

**PRELIMINARY OFFICIAL STATEMENT DATED APRIL 14, 2026**

New Issue / Book-Entry-Only

Ratings: Moody's: \_\_\_  
S&P: \_\_\_  
(See "RATINGS" herein)

**[\$Amount]\*  
Limited Obligation Bonds  
Series 2026**

**Evidencing Proportionate Undivided Interests  
in the Rights to Receive Certain Revenues Pursuant to  
an Installment Financing Contract  
Between Wilmington Future, Inc. and the**

[City Logo]

**CITY OF WILMINGTON, NORTH CAROLINA**

**Dated: Date of Delivery**

**Due: June 1, as shown on the inside cover**

This Official Statement has been prepared by the City of Wilmington, North Carolina (the "City") to provide information in connection with the execution and delivery of the Limited Obligation Bonds, Series 2026 (the "2026 Bonds"). Selected information is presented on this cover page for the convenience of the user. Prospective purchasers of the 2026 Bonds should read this Official Statement in its entirety to obtain information essential to the making of an informed investment decision. Capitalized terms used on this cover page and not otherwise defined have the meanings given such terms in this Official Statement.

**Purposes:**

The proceeds of the 2026 Bonds will be used, together with other available funds, to (1) finance capital costs of (a) the acquisition, construction, and equipping of a new park maintenance complex, together with related site development and appurtenant improvements thereto, (b) the acquisition of radio communication equipment for various City departments, (c) street, sidewalk, accessibility, and streetscape improvements, and (d) improvements to Water Street Park (collectively, the "2026 Project"), (2) refinance the City's installment payment obligations related to the Corporation's Limited Obligation Bonds, Series 2015A, maturing on and after June 1, 20[27], (3) refinance the City's installment payment obligations related to the Corporation's Limited Obligation Refunding Bonds, Series 2016, maturing on and after June 1, 20[28] through June 1, 20[35], and (4) pay the costs related to the execution, sale and delivery of the 2026 Bonds. See "**PLAN OF FINANCING**" herein.

**Security:**

The 2026 Bonds will be executed and delivered pursuant to the Supplemented 2012 Indenture as further supplemented by the Seventh Supplement. The proceeds of the 2026 Bonds will be advanced by the Corporation to the City pursuant to the Amended 2012 Contract, as further amended by the Seventh Amendment. The 2026 Bonds evidence proportionate undivided interests in the rights to receive certain Revenues, including the Installment Payments to be made by the City under the Contract. The City's obligations under the Contract are secured by the Deed of Trust, and all money and securities held by the Trustee in certain funds and accounts under the Indenture. The 2026 Bonds are payable on a parity with the Parity Bonds and any Additional Bonds hereafter executed and delivered under the Indenture.

**THE PRINCIPAL AND INTEREST WITH RESPECT TO THE 2026 BONDS ARE PAYABLE SOLELY FROM AMOUNTS PAYABLE BY**

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sales of the 2026 Bonds in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the laws of any such jurisdiction.

**THE CITY PURSUANT TO THE CONTRACT, AMOUNTS HELD IN CERTAIN FUNDS AND ACCOUNTS UNDER THE INDENTURE AND, TO THE EXTENT PROVIDED IN THE INDENTURE, THE PROCEEDS DERIVED FROM THE EXERCISE OF CERTAIN RIGHTS AND REMEDIES GRANTED UNDER THE CONTRACT, INCLUDING FORECLOSURE AND SALE OF THE PREMISES PURSUANT TO THE DEED OF TRUST. NO DEFICIENCY JUDGMENT MAY BE RENDERED AGAINST THE CITY IN ANY ACTION FOR BREACH OF ANY CONTRACTUAL OBLIGATION UNDER THE CONTRACT, AND THE TAXING POWER OF THE CITY IS NOT PLEDGED DIRECTLY OR INDIRECTLY TO SECURE ANY MONEYS DUE TO THE OWNERS OF THE 2026 BONDS.**

See “SECURITY AND SOURCES OF PAYMENT FOR THE 2026 BONDS” herein.

***Interest Payment***

***Dates:***

June 1 and December 1 of each year, commencing December 1, 2026.

***Denominations/***

***Registration:***

\$5,000 or integral multiples thereof. Book-entry-only through DTC (see Appendix E hereto).

***Prepayment:***

The 2026 Bonds are subject to optional [and mandatory] prepayment prior to their maturities as described herein.

***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”), the portion of the Installment Payments designated and paid as interest with respect to the 2026 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, the portion of the Installment Payments designated and paid as interest with respect to the 2026 Bonds 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) the portion of the Installment Payments designated and paid as interest with respect to the 2026 Bonds is exempt from State of North Carolina income taxation. See “TAX TREATMENT” herein.

***Delivery Date:***

On or about May \_\_, 2026.

***Financial Advisor:***

Waters and Company, LLC, Birmingham, Alabama.

***Counsel:***

Parker Poe Adams & Bernstein LLP, Raleigh, North Carolina, Bond Counsel; Meredith T. Everhart, Esq., Wilmington, North Carolina, City Attorney; J. Alan Campbell Law, Hillsborough, North Carolina, counsel to the Corporation; and Pope Flynn, LLC, Charlotte, North Carolina, counsel to the Underwriter.

**RAYMOND JAMES®**

Date of Official Statement: April \_\_, 2026

\* Preliminary, subject to change.

**MATURITY SCHEDULE\***

**[\$Amount]\* Limited Obligation Bonds, Series 2026**

<u>Due June 1</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Price</u>	<u>CUSIP<sup>1</sup></u>
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\* Preliminary, subject to change.

<sup>1</sup> CUSIP numbers have been assigned by an independent company not affiliated with the City, the Corporation or the Underwriter and are included solely for the convenience of the holders of the 2026 Bonds. None of the City, the Corporation or the Underwriter are responsible for the selection or uses of these CUSIP numbers, and no representation is made as to their correctness on the 2026 Bonds or as indicated above. The CUSIP number for a specific maturity is subject to being changed after the execution and delivery of the 2026 Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of the 2026 Bonds.

No dealer, broker, salesman or other person has been authorized to give any information or to make any representation other than those contained in this Official Statement in connection with the offering described herein, and, if given or made, such other information or representation must not be relied upon as having been authorized. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy any securities other than the 2026 Bonds offered hereby, nor shall there be any offer or solicitation of such offer or sale of the 2026 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 2026 Bonds implies that the information herein is correct as of any date subsequent to the date thereof.

The information contained herein has been obtained from the City, the Corporation and other sources believed to be reliable. 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.

The Underwriter has provided the following sentence for inclusion in this Official Statement: The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, their responsibilities to investors under the federal securities laws as applied to the facts and circumstances, but the Underwriter does not guarantee the accuracy or completeness of such information.

**IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVER-ALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE 2026 BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.**

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**[\$Amount]\*  
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**CITY OF WILMINGTON, NORTH CAROLINA**

**INTRODUCTION**

The purpose of this Official Statement, which includes the appendices, is to provide certain information in connection with the execution, sale and delivery of \$[Amount]\* Limited Obligation Bonds, Series 2026 (the “2026 Bonds”). The 2026 Bonds will be executed and delivered pursuant to an Indenture of Trust, dated as of June 15, 2012 (the “2012 Indenture”), between Wilmington Future, Inc. (the “Corporation”) and U.S. Bank Trust Company, National Association, Charlotte, North Carolina, as successor trustee (the “Trustee”) to U.S. Bank National Association, as supplemented and amended by Supplemental Indenture, Number 1, dated as of June 1, 2015 (the “First Supplement”), as supplemented and amended by Supplemental Indenture, Number 2, dated as of May 1, 2020 (the “Second Supplement”), as supplemented and amended by Supplemental Indenture, Number 3, dated as of May 1, 2021 (the “Third Supplement”), as supplemented and amended by Supplemental Indenture, Number 4, dated as of May 1, 2023 (the “Fourth Supplement”), as supplemented and amended by Supplemental Indenture, Number 5, dated as of July 1, 2023 (the “Fifth Supplement”), and as supplemented and amended by Supplemental Indenture, Number 6, dated as of May 1, 2024 (the “Sixth Supplement” and collectively with the 2012 Indenture, the First Supplement, the Second Supplement, the Third Supplement, the Fourth Supplement, and the Fifth Supplement, the “Supplemented 2012 Indenture”), and as further supplemented and amended by Supplemental Indenture, Number 7, dated as of May 1, 2026 (the “Seventh Supplement,” and collectively with the Supplemented 2012 Indenture, the “Indenture”), each between the Corporation and the Trustee.

The Corporation has executed and delivered under the Indenture, (i) the \$30,695,000 Refunding Limited Obligation Bonds, Series 2012 (the “2012 Bonds”), none of which is currently outstanding, (ii) \$16,130,000 Limited Obligation Bonds, Series 2015A (the “2015A Bonds”), of which \$9,740,000 is currently outstanding, (iii) \$4,610,000 Taxable Limited Obligation Bonds, Series 2015B (the “2015B Bonds”), none of which is currently outstanding, (iv) \$9,470,000 Limited Obligation Bonds, Series 2020B (the “2020B Bonds”), of which \$7,105,000 is currently outstanding, (v) \$6,430,000 Limited Obligation Bonds, Series 2021A (the “2021A Bonds”), of which \$5,955,000 is currently outstanding, (vi) \$12,760,000 Taxable Limited Obligation Bonds, Series 2021B (the “2021B Bonds”), of which \$5,780,000 is currently outstanding, (vii) \$23,980,000 Limited Obligation Bonds, Series 2023A (the “2023A Bonds”), of which \$21,580,000 is currently outstanding, (viii) \$23,800,000 Variable Rate Taxable Limited Obligation Bond, Series 2023B (the “2023B Bond”), of which \$3,427,210 is currently outstanding, (ix) \$10,200,000 Taxable Limited Obligation Bonds, Series 2023C (the “2023C Bonds”), all of which is currently outstanding, (x) \$30,090,000 Limited Obligation Bonds, Series 2023D (the “2023D Bonds”), all

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\* Preliminary, subject to change.

of which is currently outstanding, and (xi) \$28,890,000 Limited Obligation Bonds, Series 2024 (the “2024 Bonds”), of which \$26,630,000 is currently outstanding.

