

CITY OF WINSTON-SALEM, NORTH CAROLINA

and

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.,

as Trustee

SERIES INDENTURE, NUMBER 20

Dated as of
December 1, 2025

*City of Winston-Salem, North Carolina
Water and Sewer System Revenue Bonds,
Series 2025*

SERIES INDENTURE, NUMBER 20
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SERIES INDENTURE, NUMBER 20

THIS SERIES INDENTURE, NUMBER 20 dated as of December 1, 2025 (the “*Series Indenture*”) is by and between the **CITY OF WINSTON-SALEM, NORTH CAROLINA** (the “*City*”), a municipal corporation of the State of North Carolina, and **THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.**, as trustee (the “*Trustee*”), acting through its corporate trust offices in Jacksonville, Florida, duly organized and existing under the laws of the United States of America, being authorized to accept and execute trusts of the character herein set out.

W I T N E S S E T H :

WHEREAS, the City proposes to issue a series of bonds hereunder and under that certain Amended and Restated General Trust Indenture dated as of March 1, 2020 between the City and the Trustee, and to apply the proceeds of the bonds to (1) finance the costs of extensions, additions and capital improvements to, or the renewal and replacement of capital assets of, or purchasing and installing new equipment for the System (as defined in the General Indenture) including, but not limited to, (a) upgrades and enhancements to its Advanced Metering Infrastructure (AMI) system, (b) modernization of the R.W. Nielson Water Treatment Plant, (c) repairs to a lagoon and a biosolids dryer facility at the Archie Elledge Wastewater Treatment Plant, (d) replacement and capacity upgrades of sewer lines along Peters Creek Outfall within the Elledge Basin, (e) various water distribution system improvements, (f) repairs and rehabilitation of sewer lines and manholes under the Collection System Improvement Program (CSIP), (g) replacement of a force main near Tanglewood Park, and (h) upgrades to the 15th Street Pump Station, and (2) pay the costs of issuing the 2025 Bonds (as defined herein);

NOW THEREFORE, in consideration of the mutual covenants and agreements contained herein it is agreed as follows:

ARTICLE I

DEFINITIONS

Except as provided herein, all defined terms contained in Section 1.01 of the General Indenture will have the same meanings in this Series Indenture. In addition, the following words and terms have the following meanings:

“*Authorized Denomination*” means \$5,000 or any integral multiple thereof.

“*Business Day*” means any day other than (1) a Saturday, a Sunday or any other day on which banks located in the cities in which the Trustee, the Paying Agent, the Registrar or the Authenticating Agent have their respective designated offices are authorized or required to remain closed or (2) a day on which the New York Stock Exchange is closed.

“*Electronic Means*” means the following communications methods: e-mail, secure electronic transmission containing applicable authorization codes issued by the Trustee, passwords and/or authentication keys, or another method or system specified by the Trustee as available for use in connection with its services hereunder.

“*General Indenture*” means the Amended and Restated General Trust Indenture dated as of March 1, 2020 between the City and the Trustee.

“*Indenture*” means this Series Indenture together with the General Indenture and any supplements and amendments thereto and hereto made in accordance therewith and herewith.

“*Interest Payment Date*” means each June 1 and December 1, beginning June 1, 2026.

“*Mail*” means first-class United States mail, postage prepaid.

“*Owner*,” when used in this Series Indenture, means a registered owner of a Bond.

“*Paying Agent*” means The Bank of New York Mellon Trust Company, N.A., and any successor paying agent or agents appointed in accordance with the General Indenture. If two or more paying agents have been appointed and are acting in such capacity, each shall be considered to be a co-paying agent.

“*Purchaser*” means [REDACTED], as the original purchaser of the 2025 Bonds.

“*Record Date*” means the 15th day (whether or not a Business Day) of the month next preceding the Interest Payment Date.

“*Redemption Date*” means the date on which 2025 Bonds have been called for redemption or are to be redeemed pursuant to this Series Indenture.

“*Redemption Price*” means, with respect to any 2025 Bond, the principal amount thereof plus accrued interest to the Redemption Date.

“*Registrar*” means The Bank of New York Mellon Trust Company, N.A. and any successor registrar appointed in accordance with the General Indenture.

“*Series Indenture*” means this Series Indenture, Number 20 dated as of December 1, 2025 between the Corporation and the Trustee

“*Tax Certificate*” means the Tax Certificate dated as of December 3, 2025 by the City related to the 2025 Bonds.

“*Trustee*” means The Bank of New York Mellon Trust Company, N.A., as successor in interest to NCNB National Bank of North Carolina, and any successor trustee appointed in accordance with the General Indenture.

“*2025 Bonds*” means the City of Winston-Salem, North Carolina Water and Sewer System Revenue Bonds, Series 2025 to be issued under the Indenture.

“*2025 Construction Account*” means the account by that name in the Construction Fund created under Section 5.2.

[END OF ARTICLE I]

ARTICLE II

THE 2025 BONDS

Section 2.01 Authorized Amount of Bonds. No 2025 Bond may be issued under the Indenture except in accordance with this Article. The total principal amount of 2025 Bonds that may be issued is hereby expressly limited to \$[AMOUNT], except as provided in Sections 3.4 and 3.5 of the General Indenture.

Section 2.02 Issuance of Bonds. The 2025 Bonds will be designated “City of Winston-Salem, North Carolina Water and Sewer System Revenue Bonds, Series 2025.” The 2025 Bonds will be issuable as fully registered bonds in any Authorized Denomination and numbered from R-1 consecutively upwards. The 2025 Bonds will be substantially in the form set forth in Exhibit A, with such appropriate variations, omissions and insertions as the Indenture permits or requires.

Section 2.03 Delivery of 2025 Bonds. Before the delivery by the Trustee of any of the 2025 Bonds, the items required under Section 2.4 of the General Indenture must be filed with the Trustee.

Section 2.04 Details of 2025 Bonds; Payment.

