semiannual compounding period for federal income tax purposes is to be apportioned in equal amounts among the days in such compounding period.

The Code contains additional provisions relating to the accrual of original issue discount in the case of owners of the OID Bonds who subsequently purchase any OID Bonds after the initial offering or at a price different from the initial offering price during the initial offering of the Bonds. Owners of OID Bonds should consult their own tax advisors with respect to the precise determination for federal and state tax purposes of the amount of original issue discount accrued upon the sale, redemption or

¹ Information provided by the underwriters of the Bonds.

other disposition of an OID Bond as of any date and with respect to other federal, state and local tax consequences of owning and disposing of an OID Bond. It is possible that under the applicable provisions governing the determination of state or local taxes, accrued original issue discount on an OID Bond may be deemed to be received in the year of accrual even though there will not be a corresponding cash payment attributable to such original issue discount until a later year.

Original Issue Premium

As indicated on the inside cover page, the 2026A Bonds maturing on June 1, 20__¹ and the 2026B Bonds maturing on June 1, 20__¹ (collectively, the “Premium Bonds”), are being sold at initial offering prices which are in excess of the principal amount payable at maturity.¹ The difference between (a) the initial offering prices to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers) at which a substantial amount of the Premium Bonds is sold and (b) the principal amount payable at maturity of such Premium Bonds constitutes original issue premium, which original issue premium is not deductible for federal income tax purposes. In the case of an owner of a Premium Bond, however, the amount of the original issue premium which is treated as having accrued over the term of such Premium Bond is reduced from the owner’s cost basis of such Premium Bond in determining, for federal income tax purposes, the taxable gain or loss upon the sale, redemption or other disposition of such Premium Bond (whether upon its sale, redemption or payment at maturity). Owners of Premium Bonds should consult their tax advisors with respect to the determination, for federal income tax purposes, of the “adjusted basis” of such Premium Bonds upon any sale or disposition and with respect to any state or local tax consequences of owning a Premium Bond.

INVESTMENT CONSIDERATION

Under North Carolina law, a local governmental unit may not file for bankruptcy protection without the consent of the Commission. If bankruptcy proceedings were initiated by the City with the consent of the Commission, the bankruptcy proceedings could have adverse effects on owners of the Bonds, including (a) delay in enforcement of their remedies; (b) subordination of their claims to claims of those supplying goods and services to the City after the initiation of bankruptcy proceedings and to the administrative expenses of bankruptcy proceedings and (c) imposition without their consent of a plan of reorganization reducing or delaying payment of the Bonds. The effect of the provisions of the United States Bankruptcy Code on the rights and remedies of the owners of the Bonds cannot be predicted and may be affected significantly by judicial interpretation, general principles of equity (regardless of whether considered in a proceeding in equity or at law) and considerations of public policy.

In addition to its consent to bankruptcy filings by local government units, North Carolina law vests authority in the Commission to intervene in the financial affairs, including taking full control of the financial affairs, of local government units, including the City, if the unit defaults, or in the opinion of the Commission will default, on a future debt service payment if financial policies and practices are not improved.

¹ Information provided by the underwriters of the Bonds.

RATINGS

Moody's Investors Service, S&P Global Ratings and Fitch Ratings have given the Bonds ratings of __, __ and __, respectively. Those ratings reflect only the respective views of such organizations, and an explanation of the significance of such ratings may be obtained only from the respective organization providing such rating. Certain information and materials not included in this Official Statement were furnished to such organizations. There is no assurance that such ratings will remain in effect for any given period of time or that any or all will not be revised downward or withdrawn entirely. Any downward revision or withdrawal of a rating may have an adverse effect on the market prices of the Bonds.

MUNICIPAL ADVISOR

First Tryon Advisors LLC, Charlotte, North Carolina has acted as municipal advisor to the City in connection with the issuance of the Bonds.

UNDERWRITING

The underwriters for the 2026A Bonds are _____.¹

Such underwriters have jointly and severally agreed, subject to certain conditions, to purchase all but not less than all of the 2026A Bonds. If all of the 2026A Bonds are sold at the public offering yields set forth on the inside cover page of this Official Statement, the underwriters would anticipate total underwriters' discount of \$ _____¹. The public offering prices or yields of the 2026A Bonds may be changed from time to time by such underwriters.

The underwriters for the 2026B Bonds are _____.²

Such underwriters have jointly and severally agreed, subject to certain conditions, to purchase all but not less than all of the 2026B Bonds. If all of the 2026B Bonds are sold at the public offering yields set forth on the inside cover page of this Official Statement, the underwriters would anticipate total underwriters' discount of \$ _____². The public offering prices or yields of the 2026B Bonds may be changed from time to time by such underwriters.

The underwriters for the 2026C Bonds are _____.³

Such underwriters have jointly and severally agreed, subject to certain conditions, to purchase all but not less than all of the 2026C Bonds. If all of the 2026C Bonds are sold at the public offering yields set forth on the inside cover page of this Official Statement, the underwriters would anticipate total underwriters' discount of \$ _____³. The public offering prices or yields of the 2026C Bonds may be changed from time to time by such underwriters.

MISCELLANEOUS

Any statements in this Official Statement involving matters of opinion or estimates, whether or not expressly so stated, are intended as such and not as representations of fact.

Reference herein to the State Constitution and legislative enactments are only brief outlines of certain provisions thereof and do not purport to summarize or describe all provisions thereof.

¹Information provided by the underwriters of the 2026A Bonds.

²Information provided by the underwriters of the 2026B Bonds.

³Information provided by the underwriters of the 2026C Bonds.