The proceeds of the 2026 Bonds will be used, together with other available funds, to (1) finance capital costs of (a) the acquisition, construction, and equipping of a new park maintenance complex, together with related site development and appurtenant improvements thereto, (b) the acquisition of radio communication equipment for various City departments, (c) street, sidewalk, accessibility, and streetscape improvements, and (d) improvements to Water Street Park (collectively, the “2026 Project”), (2) refinance the City’s installment payment obligations related to the Corporation’s Limited Obligation Bonds, Series 2015A, maturing on and after June 1, 20[27], (3) refinance the City’s installment payment obligations related to the Corporation’s Limited Obligation Refunding Bonds, Series 2016, maturing on and after June 1, 20[28] through June 1, 20[35], and (4) pay the costs related to the execution, sale and delivery of the 2026 Bonds. See “**PLAN OF FINANCING**” and “**ESTIMATED SOURCES AND USES OF FUNDS**” herein.

The 2015A Bonds, the 2020B Bonds, the 2021A Bonds, the 2021B Bonds, the 2023A Bonds, the 2023B Bond, the 2023C Bonds, the 2023D Bonds, and the 2024 Bonds (collectively, the “Parity Bonds”) and the 2026 Bonds (collectively with the Parity Bonds and any Additional Bonds, the “Bonds”) evidence proportionate undivided interests in the rights to receive certain Revenues (as defined in the Indenture), which include the installment payments (the “Installment Payments”) to be made by the City of Wilmington, North Carolina (the “City”) pursuant to an Installment Financing Contract, dated as of June 15, 2012 (the “2012 Contract”), as amended by Amendment Number One to the Installment Financing Contract, dated as of June 1, 2015 (the “First Amendment”), as further amended by Amendment Number Two to the Installment Financing Contract, dated as of May 1, 2020 (the “Second Amendment”), as further amended by Amendment Number Three to the Installment Financing Contract, dated as of May 1, 2021 (the “Third Amendment”), as further amended by Amendment Number Four to the Installment Financing Contract, dated as of May 1, 2023 (the “Fourth Amendment”), as further amended by Amendment Number Five to the Installment Financing Contract, dated as of July 1, 2023 (the “Fifth Amendment”), as further amended by Amendment Number Six to the Installment Financing Contract, dated as of May 1, 2024 (the “Sixth Amendment” and collectively with the 2012 Contract, the First Amendment, the Second Amendment, the Third Amendment, the Fourth Amendment and the Fifth Amendment, the “Amended 2012 Contract”), and as further amended by Amendment Number Seven to the Installment Financing Contract, dated as of May 1, 2026 (the “Seventh Amendment” and collectively with the Amended 2012 Contract, the “Contract”), each between the City and the Corporation. The City is required under the Contract to make Installment Payments in an amount sufficient to pay the principal and interest with respect to the Parity Bonds and the 2026 Bonds and any Additional Bonds hereafter executed and delivered pursuant to the Indenture, subject to its right of nonappropriation as described herein.

Authorization. The City has previously entered into the Amended 2012 Contract and will enter into the Seventh Amendment pursuant to the provisions of Section 160A-20 of the General Statutes of North Carolina, as amended. The Contract has been approved by the Local Government Commission of North Carolina (the “LGC”). See “**THE LOCAL GOVERNMENT COMMISSION**” herein.

Security for 2026 Bonds. To secure the performance by the City of its obligations under the Contract, including the payment of the Installment Payments thereunder, the City (i) has heretofore executed and delivered to a deed of trust trustee, for the benefit of the Corporation or its assignee, a Deed of Trust, Security Agreement and Fixture Filing dated June 26, 2012 (the “2012 Deed of Trust”), granting a first lien of record on the sites of the Operations Center, Fire Station No. 8, Fire Station No. 9, the Masonboro Fire Station, the Seagate Fire Station, and the Command Center, as more particularly described in Exhibit A to the 2012 Deed of Trust, together with all improvements and fixtures located and

to be located thereon, subject only to certain permitted encumbrances as described in the Contract and the 2012 Deed of Trust, as extended by a Notice of Extension of Deed of Trust to Additional Property, dated as of June 1, 2015 (the “*First Extension*”), extending the lien created by the 2012 Deed of Trust to include the sites of the Cinema Drive and Shipyard Fire Stations, as more particularly described in Exhibit A to the First Extension, together with all improvements and fixtures located and to be located thereon, subject only to certain permitted encumbrances as described in the Contract and the 2012 Deed of Trust (as so extended), and as further extended by a Second Notice of Extension of Deed of Trust to Additional Property, dated as of May 1, 2020 (the “*Second Extension*”), extending the lien created by the 2012 Deed of Trust (as previously extended) to include the sites of the Public Safety Training Facility and Firing Range, as more particularly described in Exhibit A to the Second Extension, and as further extended by a Third Notice of Extension of Deed of Trust to Additional Property, dated as of May 1, 2023 (the “*Third Extension*”), extending the lien created by the 2012 Deed of Trust (as previously extended) to include the site of the Riverlights Fire Station, as more particularly described in Exhibit A to the Third Extension, as further extended by a Fourth Notice of Extension of Deed of Trust to Additional Property, dated as of July 14, 2023 (the “*Fourth Extension*”), extending the lien created by the 2012 Deed of Trust (as previously extended) to include the site of the Northern Downtown Campus, as more particularly described in Exhibit A to the Fourth Extension, as further modified by a Deed of Partial Release, dated as of April 2, 2024 (the “*Partial Release*” and together with the Fourth Extension, the Third Extension, the Second Extension, the First Extension and the 2012 Deed of Trust, the “*Deed of Trust*”), releasing the site of the Command Center from the lien created by the 2012 Deed of Trust, subject only to certain permitted encumbrances as described in the Contract and the Deed of Trust (the sites of the Operations Center, Fire Station No. 8, Fire Station No. 9, the Masonboro Fire Station, the Seagate Fire Station, the Cinema Drive Fire Station, the Shipyard Fire Stations, the Public Safety Training Facility and the Firing Range, the Riverlights Fire Station, and the Northern Downtown Campus, together with all improvements and fixtures located and to be located thereon being hereinafter referred to as the “*Premises*”). See “**SECURITY AND SOURCES OF PAYMENT FOR THE 2026 BONDS—Deed of Trust**” herein. The Deed of Trust authorizes future obligations under the Contract to be evidenced by Additional Bonds executed and delivered under the Indenture to be secured by the Deed of Trust, provided that the total amount of present and future obligations secured thereby at any one time does not exceed \$500,000,000 and such future obligations are incurred not later than thirty years from the date of the 2012 Deed of Trust. The 2026 Bonds will be secured by the Deed of Trust on a parity with the Parity Bonds and any Additional Bonds hereafter executed and delivered pursuant to the Indenture.

Pursuant to the Indenture, the Corporation has assigned to the Trustee for the benefit of the Owners of the Parity Bonds and the 2026 Bonds and any other Additional Bonds executed and delivered thereunder, (a) all rights, title and interest of the Corporation in the Contract (except for certain reserved rights), including its right to receive the Installment Payments thereunder, (b) all rights, title and interest of the Corporation in and to the Deed of Trust and the Premises, and (c) all money and securities from time to time held by the Trustee under the Indenture in any fund or account (except the Rebate Fund created thereunder). See “**SECURITY AND SOURCES OF PAYMENT FOR THE 2026 BONDS**” herein.

Details of the 2026 Bonds. The 2026 Bonds will be dated as of their date of delivery, and will mature, subject to the prepayment provisions described herein, on June 1 in the years and amounts set forth on the inside cover page hereof. Interest with respect to the 2026 Bonds will be payable on each June 1 and December 1, beginning December 1, 2026, at the rates set forth on the inside cover page hereof. Individual purchases of the 2026 Bonds will be made in denominations of \$5,000 or whole multiples thereof.

Book-Entry Only Form. The 2026 Bonds will initially be delivered as fully registered certificates in book-entry-only form without physical delivery of certificates to the Beneficial Owners (as defined in

Appendix E hereto) of the 2026 Bonds. The Trustee will make payments of principal and interest with respect to the 2026 Bonds to The Depository Trust Company, a New York corporation (“DTC”), which will in turn remit such payments to its participants for subsequent distribution to the Beneficial Owners of the 2026 Bonds. See Appendix E hereto for a more complete description of DTC and the book-entry-only system for the 2026 Bonds.

Tax Status. See “**TAX TREATMENT**” herein.

Continuing Disclosure. Pursuant to the Seventh Amendment, the City will undertake to provide continuing disclosure of certain annual financial information and operating data and certain material events. See “**CONTINUING DISCLOSURE**” herein.