(a) The 2025 Bonds will mature on June 1 of the years and in the amounts and will bear interest (computed on the basis of a 360-day year of twelve 30-day months) as follows: [to update at pricing]

<u>YEAR OF</u> <u>MATURITY</u>	<u>PRINCIPAL</u> <u>AMOUNT</u>	<u>INTEREST</u> <u>RATE</u>	<u>YEAR OF</u> <u>MATURITY</u>	<u>PRINCIPAL</u> <u>AMOUNT</u>	<u>INTEREST</u> <u>RATE</u>
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(b) Both the principal of and the interest on the 2025 Bonds are payable in any lawful coin or currency of the United States of America which on the respective dates of payment thereof is legal tender for the payment of public and private debts. Each 2025 Bond shall bear interest until its principal sum has been paid, but if such 2025 Bond has matured or has been called for redemption and the Redemption Date has occurred and funds are available for the payment thereof in full in accordance with the terms of the Indenture, such 2025 Bond shall then cease to bear interest as of the maturity date or Redemption Date. The 2025 Bonds will each be dated as of the date of their initial delivery, except that 2025 Bonds issued in exchange for or on the registration of transfer of 2025 Bonds will be dated as of the Interest Payment Date preceding the day of authentication thereof, unless (1) the date of such authentication precedes May 15, 2026, in which case they will be dated as of the date of their initial delivery, (2) the date of such authentication is between the Record Date and an Interest Payment Date, in which case they will be dated as of such

following Interest Payment Date or (3) the date of such authentication is an Interest Payment Date to which interest on the 2025 Bonds has been paid in full or duly provided for in accordance with the terms of the Indenture, in which case they will be dated as of such Interest Payment Date; except that if, as shown by the records of the Paying Agent, interest on the 2025 Bonds is in default, the 2025 Bonds executed and delivered in exchange for or on registration of transfer of the 2025 Bonds will be dated as of the date to which interest on the 2025 Bonds has been paid in full. If no interest has been paid on the 2025 Bonds, the 2025 Bonds executed and delivered in exchange for or on the registration of transfer of the 2025 Bonds will be dated the date of initial authentication and delivery thereof.

(c) The 2025 Bonds will be delivered by means of a book-entry system with no physical distribution of definitive 2025 Bonds made to the public. One definitive 2025 Bond for each maturity is to be delivered to The Depository Trust Company, New York, New York (“DTC”), and immobilized in the custody of the Trustee on behalf of DTC. A book-entry system will be employed, evidencing ownership of the 2025 Bonds in Authorized Denominations, with transfers of beneficial ownership effected on the records of DTC and its participants (the “DTC Participants”) pursuant to rules and procedures established by DTC.

Each DTC Participant will be credited in the records of DTC with the amount of such DTC Participant’s interest in the 2025 Bonds. Beneficial ownership interests in the 2025 Bonds may be purchased by or through DTC Participants. The holders of these beneficial ownership interests are hereinafter referred to as the “Beneficial Owners.” The Beneficial Owners will not receive definitive 2025 Bonds representing their beneficial ownership interests. The ownership interests of each Beneficial Owner will be recorded through the records of the DTC Participant from which such Beneficial Owner purchased its 2025 Bonds. Transfers of ownership interests in the 2025 Bonds will be accomplished by book entries made by DTC and, in turn, by DTC Participants acting on behalf of Beneficial Owners. SO LONG AS CEDE & CO., AS NOMINEE FOR DTC, IS THE REGISTERED OWNER OF THE 2025 BONDS, THE TRUSTEE SHALL TREAT CEDE & CO. AS THE ONLY OWNER OF THE 2025 BONDS FOR ALL PURPOSES UNDER THE INDENTURE, INCLUDING RECEIPT OF ALL PRINCIPAL AND PREMIUM, IF ANY, AND INTEREST ON THE 2025 BONDS, RECEIPT OF NOTICES, VOTING AND REQUESTING OR DIRECTING THE TRUSTEE TO TAKE OR NOT TO TAKE, OR CONSENTING TO, CERTAIN ACTIONS UNDER THE INDENTURE.

Payments of principal, interest and premium, if any, with respect to the 2025 Bonds, so long as DTC is the only Owner of the 2025 Bonds, will be paid by the Trustee directly to DTC or its nominee, Cede & Co., as provided in the Blanket Letter of Representations from the City to DTC. DTC will remit such payments to DTC Participants, and such payments thereafter will be paid by DTC Participants to the Beneficial Owners. The Trustee and the City are not and will not be responsible or liable for payment by DTC or DTC Participants, for sending transaction statements or for maintaining, supervising or reviewing records maintained by DTC or DTC Participants.

If (a) DTC determines not to continue to act as securities depository for the 2025 Bonds or (b) the Trustee and the City determine to discontinue the book entry system in accordance with DTC’s rules and the City fails to identify another qualified securities depository to replace DTC, the City will deliver fully registered definitive 2025 Bonds to DTC in the denomination of \$5,000 or integral multiples thereof as such Owner may request.

THE CITY AND THE TRUSTEE HAVE NO RESPONSIBILITY OR OBLIGATION WITH RESPECT TO (A) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DTC PARTICIPANT; (B) THE PAYMENT BY DTC OR ANY DTC PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER

IN RESPECT OF THE PRINCIPAL OF AND PREMIUM, IF ANY, AND INTEREST ON THE 2025 BONDS; (C) THE DELIVERY OR TIMELINESS OF DELIVERY BY DTC OR ANY DTC PARTICIPANT OF ANY NOTICE DUE TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE INDENTURE TO BE GIVEN TO OWNERS; (D) THE SELECTION OF BENEFICIAL OWNERS TO RECEIVE PAYMENTS IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE 2025 BONDS; OR (E) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC OR ITS NOMINEE, CEDE & CO., AS OWNER.

(d) The 2025 Bonds and any premiums on the redemption thereof prior to maturity are payable in any lawful coin or currency of the United States of America, at the designated corporate trust office of the Trustee on presentation and surrender. Interest on the 2025 Bonds will be paid by the Trustee by check or draft mailed on the Interest Payment Date to each Owner as its name and address appear on the register kept by the Trustee at the close on the Record Date. At the written request of any Owner of at least \$1,000,000 in aggregate principal amount of the 2025 Bonds and while a book-entry system is in place with respect to the 2025 Bonds, principal and interest may be payable by wire transfer at the address specified in writing by the Owner by the Record Date. CUSIP number identification with appropriate dollar amounts for each CUSIP number shall accompany all payments of principal of, premium, if any, and interest on any 2025 Bond, whether by check or by wire transfer.

(e) The Trustee is appointed as the Paying Agent and Registrar for the 2025 Bonds.

Section 2.05 Arbitrage and Tax Covenants. The City covenants that it will not take or permit, or omit to take or cause to be taken, any action that would adversely affect the exclusion from gross income of the recipient thereof for federal income tax purposes of the interest on the 2025 Bonds, and, if it should take or permit, or omit to take or cause to be taken, any such action, the City will take or cause to be taken all lawful actions within its power necessary to rescind or correct such actions or omissions promptly upon having knowledge thereof. The City acknowledges that the continued exclusion of interest on the 2025 Bonds from the Owner's gross income for federal income tax purposes depends, in part, on compliance with the arbitrage limitations imposed by Section 168 of the Code. The City covenants that it will comply with all the requirements of Section 168 of the Code, including the rebate requirements, and that it will not permit at any time any of the proceeds of the 2025 Bonds or other funds under their control be used, directly or indirectly, to acquire any asset or obligation, the acquisition of which would cause the 2025 Bonds to be "arbitrage bonds" for purposes of Section 168 of the Code. The City covenants that it will comply and will direct the Trustee to comply with the investment instructions in the Tax Certificate.