Professionals. Raymond James & Associates, Inc., Richmond, Virginia (the “Underwriter”), is serving as underwriter of the 2026 Bonds. Parker Poe Adams & Bernstein LLP, Raleigh, North Carolina is serving as Bond Counsel. Pope Flynn, LLC, Charlotte, North Carolina, is serving as counsel to the Underwriter. Meredith T. Everhart, Esq., Wilmington, North Carolina, is the City Attorney. J. Alan Campbell Law, Hillsborough, North Carolina, is serving as counsel to the Corporation. Waters and Company, LLC, Birmingham, Alabama, is serving as financial advisor to the City.

Definitions; Document Summaries. See Appendix C hereto for a summary of certain provisions of the Contract, the Indenture and the Deed of Trust and for the definition of certain capitalized terms used herein. Unless otherwise indicated, capitalized terms used herein and not otherwise defined have the meanings given such terms in the Contract and the Indenture.

Additional Information; Copies of Documents. During the initial offering period, the Underwriter will provide to potential investors copies in reasonable quantity of the Contract, the Indenture and the Deed of Trust and will answer questions relating to this Official Statement (or will direct inquiries to the appropriate persons). After the initial offering period, copies in reasonable quantity of the applicable documents can be obtained at the designated corporate trust office of the Trustee.

## **THE 2026 BONDS**

### **General**

The 2026 Bonds will be dated as of their date of delivery, and will mature, subject to prior prepayment as described below, on June 1 in the years and amounts set forth on the inside cover page hereof. Interest with respect to the 2026 Bonds will be payable on each June 1 and December, beginning December 1, 2026, at the rates set forth on the inside cover page hereof. The record date for the payment of principal and interest with respect to the 2026 Bonds shall be the 15<sup>th</sup> day of the month next preceding an Interest Payment Date or Maturity Date.

The 2026 Bonds will be delivered as fully registered certificates in book-entry-only form without physical delivery of certificates to the Beneficial Owners of the 2026 Bonds and will be subject to the provisions of the book-entry only system described below. Individual purchases of the 2026 Bonds will be made only in denominations of \$5,000 or whole multiples thereof. The Trustee will make payments of principal and interest with respect to the 2026 Bonds to DTC, which will in turn remit such payments to its participants for subsequent distribution to the Beneficial Owners of the 2026 Bonds. See Appendix E hereto for a further description of DTC and the book-entry only system for the 2026 Bonds.

## **Prepayment Provisions**

### Optional Prepayment.

*2026 Bonds.* The 2026 Bonds maturing on or before June 1, 20\_\_ are not subject to optional prepayment prior to maturity. The 2026 Bonds maturing on or after June 1, 20\_\_, are subject to optional prepayment in whole or in part on any date on or after June 1, 20\_\_, at the option of the City, at the prepayment price equal to 100% of the principal amount of such 2026 Bonds to be prepaid, together with accrued interest to the date fixed for prepayment, all in the manner provided in the Indenture.

General Prepayment Provisions. In the case of any partial prepayment of 2026 Bonds, the City will select the maturity or maturities of the 2026 Bonds to be prepaid and DTC will select the 2026 Bonds within the same maturity pursuant to its rules and procedures or, if the book-entry system with DTC or any other securities depository has been discontinued, the Trustee will select the 2026 Bonds to be prepaid by lot in such manner as the Trustee in its sole discretion may deem appropriate. For this purpose, each authorized denomination of principal amount represented by any 2026 Bond will be considered a separate 2026 Bond for purposes of selecting the 2026 Bonds to be prepaid.

Notice of prepayment identifying the 2026 Bonds or portions thereof to be prepaid shall be given by the Trustee in writing not less than 30 days nor more than 60 days before the date fixed for prepayment by first-class mail, postage prepaid (registered or certified mail or otherwise in accordance with DTC's then-existing rules and procedures in the case of notice to DTC) (a) to DTC or its nominee or to the then-existing securities depositories, or (b) if DTC or its nominee or another securities depository is no longer the Owner of the 2026 Bonds to be prepaid, to the then-registered Owners of the 2026 Bonds at their addresses appearing on the registration books maintained by the Trustee, (c) to the LGC, and (d) to the Municipal Securities Rulemaking Board (the "MSRB") in an electronic format as prescribed by the MSRB. Notwithstanding the foregoing, (i) if notice is properly given, the failure to receive an appropriate notice shall not affect the validity of the proceedings for such prepayment, (ii) the failure to give any such notice or any defect therein shall not affect the validity of the proceedings for prepayment of the 2026 Bonds or portions thereof with respect to which notice was correctly given and (iii) the failure to give any such notice to the LGC or the MSRB or any defect therein shall not affect the validity of any proceedings for prepayment of the 2026 Bonds.

The prepayment notice may state (1) that it is conditioned upon the deposit of money with the Trustee on the prepayment date at the time and in an amount equal to the amount necessary to effect the prepayment and such notice will be of no effect unless such money is so deposited, and (2) that the City retains the right to rescind the prepayment notice on or prior to the scheduled prepayment date, and such notice and optional prepayment shall be of no effect if such money is not so deposited or if the notice is rescinded as described in the Fifth Supplement.

On or before the date fixed for prepayment, funds will be deposited with the Trustee to pay the 2026 Bonds or portions thereof called for prepayment, together with accrued interest to the prepayment date and any required prepayment premium. Upon the giving of notice and the deposit of such funds for prepayment pursuant to the Indenture (which may be less than the full principal amount of the Outstanding 2026 Bonds and accrued interest thereon to the prepayment date), interest with respect to the 2026 Bonds or portions thereof so called for prepayment will no longer accrue after the date fixed for prepayment.

The 2026 Bonds or portions thereof called for prepayment will be due and payable on the prepayment date at the prepayment price, together with accrued interest thereon to the prepayment date. If the required notice of prepayment has been given and money sufficient to pay the prepayment price,

together with accrued interest thereon to the prepayment date, have been deposited with the Trustee, the 2026 Bonds or portions thereof so called for prepayment will cease to be entitled to any benefit or security under the Indenture, and the Owners of such 2026 Bonds will have no rights in respect of such 2026 Bonds or portions thereof so called for prepayment except to receive payment of the prepayment price and accrued interest to the prepayment date from such funds held by the Trustee.

Any prepayment of 2026 Bonds or portions thereof may be rescinded in whole or in part at any time prior to the prepayment date if the City delivers written notice to the Trustee instructing the Trustee to rescind the prepayment notice. The Trustee shall give prompt notice of such rescission to the affected Owners of the 2026 Bonds. Any 2026 Bonds where prepayment has been rescinded shall remain Outstanding, and the rescission shall not constitute an Event of Default. Further, the failure of the Corporation or City to make funds available in part or in whole on or before the prepayment date shall not constitute an Event of Default, and the Trustee shall give immediate notice to the affected Owners of the 2026 Bonds that the prepayment did not occur and that the 2026 Bonds called for prepayment and not so paid remain Outstanding.

Upon surrender and cancellation of any 2026 Bonds called for prepayment in part only, a new 2026 Bonds of the same series, maturity and interest rate and of authorized denominations, in an aggregate principal amount equal to the unprepaid portion thereof, will be executed on behalf of the Corporation and authenticated and delivered by the Trustee.

If an Event of Default has occurred and is continuing under the Indenture, there will be no prepayment of less than all of the Bonds Outstanding.

## **SECURITY AND SOURCES OF PAYMENT FOR THE 2026 BONDS**

The 2026 Bonds, together with all other outstanding Bonds under the Indenture, including the Parity Bonds and any Additional Bonds hereafter executed and delivered pursuant to the Indenture, evidence proportionate undivided interests in the rights to receive certain Revenues pursuant to the Contract. Revenues are defined to include (a) all Net Proceeds not applied to the replacement of the Premises; (b) all Installment Payments made under the Contract; and (c) all investment income on all funds and accounts created under the Indenture (other than the Rebate Fund created thereunder). Notwithstanding the foregoing, the Owner of each 2026 Bond is not entitled to receive more than the amount of principal, premium, if any, and interest with respect to such 2026 Bond.

### **Installment Payments and Additional Payments**

Under the Contract, the City is required to make the Installment Payments directly to the Trustee in amounts sufficient to provide for the payment of the principal (whether at maturity, by prepayment or otherwise), premium, if any, and interest on, or with respect to, as applicable, the Bonds, as the same become due and payable.

The City is also obligated under the Contract to pay as Additional Payments to such persons as are entitled thereto, the reasonable and customary expenses and fees of the Trustee and the Corporation, any expenses of the Corporation in defending an action or proceeding in connection with the Contract or Indenture and any taxes or any other expenses, including, but not limited to, licenses, permits, state and local income, sales and use or ownership taxes or property taxes which the City or the Corporation is expressly required to pay as a result of the Contract (together with interest that may accrue thereon in the event that the City fails to pay the same).

## Budget and Appropriation

Pursuant to the Contract, the City shall (a) cause its budget officer (as statutorily defined) to include the Installment Payments and the reasonably estimated Additional Payments coming due in each Fiscal Year under the Contract in the corresponding annual budget request, (b) require that the deletion of such funds from the City’s final budget or any amended budget be made only pursuant to an express resolution of the City Council of the City (the “*City Council*”) which explains the reason for such action and (c) deliver notice to the Trustee, S&P, Moody’s and the LGC within five days after the adoption by the City Council of the resolution described in clause (b) above. Nothing contained in this paragraph, however, obligates the City to appropriate moneys contained in the proposed budget for the payment of the Installment Payments or the reasonably estimated Additional Payments coming due under the Contract.

In connection with the Installment Payments and the Additional Payments, the appropriation of funds therefor is within the sole discretion of the City Council.

## Deed of Trust

The obligations of the City under the Contract are secured by the Deed of Trust, granting a first lien of record on the Premises to the deed of trust trustee named therein for the benefit of the Corporation or its assignee, subject only to certain permitted encumbrances as set forth in the Contract and the Deed of Trust. The Deed of Trust authorizes future obligations evidenced by Additional Bonds executed and delivered under the Indenture to be secured by the Deed of Trust, provided that the total amount of present and future obligations secured thereby at any one time does not exceed \$500,000,000 and such future obligations are incurred not later than 30 years from the date of the 2012 Deed of Trust.

The Premises consist of the sites of the Operations Center, Fire Station No. 8, Fire Station No. 9, the Masonboro Fire Station, the Seagate Fire Station, the Cinema Drive and Shipyard Fire Stations, the Public Safety Training Facility and Firing Range, the Riverlights Fire Station, and the Northern Downtown Campus, together with all improvements and fixtures located and to be located thereon, subject only to certain permitted encumbrances as described in the Contract and the Deed of Trust. On its statement of values for insurance purposes, the City provides the following values for the respective sites currently constituting the Premises, and the improvements and fixtures located thereon (such values reflect the insured value for Fiscal Year 2026 (as of July 1, 2025): **[To be updated by City]**

Operations Center	\$ 22,858,932
Fire Station 8	1,589,523
Fire Station 9	1,589,523
Masonboro Fire Station	3,653,880
Seagate Fire Station	3,685,155
Cinema Drive Fire Station	4,526,589
Shipyard Fire Station	4,302,086
Public Safety Training Facility and Firing Range	11,690,470
Riverlights Fire Station	<b>8,300,000</b>
Northern Downtown Campus	<b>109,841,200</b>
Total	<b>\$172,037,358</b>

The City’s police Command Center, located on South College Road in the City, was previously included among the sites constituting the Premises, but was released from the lien created by the Deed of Trust on April 2, 2024 in accordance with the Partial Release and the terms and conditions with respect to the release of a portion of the Premises set forth in the Deed of Trust (as more fully described under “—

*Release of Premises*” below). The 2012 Deed of Trust, the First Extension, the Second Extension, the Third Extension, the Fourth Extension and the Partial Release have been recorded in the office of the Register of Deeds of New Hanover County, North Carolina (the “*County*”). Certain of the liens created by the Deed of Trust are currently insured by a title insurance policy issued by Old Republic National Title Insurance Company (the “*Original 2012 Title Insurance Policy*”) with respect to the Operations Center, Fire Station No. 8, Fire Station No. 9, the Masonboro Fire Station, and the Seagate Fire Station. The lien on the Cinema Drive and Shipyard Fire Stations is insured by the Original 2012 Title Insurance Policy pursuant to an endorsement thereto. The lien on the Public Safety Training Facility and Firing Range is insured by a separate title insurance policy issued by Old Republic National Title Insurance Company and obtained in connection with the execution and delivery of the 2020B Bonds and the execution of the Second Extension of 2012 Deed of Trust. The lien on the Riverlights Fire Station is insured by a separate title insurance policy issued by Chicago Title Insurance Company and obtained in connection with the execution and delivery of the 2023A Bonds and the execution of the Third Extension. The lien on the Northern Downtown Campus is insured by a separate title insurance policy issued by Chicago Title Insurance Company and obtained in connection with the execution and delivery of the 2023B Bond, the 2023C Bonds and the 2023D Bonds and the execution of the Fourth Extension.

*Release of the Premises.* Upon the terms and conditions set forth in the Deed of Trust and so long as there is no event of default under the Deed of Trust, the Trustee may consent to the release of the Premises, or any part thereof secured thereby from the lien created by the Deed of Trust when and if the following requirements have been fulfilled:

(a) in connection with any release of the Premises or any part thereof, there is filed with the Trustee a certified copy of the resolution of the City Council stating the purpose for which the City desires such release, giving an adequate legal description of the part of the Premises to be released, requesting such release and providing for payment by the City of all expenses in connection with such release;

(b) in connection with the release of any part of the Premises constituting less than the entire Premises, either (i) the tax, insured or appraised value of the Premises remaining after the proposed release is not less than 50% of the aggregate principal components of the Installment Payments then Outstanding under the Indenture, or (ii) the City (A) provides for the substitution of other real property therefor and the tax, insured or appraised value of the Premises remaining after the proposed substitution is not less than the value of the Premises (as determined above) immediately before the proposed substitution, (B) delivers to the Trustee and the Corporation an opinion of bond counsel to the effect that the substitution (1) is permitted by law and under the Deed of Trust and (2) will not adversely affect the tax treatment of the Bonds, and (C) records a modification to the Deed of Trust reflecting such substitution of the Premises;

(c) in connection with the release of any part of the Premises constituting less than the entire Premises, such release shall not prohibit the City’s ingress, egress and regress to and from the remainder of the Premises not being released, or materially interfere with the use of the remainder of the Premises not being released; and

(d) in connection with the release of the entire Premises, there is paid to the Trustee an amount sufficient to provide for the payment in full of all of the appropriate Bonds then Outstanding under the Indenture.

*Grant and Release of Easements.* At any time so long as there is no event of default under the Deed of Trust, with the consent of the Trustee, the City may at any time or times grant easements, licenses, rights of way and other rights and privileges in the nature of easements with respect to any part

of the Premises and the City may release existing interests, easements, licenses, rights of way and other rights or privileges with or without consideration. The Corporation agrees that it will execute and deliver and will cause, request or direct the Trustee to execute and deliver any instrument reasonably necessary or appropriate to grant or release any such interest, easement, license, right of way or other right or privilege but only upon receipt of (a) a copy of the instrument of grant or release, (b) a written request of the City requesting such instrument and (c) a certificate executed by the City that the grant or release is not detrimental to the proper conduct of the operations of the City at the Premises and will not impair the effective use, nor decrease the value, of the Premises.

*Release of Fixtures.* At any time so long as there is no event of default under the Deed of Trust, with the consent of the Trustee, the City may at any time or times release Fixtures (as defined in the Deed of Trust) to be added to the Premises from the security interest created by the Deed of Trust with or without consideration. The Corporation agrees that it shall execute and deliver and will cause, request or direct the Trustee to execute and deliver any instrument reasonably necessary or appropriate to release any such Fixture but only upon receipt of (a) a copy of the instrument of release, (b) a written request of the City requesting such instrument and (c) a certificate executed by the City that the release is not detrimental to the proper conduct of the operations of the City at the Premises and will not materially impair the effective use, nor materially decrease the value, of the Premises.

### **Indenture**

Pursuant to the Indenture, the Corporation has assigned to the Trustee for the benefit of the Owners of the Parity Bonds, the 2026 Bonds and any Additional Bonds executed and delivered under the Indenture (a) all rights, title and interest of the Corporation in the Contract (except for certain indemnification rights, notice rights and the right to Additional Payments payable to the Corporation), including its rights to receive the Installment Payments thereunder, (b) all rights, title and interest of the Corporation in the Deed of Trust and the Premises and (c) all moneys and securities from time to time held by the Trustee under the Indenture in any fund or account (except the Rebate Fund created thereunder).

### **Enforceability**

NEITHER THE CONTRACT NOR THE 2026 BONDS CONSTITUTE A PLEDGE OF THE FAITH AND CREDIT OF THE CITY WITHIN THE MEANING OF ANY CONSTITUTIONAL DEBT LIMITATION. NO DEFICIENCY JUDGMENT MAY BE RENDERED AGAINST THE CITY IN ANY ACTION FOR BREACH OF ANY CONTRACTUAL OBLIGATION UNDER THE CONTRACT, AND THE TAXING POWER OF THE CITY IS NOT PLEDGED DIRECTLY OR INDIRECTLY TO SECURE ANY MONEYS DUE THE OWNERS OF THE 2026 BONDS PURSUANT TO THE CONTRACT.

THE REMEDIES AFFORDED TO THE TRUSTEE AND THE OWNERS OF THE 2026 BONDS UPON A DEFAULT BY THE CITY UNDER THE CONTRACT ARE LIMITED TO THOSE SPECIFIED IN THE CONTRACT AND THE INDENTURE, INCLUDING EXERCISING THE RIGHTS OF THE BENEFICIARY UNDER THE DEED OF TRUST AND THE RIGHTS OF THE TRUSTEE IN THE FUNDS AND ACCOUNTS HELD UNDER THE INDENTURE.

The 2026 Bonds will not constitute a debt or general obligation of the Corporation and will not give the Owners of the 2026 Bonds any recourse to the assets of the Corporation, but will be payable solely from amounts payable by the City under the Contract, from amounts realized from the foreclosure and sale of the Premises pursuant to the Deed of Trust and from amounts held in certain funds and accounts under the Indenture for such purpose.

The Indenture, the Contract and the Deed of Trust are subject to bankruptcy, insolvency, fraudulent conveyance and other related laws affecting the enforcement of creditors' rights generally and, to the extent that certain remedies under such instruments require, or may require, enforcement by a court, to such principles of equity as the court having jurisdiction may impose.

See "**THE CONTRACT – Remedies on Default**" in Appendix C hereto for a more complete description of the rights and powers of the Trustee upon the occurrence of an event of default under the Contract.