[END OF ARTICLE II]

ARTICLE III

REDEMPTION OF 2025 BONDS

Section 3.01 Optional Redemption. The 2025 Bonds maturing on or before June 1, 2035 are not subject to call and redemption prior to maturity. The 2025 Bonds maturing on or after June 1, 2036 may be redeemed prior to their maturities, at the option of the City, from any funds that may be available for such purpose, either in whole or in part on any date on or after June 1, 2035. The 2025 Bonds called for redemption under this Section will be redeemed at the Redemption Price of 100% of the principal amount thereof, plus accrued interest to the Redemption Date, without a premium.

Section 3.02 Mandatory Redemption. [to update at pricing as necessary]

(a) The 2025 Bonds maturing on June 1, 20__ are subject to mandatory sinking fund redemption before their scheduled maturity (the “*Term Bonds*”), without premium, at the Redemption Price equal to 100% of the principal amount thereof being redeemed in the principal amounts and in the years as follows:

<u>JUNE 1</u>	<u>PRINCIPAL AMOUNT</u>
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* Maturity

(b) At its option, to be exercised on or before the 45th day next preceding any mandatory redemption date, the City may (a) deliver to the Trustee for cancellation, Term Bonds or portions thereof (in Authorized Denominations) in any aggregate principal amount desired, or (b) receive a credit in respect of its mandatory redemption obligation for the Term Bonds (in Authorized Denominations) which prior to said date have been purchased or redeemed (otherwise than through mandatory redemption under this Section) and cancelled by the Trustee and not theretofore applied as a credit against any mandatory redemption obligation. Each such Term Bond or portion thereof so delivered or previously purchased or redeemed and cancelled by the Trustee shall be credited by the Trustee at 100% of the principal amount thereof against the obligation of the City to redeem the Term Bonds on such mandatory redemption date, and any excess over such amount shall be credited against future mandatory redemption obligations in chronological order, unless otherwise designated by the City, and the principal amount of the Term Bonds so to be redeemed shall be accordingly reduced.

The City will on or before the 45th day next preceding each such mandatory redemption date furnish the Trustee with its certificate indicating whether or not and to what extent Sections 3.02(a) and (b) are to be availed of with respect to such mandatory redemption payment.

(c) The Trustee may pay the mandatory sinking fund redemption amounts set forth in this Section 3.02 to the Owner of such Term Bonds without any notice of redemption. The Trustee will record such payments on its books and records and on the Term Bond certificate.

Section 3.03 Notice of Redemption. The Trustee will provide notice of redemption not less than 30 days nor more than 60 days before the Redemption Date (1) to the LGC by Mail or Electronic Means, (2)(a) to DTC or its nominee by registered or certified mail at the address provided to the Trustee by DTC or as otherwise permitted by DTC's rules and procedures or (b) if DTC or its nominee is no longer the Owner of the 2025 Bonds, by Mail or Electronic Means to the then-registered Owners of 2025 Bonds to be redeemed at the last address shown on the registration books kept by the Registrar and (3) to the Municipal Securities Rulemaking Board (the "MSRB") through the MSRB's Electronic Municipal Market Access system pursuant to the procedures promulgated by the MSRB.

Such notice must (1) specify the 2025 Bonds to be redeemed, the Redemption Date, the Redemption Price and the place or places where amounts due on such redemption must be payable (which must be the principal office of the Paying Agent) and if less than all of the 2025 Bonds are to be redeemed, the portions of 2025 Bonds to be redeemed, , and (2) state that on the Redemption Date, the 2025 Bonds to be redeemed will cease to bear interest.

In the case of an optional redemption of the 2025 Bonds, the redemption notice may state (1) that it is conditioned upon the deposit of money with the Trustee on the Redemption Date at the time and in an amount equal to the amount necessary to effect the redemption 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 redemption notice on or prior to the scheduled Redemption Date, and such notice and optional redemption shall be of no effect if such money is not so deposited or if the notice is rescinded as described below.

Any scheduled redemption of 2025 Bonds or portions thereof may be rescinded in whole or in part at any time prior to the Redemption Date if the City delivers written notice to the Trustee instructing the Trustee to rescind the redemption notice. The Trustee shall give prompt notice of such rescission to the affected Owners of the 2025 Bonds. Any 2025 Bonds where redemption has been rescinded shall remain Outstanding, and the rescission shall not constitute an Event of Default. Further, the failure of the City to make funds available in part or in whole on or before the Redemption Date shall not constitute an Event of Default, and the Trustee shall give immediate notice to the affected Owners of the 2025 Bonds that the redemption did not occur and that the 2025 Bonds called for redemption and not so paid remain Outstanding.

If money is on deposit in the Debt Service Fund to pay the Redemption Price of the 2025 Bonds called for redemption and premium, if any, thereon on a Redemption Date, 2025 Bonds or portions thereof thus called and provided for as hereinabove specified will not bear interest after such Redemption Date and will not be considered to be Outstanding or to have any other rights under the General Indenture other than the right to receive payment. No payment of principal will be made by the Paying Agent on any 2025 Bonds or portions thereof called for redemption until such 2025 Bonds or portions thereof have been delivered for payment or cancellation or the Paying Agent has received the items required by Section 3.5 of the General Indenture with respect to any mutilated, lost, stolen or destroyed 2025 Bonds.

Notwithstanding the foregoing, (1) if notice is properly given, the failure to receive an appropriate notice shall not affect the validity of the proceedings for such redemption, (2) the failure to give any such notice or any defect therein shall not affect the validity of the proceedings for the redemption of the 2025 Bonds or portions thereof with respect to which notice was correctly given, and (3) 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 the redemption of the 2025 Bonds.

Notwithstanding anything herein to the contrary, the only remedy for failure by the Trustee to post any notice with the MSRB via its electronic format is an action by the holders of the 2025 Bonds in mandamus for specific performance or similar remedy to compel performance.

Section 3.04 *Selection of 2025 Bonds to be Redeemed.* If less than all of the 2025 Bonds are called for redemption under Section 3.01, the City shall determine the maturities and amounts thereof to be redeemed. If a book-entry system through DTC is used for determining beneficial ownership of the 2025 Bonds and less than all the 2025 Bonds of any maturity are called for redemption, DTC shall select the 2025 Bonds to be redeemed pursuant to its rules and procedures or, if the book-entry system through DTC or any other securities depository for determining beneficial ownership of the 2025 Bonds has been discontinued, the Trustee shall select the 2025 Bonds to be redeemed by lot in such manner as the Trustee in its discretion may deem proper, but, in any event, the portion of any 2025 Bond to be redeemed must be in an Authorized Denomination.

If a 2025 Bond subject to redemption is in a denomination larger than the minimum Authorized Denomination, a portion of such 2025 Bond may be redeemed, but only in a principal amount such that the unredeemed portion of such 2025 Bond is equal to an Authorized Denomination. For any 2025 Bond in a denomination of more than the minimum Authorized Denomination, the Trustee shall treat each such 2025 Bond as representing a single 2025 Bond in the minimum Authorized Denomination plus that number of 2025 Bonds that is obtained by dividing the remaining principal amount of such 2025 Bond by the minimum Authorized Denomination.

If it is determined that one or more, but not all, of the Authorized Denominations of principal amount represented by any 2025 Bond is to be called for redemption, then, on notice of intention to redeem such Authorized Denominations of principal amount of such 2025 Bond, the Owner of such 2025 Bond, on surrender of such 2025 Bond to the Paying Agent for payment of the principal amount of such 2025 Bond, will be entitled to receive new 2025 Bonds in the aggregate principal amount of the unredeemed balance of the principal amount of such 2025 Bond. New 2025 Bonds representing the unredeemed balance of the principal amount of such 2025 Bonds will be issued to the Owner thereof without charge therefor.

If the Owner of any 2025 Bond of a denomination greater than the amount being redeemed fails to present such 2025 Bond to the Paying Agent for payment and exchange as aforesaid, such 2025 Bond will, nevertheless, become due and payable on the date fixed for redemption to the extent of the denomination being redeemed and to that extent only.

Section 3.05 *No Partial Redemption After Default.* Anything in the Indenture to the contrary notwithstanding, if an Event of Default occurs and is continuing hereunder there will be no redemption of less than all of the 2025 Bonds Outstanding.

Section 3.06 *Payment of Redemption Price.* Subject to the City's option to revoke a redemption as set forth in Section 3.03, the City will cause to be deposited in the Debt Service Fund an amount sufficient to pay the Redemption Price of 2025 Bonds to be redeemed on the Redemption Date, and such 2025 Bonds will be deemed to be paid within the meaning of Article X of the General Indenture.

[END OF ARTICLE III]

ARTICLE IV

AMENDMENTS

This Series Indenture and the rights and obligations of the City and the Owners may be modified or amended at the same times, in the same manner and for the same purposes as the General Indenture, but if the modification or amendment affects only the 2025 Bonds, the percentage to be applied under Section 7.3 of the General Indenture will be applied only to the Outstanding 2025 Bonds.

Before the City and the Trustee enter into any supplemental indenture pursuant to this Section, there must have been delivered to the Trustee and the City an opinion of Bond Counsel stating that such supplemental indenture is authorized or permitted by the Indenture, complies with the terms hereof, will, upon the execution and delivery thereof, be valid and binding upon the City in accordance with its terms and will not adversely affect the federal income tax status of the 2025 Bonds.

Notwithstanding anything in the General Indenture or this Series Indenture to the contrary, (1) any initial purchaser, underwriter or remarketing agent holding any 2025 Bonds or another Series of the Bonds issued after the issuance of the 2025 Bonds may, regardless of its intent to sell or distribute such Bonds in the future, consent as the Owner of such Bonds to any amendment or supplemental indenture as required or permitted by this Article, including any amendment or supplemental indenture that adversely affects the interests of other Owners, and (2) any such holder providing its consent under this Section is not entitled to receive, nor is the City required to provide, any prior notice or other documentation regarding such amendment or supplemental indenture.

[END OF ARTICLE IV]

ARTICLE V

APPLICATION OF BOND PROCEEDS; FUNDS AND ACCOUNTS; INVESTMENTS

Section 5.01 Funds and Accounts. The City establishes and creates a 2025 Construction Account within the Construction Fund to keep the proceeds of the 2025 Bonds so deposited separate from the proceeds of any other series of Bonds issued under the General Indenture. The Trustee shall disburse money in the 2025 Construction Account in the manner set forth in the General Indenture for disbursements from the Construction Fund.

Section 5.02 Application of Bond Proceeds. On delivery of the 2025 Bonds to the Purchaser, the Trustee will receive from the Purchaser, on behalf of the City, \$[REDACTED] representing the net proceeds of the 2025 Bonds, and, upon receipt thereof, the Trustee will deposit such proceeds of the 2025 Bonds in the 2025 Construction Account of the Construction Fund created under Section 5.01 above to pay the Costs of Construction for which the 2025 Bonds are being issued.

[END OF ARTICLE V]

ARTICLE VI

CONTINUING DISCLOSURE COVENANT

The City agrees, in accordance with Rule 15c2-12 (the “*Rule*”) promulgated by the Securities and Exchange Commission (the “*SEC*”) and for the benefit of the Owners and the Beneficial Owners of the 2025 Bonds, as follows, to provide to the Municipal Securities Rulemaking Board (the “*MSRB*”):

(a) by not later than seven months after the end of each Fiscal Year, beginning with the Fiscal Year ended June 30, 2025, the audited financial statements of the City for each 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 are not then available, unaudited financial statements of the City for such Fiscal Year to be replaced subsequently by audited financial statements to the City to be delivered within 15 days after such audited financial statements become available for distribution;

(b) by not later than seven months after the end of each Fiscal Year, beginning with the Fiscal Year ended June 30, 2025, 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 Official Statement dated on [November 18], 2025 relating to the 2025 Bonds (the “*Official Statement*”) under (i) “**HISTORICAL AND PROJECTED DEBT SERVICE COVERAGE**,” in the table entitled “**HISTORICAL DEBT SERVICE COVERAGE FOR THE SYSTEM**”; and (ii) under “**THE SYSTEM**,” the information shown under “**MAJOR USERS**” in the tables entitled “**TEN LARGEST WATER CUSTOMERS**” and “**TEN LARGEST SEWER CUSTOMERS**,” and a description of water and sewer rates as set forth under “**RATES AND CHARGES**”, in each case 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 the occurrence of any of the following events with respect to the 2025 Bonds:

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults, if material;
- (3) unscheduled draws on the 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 2025 Bonds or other material events affecting the tax status of the 2025 Bonds;
- (7) modification of the rights of the Beneficial Owners of the 2025 Bonds, if material;

(8) call of any of the 2025 Bonds for redemption, other than mandatory sinking fund redemption, if material, and tender offers;

(9) defeasance of any of the 2025 Bonds;

(10) release, substitution or sale of any property securing repayment of the 2025 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 such actions, other than pursuant to its terms, if material;

(14) the appointment of a successor or additional trustee, or the change in the 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 securities 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; and

(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.

For purposes of this undertaking, “*financial obligation*” means (a) a debt obligation, (b) a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or (c) a guarantee of either clause (a) or (b) above. 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.

All documents provided to the MSRB as described above are to be provided in an electronic format as prescribed by the MSRB and accompanied by identifying information as prescribed by the MSRB. The City may discharge its undertaking described above by transmitting those documents or notices in a manner subsequently required by the U.S. Securities and Exchange Commission in lieu of the manner described above.