### **Additional Bonds**

Under the conditions described in the Indenture and so long as no Event of Default has occurred and is continuing under the Indenture, the Corporation may execute and deliver Additional Bonds under the Indenture without the consent of the Owners of the Parity Bonds, the 2026 Bonds or any other Additional Bonds then Outstanding under the Indenture to provide funds to pay (a) the cost of acquiring, constructing, renovating and equipping other facilities or acquiring facilities, equipment and other capital assets for utilization by the City for public purposes; (b) the cost of refunding of all or any portion of the Bonds then Outstanding or any other installment financing obligations of the City; (c) costs of funding a reserve fund for any series of the Bonds for which one may be required; and (d) the Costs of Issuance relating to the execution, delivery and sale of the Additional Bonds.

Upon their execution and delivery, the 2026 Bonds will be payable on a parity with the Parity Bonds and any other Additional Bonds hereafter executed and delivered pursuant to the Indenture. The Installment Payments made under the Contract will be deposited as received by the Trustee in the Bond Fund held by the Trustee under the Indenture. Money in the Bond Fund will be withdrawn and used to pay the principal and interest with respect to the Parity Bonds, the 2026 Bonds or any other Additional Bonds then Outstanding under the Indenture as the same become due and payable. If on any date the moneys on deposit in the Bond Fund are insufficient to pay all of the principal and interest with respect to the Bonds which are due and payable on such date, such money will be used to pay such principal and interest with respect to such Bonds entitled to receive principal or interest on such date in the manner provided in the Indenture. See "**THE INDENTURE – Application of Money**" in Appendix C hereto.

### **THE CORPORATION**

The Corporation was incorporated as a nonprofit corporation under the nonprofit corporation laws of the State of North Carolina on September 24, 1997. The Corporation's purpose, as stated in its Articles of Incorporation, includes promoting the general welfare of the citizens of the City by assisting the City in carrying out its municipal and governmental functions through the acquisition, construction and operation, sale or lease of real estate and improvements, facilities and equipment for the use and benefit of the general public.

The Corporation's Articles of Incorporation require a Board of Directors consisting of not less than three, nor more than seven persons. Directors serve for one year terms and are elected, appointed or designated by the Board of Directors. The current Board of Directors and officers of the Corporation are as follows:

Clayton Roberts	Director/President
Laura Mortell	Director/Vice President
Michelle Barber	Director/Secretary/Treasurer

The Corporation's officers and directors serve without compensation. The Corporation has no employees or assets.

The Corporation's role in the financing described in this Official Statement will be limited. The Corporation's officers, directors and counsel will have the opportunity to review this Official Statement and the principal financing documents and to assist in their preparation.

The Corporation has previously executed and delivered the 2012 Indenture, the First Supplement, the Second Supplement, the Third Supplement, the Fourth Supplement, the Fifth Supplement, the Sixth Supplement, the 2012 Contract, the First Amendment, the Second Amendment, the Third Amendment, the Fourth Amendment, the Fifth Amendment and the Sixth Amendment. The Corporation will deliver this Official Statement and will execute and deliver the Seventh Amendment and the Seventh Supplement. Counsel to the Corporation will deliver certain legal opinions in connection with the transaction. The Corporation and the City expect, however, that the Corporation will have no continuing responsibilities or involvement with respect to the Premises or any of the capital projects previously financed or refinanced with the proceeds of the 2012 Bonds, the Parity Bonds or the 2026 Bonds or with respect to monitoring compliance with the terms of the Contract, the Deed of Trust or the Indenture.

## **PLAN OF FINANCING**

### **The 2026 Project**

A portion of the proceeds of the 2026 Bonds will be used, together with other available funds, to defray the costs of financing the acquisition of the 2026 Project, as described below.

#### ***Park Maintenance Facility***

The City's existing Park Maintenance Facility will be relocated to the corner of 111 Melton Road and River Road on which site the City will construct (a) an approximately 15,778 square-foot administration building containing office and workshop space for approximately 60 employees, and (b) a vehicle storage shed, a potting shed, and a greenhouse comprising an additional approximately 12,076 square feet.

#### ***Motorola 800MHz Radios***

This part of the 2026 Project includes a portion of the cost of the purchase by the City of new 800MHz radios for the police, fire, public works, and traffic engineering departments of the City to replace aging and obsolete radios currently or previously in use.

#### ***Street, Sidewalk, Accessibility, and Streetscape Improvements***

*Streets.* This portion of the 2026 Project includes various roadway maintenance and repair services, including, among other maintenance and repair services, milling, resurfacing, grading and compacting, ADA curb ramp upgrades, sidewalk repairs, curb and gutter repairs, stormwater repairs, traffic control measures, erosion control, pavement markings, utility adjustments and fine grading on various roadways.

*Sidewalks and Accessibility.* This portion of the 2026 Project consists of repairing and mitigating hazardous and non-compliant sidewalks and ramps within the City sidewalk network to improve pedestrian access, safety, and mobility throughout the City pedestrian network. This portion of the 2026

Project also addresses citizen concerns regarding missing or damaged ramps and dangerous tripping hazards, including ADA access compliance.

*Streetscapes.* This portion of the 2026 Project includes pavement repair, milling of existing asphalt pavement, adjustment of existing utility castings, resurfacing, and installation of thermoplastic markings, as well as other items needed per location, for various residential park areas.

***Water Street Park Improvements.***

The City will renovate the old riverfront park space along Water Street in front of the Federal Building between Market and Princess Streets. Improvements will include creation of an event plaza, new benches and stools, decorative lights and riverwalk handrails, new hardscaping and landscaping and new streetscaping along the road.

**Refunding of Refunded Bonds\***

A portion of the proceeds of the 2026 Bonds will be used to refinance the City's installment payment obligations related to (i) the Corporation's Limited Obligation Bonds, Series 2015A (the "2015A Bonds"), maturing on and after June 1, 20[27] (the "Refunded 2015A Bonds"), and (ii) the Corporation's Limited Obligation Refunding Bonds, Series 2016 (the "2016 Bonds"), maturing on and after June 1, 20[28] through June 1, 20[35] (the "Refunded 2016 Bonds", and together with the Refunded 2015A Bonds the "Refunded Bonds"). [The 2015A Bond maturing on June 1, 2026 is not included in the Refunded Bonds and will remain outstanding as of the date of delivery of the 2026 Bonds until payment of such 2015A Bond on its maturity date. The 2016 Bonds maturing on [June 1, 2026 through 2027 and on June 1, 2036 through 2038] are not included in the Refunded Bonds and will remain outstanding as of the date of delivery of the 2026 Bonds until payment of such 2016 Bonds on their respective maturity dates.]

The Refunded 2015A Bonds were executed and delivered pursuant to the 2012 Indenture. The 2012 Indenture provides that the Refunded 2015A Bonds are subject to optional prepayment on or after June 1, 2025, without premium. The Refunded 2016 Bonds were executed and delivered under an Indenture of Trust dated as of June 1, 2005, between the Corporation and Wachovia Bank, National Association, the successor to which is the Trustee (as supplemented, the "Refunded 2016 Bonds Indenture"). The Refunded 2016 Bonds Indenture provides that the Refunded 2016 Bonds are subject to optional prepayment on or after June 1, 2026, without premium.

The proceeds of the 2026 Bonds to be used to refund the Refunded 2015A Bonds and the Refunded 2016 Bonds will be deposited, together with other available funds, into the Prepayment Funds established under the 2012 Indenture and the 2016 Refunded Bonds Indenture, respectively, and such funds will be used to refund the Refunded Bonds on or about June 22, 2026 pursuant to a notice of prepayment to be given on or about the date of delivery of the 2026 Bonds.

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\* Preliminary, subject to change.

## ESTIMATED SOURCES AND USES OF FUNDS

The City estimates the sources and uses of funds for the plan of financing described herein to be as follows:

	<u>2026 Bonds</u>
<u>Sources:</u>	
Par Amount of 2026 Bonds	\$
[Net] Original Issue [Premium / Discount]	
City Contribution	
Total	<u>\$</u>
<u>Uses:</u>	
2026 Project Costs	\$
Prepayment of Refunded Bonds	
Costs of Issuance <sup>1</sup>	
Total	<u>\$</u>

<sup>1</sup> Includes legal fees, Underwriter's discount, rating agency fees, fees and expenses of the Trustee, fees and expenses of the financial advisor to the City and miscellaneous fees and expenses.

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## ANNUAL INSTALLMENT PAYMENT REQUIREMENTS

The following table sets forth for each Fiscal Year ending June 30, the amount of principal and interest required to be paid under the Contract with respect to the Parity Bonds and the 2026 Bonds.

Fiscal Year Ending <u>June 30</u>	Principal and Interest with respect to <u>the Parity Bonds</u> <sup>1,2</sup>	<u>2026 Bonds</u>		<u>Total</u> <sup>3</sup>
		<u>Principal</u>	<u>Interest</u>	
2026	\$8,590,468			
2027	14,182,440			
2028	10,426,811			
2029	9,006,489			
2030	8,769,061			
2031	8,136,387			
2032	11,252,045			
2033	9,606,387			
2034	9,297,729			
2035	8,608,900			
2036	8,321,800			
2037	8,029,700			
2038	7,742,800			
2039	7,455,900			
2040	7,164,000			
2041	6,407,350			
2042	5,769,500			
2043	5,507,875			
2044	4,051,375			
2045	-			
2046	-			
Total <sup>2</sup>	\$158,327,017			

<sup>1</sup> Includes principal and interest. Does not include principal and interest on the Refunded 2015A Bonds.