The City agrees that its undertaking under this Article is intended to be for the benefit of the Owners and the Beneficial Owners of the 2025 Bonds and is enforceable by the Trustee or by any of them, including an action for specific performance of the City’s obligations under this Article, but a failure to comply will not be an event of default under Section 9.1 of the General Indenture and will not result in acceleration of the payment of the 2025 Bonds. An action must be instituted, had and maintained in the manner provided in this paragraph for the benefit of all of the Owners and Beneficial Owners of the 2025 Bonds.

The City may modify from time to time, consistent with the Rule, the information provided or the format of the presentation of such information, to the extent necessary or appropriate in the judgment of the City, but:

(1) 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;

(2) the information to be provided, as modified, would have complied with the requirements of the Rule as of the date of the Official Statement related to the 2025 Bonds, after taking into account any amendments or interpretations of the Rule as well as any changes in circumstances;

(3) any such modification does not materially impair the interest of the Owners or the Beneficial Owners, as determined by Bond Counsel or by the approving vote of the Owners of a majority in principal amount of the 2025 Bonds pursuant to Section 7.3 of the General Indenture.

Any annual financial information containing modified operating data or financial information will 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 provisions of this Article terminate on payment, or provision having been made for payment in a manner consistent with the Rule, in full of the principal of and interest on the 2025 Bonds.

The City may discharge its undertakings described above by transmitting the documents or notices referred to above in a manner subsequently authorized or required by the SEC in lieu of the manner described above.

[END OF ARTICLE VI]

ARTICLE VII

MISCELLANEOUS

Section 7.01 Parties Interested Herein. Nothing in this Series Indenture expressed or implied is intended or will be construed to confer on, or to give to any person other than the City, the Trustee, the Paying Agent and the Owners, any right, remedy or claim under or by reason of this Series Indenture or any covenant, condition or stipulation hereof; and all the covenants, stipulations, promises and agreements in this Series Indenture contained by and on behalf of the City or the Trustee will be for the sole and exclusive benefit of the City, the Trustee, the Paying Agent and the Owners.

Section 7.02 Titles, Headings, Captions, Etc. The titles, captions and headings of the articles, sections and subdivisions of this Series Indenture have been inserted for convenience of reference only and will in no way modify or restrict any of the terms or provisions hereof.

Section 7.03 Severability. If any provision of this Series Indenture is held invalid or unenforceable by any court of competent jurisdiction, such holding will not invalidate or render unenforceable any other provision hereof. If any one or more of the provisions provided in this Series Indenture is construed to be invalid or unenforceable, the parties hereto shall, in the alternative, agree to replace such provision with a lawful provision which most nearly approximates the provision held to be invalid or unenforceable.

Section 7.04 Governing Law. This Series Indenture is governed by and to be construed in accordance with the laws of the State of North Carolina, without regard to conflict of law principles. To the extent permitted by applicable law, jurisdiction for the resolution of any conflict arising from this Series Indenture shall lie exclusively with the General Court of Justice of the State of North Carolina, Forsyth County, or the U.S. District Court for the Western District of North Carolina. Any attempt to contravene this Section is an express violation of this Series Indenture.

Section 7.05 Execution in Counterparts. This Series Indenture may be executed in any number of counterparts, by manual, facsimile, digital, electronic or .pdf file signatures, each of which will be deemed an original, but all of which taken together will constitute one and the same instrument. An executed copy of this Series Indenture delivered by Electronic Means will be deemed to have the same legal effect as delivery of a manual signed copy of this Series Indenture. This Series Indenture and related documents may be sent and stored by Electronic Means.

Section 7.06 Notices. All notices, certificates or other communications will be sufficiently given and will be deemed given when delivered or mailed by certified or registered mail, postage prepaid, as follows:

If to the City:

City of Winston-Salem, North Carolina
101 North Main Street
Winston-Salem, North Carolina 27101
Attention: Chief Financial Officer
kellyl@cityofws.org

If to the Trustee, or to the Registrar or the Paying Agent for the 2025 Bonds:

The Bank of New York Mellon Trust Company, N.A.,

4655 Salisbury Road, Suite 300, Jacksonville, Florida 32256
Attention: Corporate Trust
Jill.Wiesner@bny.com

The City and the Trustee, may, by written notice, designate any further or different addresses to which subsequent notices, certificates or other communications will be sent. Notices under this Section may also be sent by Electronic Means and shall be deemed received upon the sender's receipt of an acknowledgment from the intended recipient (such as by the "read receipt" function, as available, return email or other form of written acknowledgment).

Section 7.07 Payments Due on Holidays. Except as expressly provided herein, if the date for making any payment or the last day for performance of any act or the exercising of any right, as provided in this Series Indenture, is not a Business Day, such payment may be made or act performed or right exercised on the next day that is a Business Day with the same force and effect as if done on the nominal date provided in this Series Indenture.

Section 7.08 No Broker Confirmations. The City agrees that broker confirmations of investments are not required to be issued by the Trustee for each month in which a monthly statement is rendered by the Trustee.

Section 7.09 E-Verify. The Trustee understands that "E-Verify" is a federal program operated by the United States Department of Homeland Security and other federal agencies, or any successor or equivalent program used to verify the work authorization of newly hired employees pursuant to federal law in accordance with Section 64-25(5) of the General Statutes of North Carolina, as amended. The Trustee uses E-Verify to verify the work authorization of its employees in accordance with Section 64-26(a) of the General Statutes of North Carolina, as amended. The Trustee will not use any subcontractors in connection with this Series Indenture.

Section 7.10 Instructions to the Trustee. The Trustee shall have the right to accept and act upon instructions, including funds transfer instructions ("Instructions") given pursuant to this Series Indenture and delivered using Electronic Means; provided, however, that the City shall provide to the Trustee an incumbency certificate listing officers with the authority to provide such Instructions ("Authorized Officers") and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended by the City whenever a person is to be added or deleted from the listing. If the City, as applicable, elects to give the Trustee Instructions using Electronic Means and the Trustee in its discretion elects to act upon such Instructions, the Trustee's reasonable understanding of such Instructions shall be deemed controlling. The City understands and agrees that the Trustee cannot determine the identity of the actual sender of such Instructions and that the Trustee shall conclusively presume that directions sent through the appropriate Electronic Means that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Trustee have been sent by such Authorized Officer. The City shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Trustee and that the City and all Authorized Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the City. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. The City agrees: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized Instructions, and the risk of interception and misuse by third parties; provided that such unauthorized Instructions, interception or misuse was not due to the Trustee's negligence or the compromise of Trustee's security systems, (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Trustee and

that there may be more secure methods of transmitting Instructions than the method(s) selected by the City; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Trustee immediately upon learning of any compromise or unauthorized use of the security procedures.

[SIGNATURES BEGIN ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, the City and the Trustee have caused this Series Indenture to be executed in their respective names and their seal, if any, to be hereto affixed and, where needed, attested by their duly authorized officials or officers, all as of the date first above written.

CITY OF WINSTON-SALEM, NORTH CAROLINA

[SEAL]

By: _____
W. Patrick Pate
City Manager

ATTEST:

By: _____
Jayme Waldeck
City Clerk

[SIGNATURES CONTINUED ON THE FOLLOWING PAGE]

[COUNTERPART SIGNATURE PAGE TO THE SERIES INDENTURE, NUMBER 20]

**THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A., as Trustee**

By: _____
Timothy Cox
Senior Associate

EXHIBIT A

FORM OF 2025 BOND

**UNITED STATES OF AMERICA
STATE OF NORTH CAROLINA**

**CITY OF WINSTON-SALEM, NORTH CAROLINA
WATER AND SEWER SYSTEM REVENUE BOND
SERIES 2025**

No. R-____

\$_____

<u>INTEREST RATE</u>	<u>DATED DATE</u>	<u>MATURITY DATE</u>	<u>CUSIP</u>
%	December 3, 2025	June 1, 20__	

REGISTERED OWNER: CEDE & Co.

PRINCIPAL AMOUNT: DOLLARS

THE CITY OF WINSTON-SALEM, NORTH CAROLINA (*the “City”*), a municipal corporation of the State of North Carolina (*the “State”*), for value received, promises to pay, but solely from the sources and in the manner hereinafter provided, to the Owner named above the Principal Amount stated above on the Maturity Date set forth above (or earlier as hereinafter described), and to pay such Owner at the address as it appears on the registration books kept by The Bank of New York Mellon Trust Company, N.A., as successor in interest to NCNB National Bank of North Carolina, the Registrar for the 2025 Bonds, at the close of business on the 15th day of the month preceding each hereinafter-described Interest Payment Date (each, a “*Record Date*”), interest on such Principal Amount at the Interest Rate set forth above from the Interest Payment Date next preceding the date of authentication (unless (1) the date of authentication precedes [May 15, 2026] in which case this 2025 Bond will bear interest from December 3, 2025, or (2) the date of authentication is an Interest Payment Date, in which case this 2025 Bond will bear interest from such date) until the principal hereof shall have been paid or provided for in accordance with the Indenture hereinafter referred to, payable [June 1, 2026] and thereafter semiannually on June 1 and December 1 in each year (each an “*Interest Payment Date*”). Both principal and interest and any premium on the redemption before the maturity of all or part hereof are payable in lawful coin or currency of the United States of America and (except for interest which is payable by check or draft as stated above) are payable at the corporate trust office of The Bank of New York Mellon Trust Company, N.A., as successor in interest to NCNB National Bank of North Carolina, as Trustee, in Jacksonville, Florida.

THE 2025 BONDS ARE SPECIAL OBLIGATIONS OF THE CITY. THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE 2025 BONDS ARE NOT PAYABLE FROM THE GENERAL FUNDS OF THE CITY, NOR DO THEY CONSTITUTE A LEGAL OR EQUITABLE PLEDGE, CHARGE, LIEN, OR ENCUMBRANCE UPON ANY OF ITS PROPERTY OR UPON ANY OF ITS INCOME, RECEIPTS, OR REVENUES EXCEPT THE FUNDS WHICH ARE PLEDGED UNDER THE INDENTURE (HEREINAFTER DEFINED). NEITHER THE CREDIT NOR THE TAXING POWER OF THE STATE OR THE CITY ARE PLEDGED FOR THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE 2025 BONDS, AND NO OWNER OF THIS 2025 BOND HAS THE RIGHT TO COMPEL THE EXERCISE OF THE TAXING POWER BY THE STATE OR THE CITY OR THE FORFEITURE OF ANY OF ITS PROPERTY IN CONNECTION WITH ANY DEFAULT.

The 2025 Bonds will be initially delivered by means of a book-entry system with no physical distribution of definitive 2025 Bonds made to the public. One definitive 2025 Bond for each maturity will be delivered to The Depository Trust Company, New York, New York (“DTC”), and immobilized in its custody. A book-entry system will be employed, evidencing ownership of the 2025 Bonds in Authorized Denominations (hereinafter defined) with transfers of beneficial ownership effected on the records of DTC and its participants pursuant to rules and procedures established by DTC. Principal of, premium, if any, and interest on the 2025 Bonds will be payable to DTC or its nominee as registered owner of the 2025 Bonds by wire transfer in immediately available funds. The City and the Trustee are not responsible or liable for maintaining, supervising, or reviewing the records maintained by DTC, its participants or persons acting through such participants.

If (a) DTC determines not to continue to act as securities depository for the 2025 Bonds or (b) the Trustee and the City determine to discontinue the book entry system in accordance with DTC’s rules and the City fails to identify another qualified securities depository to replace DTC, the City will deliver fully registered definitive 2025 Bonds to DTC in accordance with its rules and procedures.

The City and the Trustee have no responsibility or obligation with respect to (a) the accuracy of any records maintained by DTC; (b) the payment by DTC of any amount in respect of the principal of and premium, if any, and interest on the 2025 Bonds; (c) the delivery or timeliness of delivery by DTC of any notice which is required or permitted under the terms of the Indenture (hereinafter defined) to be given to Owners; (d) the selection of Owners to receive payments in the event of any partial redemption of the 2025 Bonds; or (e) any consent given or other action taken by DTC, or its nominee.

This 2025 Bond is one of an issue of 2025 Bonds designated “*City of Winston-Salem Water and Sewer System Revenue Bonds, Series 2025*” (the “2025 Bonds”) issued under an Amended and Restated General Trust Indenture, dated as of March 1, 2020, between the City and the Trustee (the “*General Indenture*”), which amended and restated the General Trust Indenture dated as of October 1, 1988 between the City and NCNB National Bank of North Carolina, the successor to which is the Trustee, and Series Indenture, Number 20 dated as of December 1, 2025 (the “*Series Indenture*” and, together with the General Indenture and all supplements thereto, being hereinafter referred to collectively as the “*Indenture*”) between the City and the Trustee. Unless the context indicates otherwise, all capitalized, undefined terms used herein have the meanings ascribed to them in the Indenture.

The 2025 Bonds are being issued to (a) finance the costs of extensions, additions and capital improvements to, or the renewal and replacement of capital assets of, or purchasing and installing new equipment for the System (as defined in the General Indenture), including, but not limited to [projects to be included] and (b) pay the costs of issuing the 2025 Bonds.