<sup>2</sup> Interest on the 2023B Bond is calculated at an assumed interest rate of 6.0%.

<sup>3</sup> Totals may not foot due to rounding.

## AVAILABLE SOURCES FOR PAYMENT OF INSTALLMENT PAYMENTS

### General

The City may make its Installment Payments under the Contract from any source of funds legally available to it in each Fiscal Year and appropriated therefor.

### General Fund Revenues

The City's general fund revenues (excluding fund balance appropriations and internal transfers) for the Fiscal Year ended June 30, 2025 were \$152,400,765. The adopted budget for the City's general fund revenues for the Fiscal Year ending June 30, 2026 was \$153,870,784. For the Fiscal Year ending June 30, 2026, the City imposed an ad valorem tax of \$.2825 per \$100 assessed value. The adopted budget dedicates \$.0577 of such \$.2825 to support the City's capital improvements program ("CIP"), which funds 80% debt service and 20% pay-as-you-go for certain tax-supported projects in the CIP. For the Fiscal Year ending June 30, 2026, \$0.01 per \$100 of assessed value is expected to generate approximately \$3,515,464 (including motor vehicles). The General Statutes of North Carolina permit cities to impose ad valorem taxes of up to \$1.50 per \$100 assessed value for certain purposes without the requirement of voter approval. See Appendix B hereto for a detailed description of the sources and uses of the City's general fund revenues for the Fiscal Year ended June 30, 2025.

## CERTAIN RISKS OF 2026 BOND OWNERS

### Limited Obligation of the City; Value of Collateral

If the Installment Payments to be made by the City are insufficient to pay the principal and interest with respect to the 2026 Bonds, the Parity Bonds, or any Additional Bonds under the Indenture, as the same become due or, if any other event of default occurs under the Contract, the Trustee may accelerate the 2026 Bonds and all unpaid principal amounts due by the City under the Contract, foreclose on the Premises pursuant to the Deed of Trust and attempt to dispose of all or part of such property. See "THE CONTRACT – Remedies on Default" in Appendix C hereto.

SECTION 160A-20 OF THE GENERAL STATUTES OF NORTH CAROLINA PROVIDES THAT NO DEFICIENCY JUDGMENT MAY BE RENDERED AGAINST THE CITY IN ANY ACTION FOR ANY BREACH OF THE CONTRACT, AND THAT THE TAXING POWER OF THE CITY IS NOT AND MAY NOT BE PLEDGED DIRECTLY OR INDIRECTLY OR CONTINGENTLY TO SECURE ANY MONEY DUE UNDER THE CONTRACT. THE REMEDIES AFFORDED TO THE TRUSTEE AND THE OWNERS OF THE 2026 BONDS UPON A DEFAULT BY THE CITY UNDER THE CONTRACT ARE LIMITED TO THOSE OF A SECURED PARTY UNDER THE LAWS OF THE STATE, INCLUDING FORECLOSING ON THE PREMISES. THERE CAN BE NO ASSURANCE THAT THE MONEY AVAILABLE IN THE FUNDS AND ACCOUNTS HELD BY THE TRUSTEE AND THE PROCEEDS OF ANY SUCH FORECLOSURE WILL BE SUFFICIENT TO PROVIDE FOR THE PAYMENT OF THE PRINCIPAL AND INTEREST WITH RESPECT TO THE 2026 BONDS.

The appropriation of money to make the Installment Payments under the Contract is within the sole discretion of the City. If the City fails to appropriate such money, the only sources of payment for the 2026 Bonds will be the money, if any, available in the respective funds and accounts held by the Trustee under the Indenture and the proceeds of any attempted foreclosure. The amount of such proceeds may be adversely affected by (a) the costs and expenses in enforcing the lien on and security interest in the Premises, (b) the condition of the Premises, and (c) the occurrence of any damage, destruction, loss or

theft of the Premises which is not repaired or replaced and for which there are not received or appropriated money from insurance policies or any risk management program.

### **Uninsured or Underinsured Casualty**

If all or any part of the Premises is partially or totally damaged or destroyed by any casualty or is wholly or partially taken pursuant to eminent domain proceedings, the City is required under the Contract to apply any Net Proceeds from insurance or condemnation to repair, restore or rebuild the Premises. If the Net Proceeds are insufficient to fully repair or replace the Premises, the City is not obligated to provide other available funds for such purposes. In such event, the value of the Premises may be reduced by the condition thereof. The Contract requires the City to maintain certain insurance with respect to the Premises, but such insurance may not cover all perils to which the Premises are subject or provide sufficient Net Proceeds to fully repair or replace the Premises. See “**THE CONTRACT – Damage, Destruction or Condemnation; Use of Net Proceeds**” in Appendix C hereto.

### **Bankruptcy**

Chapter 9 of the Title 11 of the United States Code (as amended, the “*Bankruptcy Code*”) provides a process for a political subdivision of a state to voluntarily adjust its debts. An involuntary bankruptcy case may not be commenced against a political subdivision under Chapter 9. Section 109(c) of the Bankruptcy Code sets forth certain conditions that must be met for an entity to be a debtor under Chapter 9, including that the entity is specifically authorized to be a debtor under Chapter 9 by state law (or by a governmental officer or organization empowered by state law to authorize the entity to be a debtor under Chapter 9). Section 23-48 of the North Carolina General Statutes (the “*NC Authorizing Statute*”) authorizes any county or city in the State to file a Chapter 9 bankruptcy case, but only with the approval of the LGC. While the 2026 Bonds are outstanding, the provisions of the Bankruptcy Code and applicable North Carolina law, including the North Carolina Authorizing Statute, may be amended, supplemented or repealed; therefore, it is not possible to predict whether and under what conditions the City may be authorized to become a debtor in a bankruptcy case and how any such bankruptcy case might affect holders of the 2026 Bonds in the future.

If the City were to initiate bankruptcy proceedings under Chapter 9 with the consent of the LGC, the bankruptcy proceedings could have material and adverse effects on holders of the 2026 Bonds, including (1) the application of the automatic stay provisions of the Bankruptcy Code, which, until relief is granted, would prevent collection of payments from the City or the commencement of any judicial or other action for the purpose of recovering or collecting a claim against the City; (2) the incurrence of additional debt, including the claims of those supplying good and services to the City after the initiation of bankruptcy proceedings and the expenses of administering the bankruptcy case, which may have a priority of payment superior to that of the bondholders; and (3) the possibility of the adoption of a plan for the adjustment of the City’s debt without the consent of all of the Owners of the 2026 Bonds, which plan may restructure, delay, compromise or reduce the amount of the claim of the Owners of the 2026 Bonds. In addition, the Bankruptcy Code might invalidate any provision of the documents that makes the bankruptcy or insolvency of the City an event of default.

The effect of the Bankruptcy Code on the rights and remedies of the Owners of the 2026 Bonds cannot be predicted with certainty and may be affected significantly by judicial interpretation, general principles of equity and considerations of public policy.

Regardless of any specific adverse determinations in a bankruptcy case of the City, the fact of such a bankruptcy case could have an adverse effect on the liquidity and value of the 2026 Bonds.

## **Environmental Risks**

Except as set forth below, there are currently no known environmental risks associated with the Premises.

*Northern Downtown Campus.* In connection with its acquisition of the Northern Downtown Campus, the City engaged a consultant to perform a Phase I Environmental Site Assessment (the “*Phase I*”) with respect to the two parcels of land constituting the Northern Downtown Campus and two related development tracts (collectively, the “*2023BCD Project*”). As only the site of the Northern Downtown Campus (which constitutes the site of the Office Tower and the site of the Parking Deck) is pledged as collateral under the Deed of Trust, only the portion of the Phase I that addressed the Northern Downtown Campus is described herein.

The site of the Office Tower is subject to an existing Brownfields Agreement (“*BFA*”) put in place in 2005 between the current owner of the site and the North Carolina Department of Natural Resources. The City assumed all rights and responsibilities under the BFA in connection with its acquisition of the 2023BCD Project. Among other things, the Brownfields Agreement places certain restrictions on the use of the Office Tower site; specifically those restrictions include (1) prohibitions on the use of surface water or underground water at the site, removal or use of groundwater from the site, exposure of soils at or under the site or disturbance of soils, landscaping and contours at the site without prior approval and/or sampling and analysis by DENR; (2) prohibitions on mining on the site; (3) restrictions on below grade construction on the site; (4) limitations on what may be stored on the site; (5) prohibitions against use of the site as a playground, daycare, or school without the prior approval of DENR; (6) prohibitions on use of the site for kennels or private animal pens or for agricultural, grazing, or timber purposes; and (7) prohibitions on use of the site as a park or for sports of any kind. Since 2005, the Office Tower site has been used for permitted commercial purposes, including office space and retail establishments. The City’s use of the site as an office complex is also a permitted purpose under the BFA.

Although the Phase I indicated that prior environmental site assessments were performed on the site of the Parking Deck, no significant impacts to groundwater or soil were identified with respect to that site and no further investigation or action was recommended at the time of such assessments.

*Public Safety Training Facility and Firing Range.* The Public Safety Training Facility and Firing Range (the “*Public Safety Training Facility*”) was financed in part with proceeds of the 2020B Bonds and constitutes a portion of the Premises. Prior to construction of the Public Safety Training Facility, high levels of lead were identified, and the Public Safety Training Facility was constructed to mitigate such environmental concerns that could potentially pose health risks to trainees and instructors. This was accomplished by using concrete construction that makes the building maintainable and safe. During the use of the Public Safety Training Facility and the firing range, which is part of the Public Safety Training Facility, the lead issue continues to be mitigated through deep cleaning performed weekly (or more often when necessary) utilizing HEPA vacuums and attachments.