The 2025 Bonds will be on parity with existing Bonds issued and outstanding under the General Indenture and any additional Bonds (collectively, the “*Bonds*”) issued by the City under the General Indenture. The Bonds, together with interest thereon, are special obligations of the City payable solely from Revenues (except to the extent paid out of money attributable to Bond proceeds or the income from the temporary investment thereof and, under certain circumstances, proceeds from insurance and condemnation awards) after payment of the Operating Expenses of the System and constitute a valid claim of the respective Owners thereof only against the funds and other money held by the Trustee for the benefit of the Owners of the Bonds, which amounts are pledged and assigned pursuant to the Indenture for the equal and ratable payment of the Bonds and will be used for no other purpose than to pay the principal of, premium, if any, and interest on the Bonds, except as may be otherwise expressly authorized in the Indenture.

As used herein, “*Revenues*” means all rates, fees, rentals or other charges or other income received by the City in connection with the ownership, management and operation of the System, and all parts

thereof, including any amounts contributed by the City, all as calculated in accordance with generally accepted accounting principles except as otherwise provided in the Indenture, but excluding (1) amounts received from the investment of money in any Fund or Account, (2) assessments restricted by their terms to capital improvements, (3) net proceeds of insurance or condemnation awards or other extraordinary items, (4) any amounts collected by the City representing sales or use taxes which may be required by law or agreement to be paid to the State or a governmental unit thereof or (5) refundable deposits made by customers of the System.

“*Operating Expenses*” means the current expenses, paid or accrued, of operation, maintenance and current repair of the System, as calculated in accordance with sound accounting practices, and includes without limiting the generality of the foregoing, insurance premiums; any Rebate Deposit; administrative expenses of the City relating solely to the System; labor; executive compensation; the cost of materials and supplies used for current operations; and charges for the accumulation of appropriate reserves for current expenses not annually recurrent, but which are such as may reasonably be expected to be incurred in accordance with sound accounting practice, but does not include any allowance for depreciation or replacements of capital assets of the System or contractual obligations of the System with a term greater than one year.

Pursuant to the Indenture the City has, for the benefit of the Owners of the Bonds, assigned the City’s rights to all Revenues and to any and all money and securities in all of the funds and accounts established under the Indenture, except the Rebate Fund, the Operating and Maintenance Fund and the Extension and Replacement Fund, to the Trustee in trust.

Reference is made to the Indenture for a more complete statement of the provisions thereof and of the rights of the City, the Trustee and the Owners of the Bonds. Copies of the Indenture are on file and may be inspected at the corporate trust office of the Trustee in Jacksonville, Florida. By the purchase and acceptance of this 2025 Bond, the Owner hereof signifies assent to all of the provisions of the aforementioned documents.

This 2025 Bond is issued and the Indenture were made and entered into under and pursuant to the Constitution and laws of the State, and particularly in conformity with the provisions, restrictions and limitations of General Statutes of North Carolina Section 159-80 *et seq.*, as amended.

This 2025 Bond is exchangeable on the presentation and surrender hereof at the corporate trust office of the Registrar for a 2025 Bond or 2025 Bonds of other Authorized Denominations. On surrender for registration of transfer, duly endorsed for transfer or accompanied by an assignment duly executed by the Owner hereof or his or her attorney duly authorized in writing, the Registrar will authenticate and deliver in the name of the transferee or transferees a new fully registered 2025 Bond or 2025 Bonds. The Registrar may require the payment by any Owner requesting registration of transfer or exchange of 2025 Bonds of any tax, fee or other governmental charge required to be paid with respect to such registration of transfer or exchange. The Registrar is not required to register the transfer of or exchange any 2025 Bonds selected, called or being called for redemption in whole or in part. The person in whose name this 2025 Bond is registered will be deemed and regarded as the absolute owner hereof for all purposes, and payment of this 2025 Bond will be made only to or on the written order of the Owner hereof to his or her legal representative. All such payments will be valid and effectual to satisfy and discharge this 2025 Bond to the extent of the sum or sums paid.

[to revise redemption provisions as necessary at pricing] The 2025 Bonds maturing on or before June 1, 2035, are not subject to call and redemption before their stated maturities. The 2025 Bonds maturing on or after June 1, 2036 may be redeemed prior to their stated maturities, at the option of the City, from any funds that may be available for such purpose, either in whole or in part on any date on or after June 1, 2035

at the Redemption Price of 100% of the principal amount of the 2025 Bonds to be redeemed plus accrued interest thereon to the Redemption Date.

The 2025 Bonds maturing on June 1, 20__ (the “*Term Bonds*”) are subject to mandatory sinking fund redemption prior to maturity in part at the Redemption Price of 100% of the principal amount thereof, without premium, in the amounts and on June 1 as follows:

JUNE 1	PRINCIPAL AMOUNT

* Maturity

At its option, to be exercised on or before the 45th day next preceding any mandatory redemption date, the City may (a) deliver to the Trustee for cancellation, Term Bonds or portions thereof (in Authorized Denominations) in any aggregate principal amount desired, or (b) receive a credit in respect of its mandatory redemption obligation for the Term Bonds (in Authorized Denominations) which prior to said date have been purchased or redeemed (otherwise than through mandatory redemption under this paragraph) and cancelled by the Trustee and not theretofore applied as a credit against any mandatory redemption obligation. Each such Term Bond or portion thereof so delivered or previously purchased or redeemed and cancelled by the Trustee shall be credited by the Trustee at 100% of the principal amount thereof against the obligation of the City to redeem the Term Bonds on such mandatory redemption date, and any excess over such amount shall be credited against future mandatory redemption obligations in chronological order, unless otherwise designated by the City, and the principal amount of the Term Bonds so to be redeemed shall be accordingly reduced.

The City will on or before the 45th day next preceding each such mandatory redemption date furnish the Trustee with its certificate indicating whether or not and to what Sections 3.02(a) and (b) are to be availed of with respect to such mandatory redemption payment.

Notice of redemption will be given by the Trustee not less than 30 days nor more than 60 days before the Redemption Date (1) to the North Carolina Local Government Commission by Mail or Electronic Means, (2)(a) to DTC or its nominee by registered or certified mail at the address provided to the Trustee by DTC or as otherwise permitted by DTC’s rules and procedures or (b) if DTC or its nominee is no longer the Owner of the 2025 Bonds, by Mail to the then-registered Owners of 2025 Bonds to be redeemed at the last address shown on the registration books kept by the Registrar and (3) to the Municipal Securities Rulemaking Board (the “MSRB”) through the MSRB’s Electronic Municipal Market Access system pursuant to the procedures promulgated by the MSRB.

Notwithstanding the foregoing, (1) if notice is properly given, the failure to receive an appropriate notice shall not affect the validity of the proceedings for such redemption, (2) the failure to give any such notice or any defect therein shall not affect the validity of the proceedings for the redemption of the 2025 Bonds or portions thereof with respect to which notice was correctly given, and (3) 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 the redemption of the 2025 Bonds.