## **Cybersecurity**

The City, like many other large public and private entities, relies on a large and complex technology environment to conduct its operations and faces multiple cybersecurity threats involving, but not limited to, hacking, phishing viruses, malware and other attacks on its computing and other digital networks and systems (collectively, “*Systems Technology*”). As a recipient and provider of personal, private, or sensitive information, the City may be the target of cybersecurity incidents that could result in

adverse consequences to the City and its Systems Technology, requiring a response action to mitigate the consequences.

Cybersecurity incidents could result from unintentional events, or from deliberate attacks by unauthorized entities or individuals attempting to gain access to the City's Systems Technology for the purposes of misappropriating assets or information or causing operational disruption and damage. To mitigate the risk of business operations impact and/or damage from cybersecurity incidents or cyber-attacks, the City invests in multiple forms of cybersecurity and operational safeguards.

While the City's cybersecurity and operational safeguards are periodically tested, the City cannot give any assurances that such measures will ensure against other cybersecurity threats and attacks. Cybersecurity breaches could cause material disruption to the City's finances or operations. The costs of remedying any such damage or obtaining insurance related thereto or protecting against future attacks could be substantial and insurance may not be adequate to cover such losses or other consequential City costs and expenses. Further, cybersecurity breaches could expose the City to material litigation and other legal risks, which could cause the City to incur material costs related to such legal claims or proceedings.

### **Climate Change**

The City is located on the North Carolina coast and is therefore susceptible to the effects of extreme weather events and natural disasters, including floods, droughts and hurricanes and has experienced multiple severe weather events within the past several years. These effects may be amplified by a prolonged global temperature increase over the next several decades (commonly referred to as "climate change"). No assurances can be given that a future extreme weather event driven by climate change will not adversely affect the City.

### **THE CITY**

Information about the City is contained in Appendix A to this Official Statement.

The City's basic financial statements have been audited by independent certified public accountants for each Fiscal Year through June 30, 2025. The City's basic financial statements and the notes thereto, drawn from the City's annual comprehensive financial report for the Fiscal Year ended June 30, 2023, are included as Appendix B to this Official Statement. The City has not requested nor obtained the consent of its auditor to the inclusion these financial statements in this Official Statement.

### **CONTINUING DISCLOSURE**

In the Seventh Amendment, the City will undertake, for the benefit of the Beneficial Owners of 2026 Bonds to provide:

(a) by not later than seven months from the end of each Fiscal Year, beginning with the Fiscal Year ending June 30, 2026, the audited financial statements of the City for such 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 of the City 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, the financial and statistical data as of a date not earlier than the end

of such Fiscal Year for the type of information included in the tables under heading “THE CITY – Debt Information” and “– Tax Information” (including subheadings thereunder) in Appendix A to this Official Statement (excluding, in each case, any information on overlapping or underlying units), to the extent such items are not included in the audited financial statements referred to in paragraph (a) above;

(c) in a timely manner not in excess of 10 Business Days after the occurrence of the event, notice of any of the follow events with respect to the 2026 Bonds:

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults, if material;
- (3) unscheduled draws on any debt service reserves reflecting financial difficulties;
- (4) unscheduled draws on any credit enhancements reflecting financial difficulties;
- (5) substitution of any 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 2026 Bonds or other material events affecting the tax status of the 2026 Bonds;
- (7) modification of the rights of the Beneficial Owners of the 2026 Bonds, if material;
- (8) call of any of the 2026 Bonds for prepayment [other than mandatory sinking fund prepayments], if material, and tender offers;
- (9) defeasance of any of the 2026 Bonds;
- (10) release, substitution or sale of the property securing repayment of the 2026 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 to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (14) appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (15) incurrence of a financial obligation 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 security holders, 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 of the City to provide required annual financial information described in (a) or (b) above on or before the date specified.

“*Financial obligation*” as used herein is defined in the Rule, as may be amended, as a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as a security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (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 the Rule.

The City may meet the continuing disclosure filing requirements described above either (1) by providing the required information to the MSRB in an electronic format as prescribed by the MSRB, or (2) providing such information in a manner the U.S. Securities and Exchange Commission subsequently requires.

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 Seventh Amendment will also provide that if the City fails to comply with the undertaking described above, the Trustee or any Beneficial Owner of the 2026 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 will not be an event of default under the Contract and will not result in any acceleration of payment of the principal component of the Installment Payments under the Contract (or the related 2026 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 2026 Bonds.

Pursuant to the Seventh Amendment, the City will reserve the right to modify from time to time the information to be provided or the format of the presentation of such information 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 Rule 15c2-12 issued under the Securities Exchange Act of 1934, as amended (“*Rule 15c2-12*”) as of the date of this Official Statement, after taking into account any amendments or interpretations of Rule 15c2-12, as well as any changes in circumstances; and

(c) any such modification does not materially impair the interests of the Beneficial Owners, as determined by nationally recognized bond counsel or by the approving vote of the registered owners of a majority in principal amount of the 2026 Bonds pursuant to the terms of the Indenture.

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 with respect to the 2026 Bonds described above will terminate upon payment, or provision having been made for payment in a manner consistent with Rule 15c2-12, in full of the principal and interest with respect to the 2026 Bonds.

Except as set forth in the next succeeding paragraph, within the past five years, the City has not knowingly failed to comply in any material respects with the terms of any prior undertaking under Rule 15c2-12.

On January 9, 2026, the City filed a Material Event Notice related to a rating action by Fitch Ratings on December 22, 2025. While the City was aware that Fitch would be taking this action, Fitch failed to alert the City at the time of the rating action. Once the City learned of the rating action on January 9, they immediately filed the required Material Event Notice.

### **THE LOCAL GOVERNMENT COMMISSION**

The Contract has been approved by the LGC. The LGC is composed of nine members: the State Treasurer, the Secretary of State, the State Auditor, the Secretary of Revenue and five others by appointment (three by the Governor, one by the General Assembly upon the recommendation of the President Pro Tempore of the Senate and one by the General Assembly upon recommendation of the Speaker of the House of Representatives). The State Treasurer serves as Chairman and selects the LGC's Secretary, who heads the LGC's administrative staff.

A major function of the LGC is the approval, sale and delivery of substantially all North Carolina local government general obligation and revenue bonds and notes and the approval of contracts entered into under Section 160A-20 of the North Carolina General Statutes. A second key function is monitoring certain fiscal and accounting standards prescribed for units of local government by The Local Government Budget and Fiscal Control Act. In addition, the LGC furnishes, upon request, on-site assistance to units of local government concerning existing financial and accounting systems as well as aid in establishing new systems. Further, educational programs and materials are provided for local officials concerning finance and cash management.

### **LEGAL MATTERS**

Certain legal matters related to the authorization, execution, sale and delivery of the 2026 Bonds are subject to the approval of Parker Poe Adams & Bernstein LLP, Raleigh, North Carolina, Bond Counsel. Certain legal matters will be passed upon for the City by Meredith T. Everhart, Esq., Wilmington, North Carolina, City Attorney, for the Corporation by J. Alan Campbell Law, Hillsborough, North Carolina, counsel to the Corporation, and for the Underwriter by Pope Flynn, LLC, Charlotte, North Carolina, counsel to the Underwriter.

Parker Poe Adams & Bernstein LLP serves as Bond Counsel for the City and, from time to time, each of Bond Counsel and Pope Flynn, LLC, counsel to the Underwriter, has represented the Underwriter as counsel in other financing transactions. Neither the City nor the Underwriter has conditioned the future employment of either of these firms in connection with any proposed financing issues for the City or for the Underwriter on the successful execution and delivery of the 2026 Bonds.

## **TAX TREATMENT**

General. On the date of execution and delivery of the 2026 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, the portion of the Installment Payments designated and paid as interest with respect to the 2026 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, the portion of the Installment Payments designated and paid as interest with respect to the 2026 Bonds 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) the portion of the Installment Payments designated and paid as interest with respect to the 2026 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 portion of the Installment Payments designated and paid as interest with respect to the 2026 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 2026 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 2026 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 execution and delivery of the 2026 Bonds to maintain the excludability of the portion of the Installment Payments designated and paid as interest with respect to the 2026 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 execution and delivery of the 2026 Bonds in order that the portion of the Installment Payments designated and paid as interest with respect to the 2026 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 execution and delivery of the 2026 Bonds. Failure to comply with certain of such requirements may cause the portion of the Installment Payments designated and paid as interest with respect to the 2026 Bonds to be included in gross income for federal income tax purposes retroactive to the date of execution and delivery of the 2026 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 the portion of the Installment Payments designated and paid as interest with respect to the 2026 Bonds.

If the portion of the Installment Payments designated and paid as interest with respect to the 2026 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 2026 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 2026 Bonds. Prospective purchasers and owners of the 2026 Bonds are advised that, if the Internal Revenue Service does audit the 2026 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 2026 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 2026 Bonds until the audit is concluded, regardless of the ultimate outcome.

Prospective purchasers and owners of the 2026 Bonds should be aware that ownership of the 2026 Bonds and the accrual or receipt of the portion of the Installment Payments designated and paid as interest with respect to the 2026 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 2026 Bonds. Bond Counsel does not express any opinion as to any such collateral tax consequences. Prospective purchasers and owners of the 2026 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 2026 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 portion of the Installment Payments designated and paid as interest with respect to the 2026 Bonds to be subject directly or indirectly to federal, state, or local income taxation, adversely affect the market price or marketability of the 2026 Bonds or otherwise prevent the owners of the 2026 Bonds from realizing the full current benefit of the status of the portion of the Installment Payments designated and paid as interest with respect to the 2026 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 2026 Bond may be subject to backup withholding at the applicable rate determined by statute with respect to interest paid on the 2026 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 Premium. As indicated on the inside cover page, the 2026 Bonds maturing on \_\_\_\_\_ (collectively, the “*Premium Bonds*”) are being sold at initial offering prices which are in excess of the principal amount payable at maturity. 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.

Original Issue Discount. As indicated on the inside cover page, the 2026 Bonds maturing on June 1, 20\_\_ (collectively, the "*OID Bonds*"), are being sold at initial offering prices which are less than the principal amount payable at maturity. 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 price of such 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 2026 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 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.

### **LITIGATION**

No litigation is now pending in any court seeking to restrain or enjoin the authorization, execution or delivery of the 2026 Bonds or contesting the authority of proceedings for the authorization, execution or delivery of the 2026 Bonds or the validity thereof, or the creation, organization, corporate existence or powers of the Corporation or the City, or the title of any of the present officers thereof to their respective titles or the authority or proceedings for the execution and delivery of the Contract, the Deed of Trust or the Indenture by the Corporation or the City or the validity or enforceability thereof.

### **FINANCIAL ADVISOR**

Waters and Company, LLC, Birmingham, Alabama, is acting as financial advisor to the City in connection with the execution and delivery of the 2026 Bonds.

### **RATINGS**

Moody's Investors Service ("*Moody's*") and S&P Global Ratings, a Standard & Poor's Financial Services LLC business ("*S&P*") have assigned the 2026 Bonds the respective ratings set forth on the front cover page hereof. The ratings reflect only the view of such rating agencies. An explanation of the significance of such ratings may be obtained from such rating agencies. Certain information and materials not included in this Official Statement were furnished to such rating agencies. There is no assurance that such ratings will continue for any given period of time or that such ratings will not be revised downward or withdrawn entirely if, in the judgment of such rating agencies, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the 2026 Bonds.

### **UNDERWRITING**

Raymond James & Associates, Inc., Richmond, Virginia (the "*Underwriter*"), has agreed under the terms of a Contract of Purchase (the "*Contract of Purchase*") to purchase all of the 2026 Bonds, if any of the 2026 Bonds are to be purchased, at a purchase price of \$\_\_\_\_\_ (equal to the par amount of the 2026 Bonds [plus][less] a [net] original issue [premium][discount] of \$\_\_\_\_\_ and less an Underwriter's discount of \$\_\_\_\_\_). The Underwriter's obligation to purchase the 2026 Bonds is subject to certain terms and conditions set forth in the Contract of Purchase.

The Underwriter is committed to take and pay for all of the 2026 Bonds if any are taken. The Underwriter may offer and sell the 2026 Bonds to certain dealers (including dealers depositing the 2026 Bonds into investment trusts) and others at prices different from the initial public offering prices stated on the cover page hereof. The public offering prices may be changed from time to time by the Underwriter.

### **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. This Official Statement

and its distribution and use by the Underwriter has been duly authorized and approved by the Corporation and the City.

**APPENDIX A**  
**DESCRIPTION OF THE CITY**

**APPENDIX B**

**FINANCIAL INFORMATION CONCERNING  
THE CITY OF WILMINGTON, NORTH CAROLINA**

## **Financial Statements**

The financial statements of the City have been audited by certified public accountants for the Fiscal Year ended June 30, 2025. Copies of these financial statements containing the unqualified report of the independent certified public accountants are available in the office of Ms. Martha Wayne, Director of Finance, City of Wilmington, 929 N. Front Street, 10th Floor, Wilmington, North Carolina 28401.

The Government Finance Officers Association (GFOA) has awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Annual Comprehensive Financial Report for every Fiscal Year ended since 1984. As of the date of this Official Statement, the GFOA has not announced its awards for the Fiscal Year ended June 30, 2025. To receive this award, the highest form of recognition in governmental financial reporting, a governmental unit must publish a financial report which complies with both generally accepted accounting principles and applicable legal requirements.

The following financial statements are the basic financial statements of the City, the notes thereto and the Management's Discussion and Analysis of the financial activities of the City, lifted from the audited Annual Comprehensive Financial Report of the City for the Fiscal Year ended June 30, 2025. Management's Discussion and Analysis provides an objective and easily readable short and long-term analysis of the City's financial activities based on currently known facts, decisions or conditions. Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. The independent auditors of the City have applied certain limited procedures, which consist primarily of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, they did not audit this information and did not express an opinion on it.

**APPENDIX C**

**SUMMARY OF PRINCIPAL LEGAL DOCUMENTS**

**APPENDIX D**

**FORM OF OPINION OF BOND COUNSEL**

**APPENDIX E**

**BOOK-ENTRY ONLY SYSTEM**

## **BOOK-ENTRY ONLY SYSTEM**

The Depository Trust Company (“DTC”), a New York corporation, will act as securities depository for the 2026 Bonds. The 2026 Bonds will be delivered as fully-registered certificates registered in the name of Cede & Co., DTC’s partnership nominee, or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate for each maturity of each series of the 2026 Bonds will be registered in the name of Cede & Co., as nominee for DTC, each in the aggregate principal amount of such maturity and will be deposited with DTC. **SO LONG AS CEDE & CO. IS THE REGISTERED OWNER OF THE 2026 BONDS, AS DTC’S PARTNERSHIP NOMINEE, REFERENCES HEREIN TO THE OWNERS OR REGISTERED OWNERS OF THE 2026 BONDS SHALL MEAN CEDE & CO. AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF THE 2026 BONDS.**

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers; banks trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com) and [www.dtc.org](http://www.dtc.org).

Purchases of 2026 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2026 Bonds on DTC’s records. The ownership interest of each actual purchaser of 2026 Bonds (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchases. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participants through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the 2026 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive physical certificates representing their ownership interests in the 2026 Bonds, except in the event that use of the book-entry system for the 2026 Bonds is discontinued.

To facilitate subsequent transfers, all 2026 Bonds deposited by Direct Participants with the Trustee, as custodian for DTC, are registered in the name of DTC’s partnership nominee, Cede & Co, or such other name as may be requested by an authorized representative of DTC. The deposit of 2026 Bonds with the Trustee, as custodian for DTC, and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual identities

of the Beneficial Owners of the 2026 Bonds; DTC's records reflect only the identities of the Direct Participants to whose accounts the 2026 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants are responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants and by Direct and Indirect Participants to Beneficial Owners of the 2026 Bonds will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the 2026 Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the 2026 Bonds, such as prepayment, tenders, defaults and proposed amendments to the security documents.

Prepayment notices shall be sent to DTC. If less than all of the 2026 Bonds are being prepaid, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such 2026 Bonds to be prepaid.

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the 2026 Bonds unless authorized by a Direct Participant in accordance with DTC's procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the 2026 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the 2026 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City on each payable date in accordance with their respective holdings shown on DTC's records. Payments by Direct and Indirect Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Direct and Indirect Participants and not of DTC (nor its nominee), the City or the Trustee subject to any statutory or regulatory requirements as may be in effect front time to time. Payments of principal and interest to DTC is the responsibility of the Trustee, disbursement of such payments to Direct Participants shall be the responsibility of DTC and disbursements of such payments to the Beneficial Owners shall be -the responsibility of the Direct and Indirect Participants.

DTC may discontinue providing its service as securities depository with respect to the 2026 Bonds at any time by giving reasonable notice to the City and Trustee. Under such circumstances, or in the event that a successor depository is not obtained, 2026 Bonds will be printed and delivered. The City may decide to discontinue participation in the system of book-entry transfer through DTC (or a successor securities depository). In that event, 2026 Bonds will be printed and delivered to DTC.

The information in this Appendix concerning DTC and DTC's book-entry system has been obtained from DTC, and the City and the Corporation take no responsibility for the accuracy thereof.

The City, the Corporation and the Trustee cannot and do not give any assurances that DTC, Direct Participants or Indirect Participants will distribute to the Beneficial Owners of the 2026 Bonds (a) payments of principal and interest with respect to the 2026 Bonds, (b) confirmations of their ownership interests in the 2026 Bonds or (c) prepayment or other notices sent to DTC or Cede & Co., its partnership nominee, as the registered owner of the 2026 Bonds, or that they will do so on a timely basis, or that

DTC, Direct Participants or Indirect Participants will serve and act in the manner described in this Official Statement.

NEITHER THE CITY, THE CORPORATION NOR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO DTC, THE DIRECT PARTICIPANTS, THE INDIRECT PARTICIPANTS OR THE BENEFICIAL OWNERS WITH RESPECT TO (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT; (2) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT OF OR PREPAYMENT PRICE OR INTEREST WITH RESPECT TO THE 2026 BONDS; (3) THE DELIVERY BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY NOTICE TO ANY BENEFICIAL OWNER THAT IS REQUIRED OR PERMITTED TO BE GIVEN TO OWNERS OF THE 2026 BONDS UNDER THE TERMS OF THE INDENTURE; AND (4) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL PREPAYMENT OF THE 2026 BONDS; OR (5) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS OWNER.