Such notice must (1) specify the 2025 Bonds to be redeemed, the Redemption Date, the Redemption Price and the place or places where amounts due on such redemption must be payable (which

must be the principal office of the Paying Agent) and if less than all of the 2025 Bonds are to be redeemed, the numbers of the 2025 Bonds and the portions of 2025 Bonds to be redeemed, (2) state that on the Redemption Date, the 2025 Bonds to be redeemed will cease to bear interest and (3) if the redemption is conditional on the occurrence of one or more events, what the conditions for redemption are and the manner in which Owners will be notified if the conditions precedent to a redemption do not occur. Neither the failure to mail the notice nor any defect in any notice mailed shall affect the sufficiency of the proceeding for the redemption of any 2025 Bonds as to which no such defect or failure occurred.

In the case of an optional redemption of the 2025 Bonds, the redemption notice may state (1) that it is conditioned upon the deposit of money with the Trustee on the redemption date at the time and in an amount equal to the amount necessary to effect the redemption 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 redemption notice on or prior to the scheduled redemption date, and such notice and optional redemption shall be of no effect if such money is not so deposited or if the notice is rescinded as described below.

Any scheduled redemption of 2025 Bonds or portions thereof may be rescinded in whole or in part at any time prior to the redemption date if the City delivers written notice to the Trustee instructing the Trustee to rescind the redemption notice. The Trustee shall give prompt notice of such rescission to the affected Owners of the 2025 Bonds. Any 2025 Bonds where redemption has been rescinded shall remain Outstanding, and the rescission shall not constitute an Event of Default. Further, the failure of the City to make funds available in part or in whole on or before the redemption date shall not constitute an Event of Default, and the Trustee shall give immediate notice to the affected Owners of the 2025 Bonds that the redemption did not occur and that the 2025 Bonds called for redemption and not so paid remain Outstanding.

If less than all of the 2025 Bonds are called for optional redemption described above, the City shall determine the maturities and amounts thereof to be redeemed. If a book-entry system through DTC is used for determining beneficial ownership of the 2025 Bonds and less than all the 2025 Bonds of any maturity are called for redemption, DTC shall select the 2025 Bonds to be redeemed pursuant to its rules and procedures or, if the book-entry system through DTC or any other securities depository for determining beneficial ownership of the 2025 Bonds has been discontinued, the Trustee shall select the 2025 Bonds to be redeemed by lot in such manner at the Trustee in its discretion may deem proper, but, in any event, the portion of any 2025 Bond to be redeemed must be in an Authorized Denomination.

If a 2025 Bond subject to redemption is in a denomination larger than the minimum Authorized Denomination, a portion of such 2025 Bond may be redeemed, but only in a principal amount such that the deemed portion of such 2025 Bond is equal to an Authorized Denomination. For any 2025 Bond denomination of more than the minimum Authorized Denomination, the Trustee shall treat each such 2025 Bond as representing a single 2025 Bond in the minimum Authorized Denomination plus that number of 2025 Bonds that is obtained by dividing the remaining principal amount of such 2025 Bond by the minimum Authorized Denomination.

If it is determined that one or more, but not all, of the 2025 Bonds are to be called for redemption, then, on notice of intention to redeem such 2025 Bonds, the Owner of such 2025 Bond, on surrender of such 2025 Bond to the Paying Agent for payment of the principal amount of the 2025 Bond, will be entitled to receive new 2025 Bonds in the aggregate principal amount of the unredeemed balance of the principal amount of such 2025 Bond. New 2025 Bonds representing the unredeemed balance of the principal amount of such 2025 Bonds will be issued to the Owner thereof without charge therefor.

If the Owner of any 2025 Bond of a denomination greater than the amount being redeemed fails to present such 2025 Bond to the Paying Agent for payment and exchange as aforesaid, such 2025 Bond will,

nevertheless, become due and payable on the date fixed for redemption to the extent of the denomination being redeemed and to that extent only.

The Indenture permits amendment thereto on the agreement of the City and the Trustee and with the approval of the registered Owners of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding. The Indenture also contains provisions permitting the City and the Trustee to enter into amendments to the Indenture without the consent of the Owners of the Bonds for certain purposes.

Any consent or request by the Owner of this 2025 Bond is conclusive and binding on such Owner and on all future Owners of this 2025 Bond and of any Bond issued on the transfer of this 2025 Bond whether or not notation of such consent or request is made on this 2025 Bond.

This 2025 Bond is issued with the intent that the laws of the State of North Carolina govern its legality, validity, enforceability and construction.

All acts, conditions and things required to happen, exist and be performed precedent to and in the issuance of this 2025 Bond and the execution of the Indenture have happened, existed and have been performed as so required.

This 2025 Bond is not valid or obligatory for any purpose or be entitled to any benefit or security under the Indenture until it has been authenticated by the execution by the Authenticating Agent (as defined in the Indenture) of the certificate of authentication endorsed hereon.

[SIGNATURES BEGIN ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, the City of Winston-Salem, North Carolina has caused this 2025 Bond to be executed with the manual or facsimile signatures of the City Manager and City Clerk or Deputy City Clerk, and has caused the City's official seal or a facsimile thereof to be impressed or imprinted hereon.

CITY OF WINSTON-SALEM, NORTH CAROLINA

[SEAL]

By: _____
W. Patrick Pate
City Manager

ATTEST:

By: _____
Jayme Waldeck
City Clerk

[COUNTERPART SIGNATURE PAGE OF THE
LOCAL GOVERNMENT COMMISSION OF NORTH CAROLINA

RELATED TO

CITY OF WINSTON SALEM, NORTH CAROLINA
WATER AND SEWER SYSTEM REVENUE BONDS, SERIES 2025]

The issue hereof has been approved under the
provisions of The State and Local Government Revenue Bond Act.

Deputy Secretary of the Local Government Commission

CERTIFICATE OF AUTHENTICATION

Date of Authentication: December 3, 2025

This 2025 Bond is one of the Water and Sewer System Revenue Bonds, Series 2025 designated herein issued under the provisions of the within-mentioned Indenture.

**THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A.,** as Registrar

By: _____
Vice President

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto:

(Please print or typewrite Name, Address,
including Zip Code, and Federal Taxpayer Identification or
Social Security Number of Assignee)

the within 2025 Bond and all rights thereunder, and hereby irrevocably constitutes and appoints

Attorney to register the transfer of the within 2025 Bond on the books kept for registration thereof,
with full power of substitution in the premises.

Dated: _____

Signature guaranteed by:

NOTICE: Signature must be guaranteed by a participant of the Securities Transfer Agent Medallion Program (“*STAMP*”) or similar program.

NOTICE: The signature to this assignment must correspond with the name as it appears on the face of the within 2025 Bond in every particular, without alteration, enlargement or any change whatever.

TRANSFER FEE MAY BE REQUIRED