

Resolution #26-0113
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**BOND ORDER AUTHORIZING THE ISSUANCE OF
WATER AND SEWER SYSTEM REVENUE REFUNDING BONDS, SERIES 2026
OF THE CITY OF WINSTON-SALEM, NORTH CAROLINA**

WHEREAS, the City of Winston-Salem, North Carolina (the “City”) is authorized by The State and Local Government Revenue Bond Act, General Statutes of North Carolina, Section 159-80 et seq. (the “Act”), to issue, subject to the approval of the Local Government Commission of North Carolina (the “Commission”), at one time or from time to time, revenue bonds of the City for the purposes as specified in the Act; and

WHEREAS, the City Council of the City (the “City Council”) hereby determines to issue the City of Winston-Salem, North Carolina Water and Sewer System Revenue Refunding Bonds, Series 2026 (the “2026 Bonds”) in an aggregate principal amount not to exceed \$80,000,000 to (a) refund the City’s Water and Sewer System Revenue Refunding Bonds, Series 2016A maturing on and after June 1, 2027 (the “Refunded Bonds”), and (b) pay the costs of issuing the 2026 Bonds; and

WHEREAS, the City has previously issued revenue bonds under an Amended and Restated General Trust Indenture dated as of March 1, 2020 (the “General Indenture”), between the City and The Bank of New York Mellon Trust Company, N.A., as successor trustee (the “Trustee”), which amended and restated a 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

WHEREAS, the City will issue the 2026 Bonds under (a) the General Indenture, and (b) Series Indenture, Number 21 dated as of April 1, 2026 (the “Series Indenture” and together with the General Indenture, the “Indenture”) between the City and the Trustee; and

WHEREAS, the City Council wishes to retain (1) Parker Poe Adams & Bernstein LLP, as bond counsel (“Bond Counsel”); (2) First Tryon Advisors LLC, as municipal advisor (“Municipal Advisor”); and (3) The Bank of New York Mellon Trust Company, N.A., as trustee for the 2026 Bonds and escrow agent with respect to the Refunded Bonds (collectively, the “Financing Team”); and

WHEREAS, the City Council desires that the Chief Financial Officer of the City file with the Local Government Commission of North Carolina (the “Commission”) an application for its approval of the 2026 Bonds on a form prescribed by the Commission, and (1) request in such application that the Commission approve the City’s use of the Financing Team, and (2) state in such application such facts and to attach thereto such exhibits in regard to the 2026 Bonds and to the City and its financial condition as the Commission may require, and to take all other action necessary for the issuance of the 2026 Bonds; and

WHEREAS, the City and the LGC have arranged for the private sale without advertisement of the 2026 Bonds to Robert W. Baird & Co., Incorporated (the “Underwriter”), under the terms of a Bond Purchase Agreement to be dated as the date of delivery thereof (the “Purchase Agreement”) among the LGC, the Underwriter and the City, pursuant to which the City and the LGC will sell the 2026 Bonds to the Underwriter in accordance with the terms and conditions set forth therein; and

WHEREAS, copies of the forms of the following documents relating to the transaction described above have been filed with the City (collectively, the “*Transaction Documents*”):

1. the Series Indenture;
2. an Escrow Agreement dated as of April 1, 2026 between the City and The Bank of New York Mellon Trust Company, N.A., as escrow agent;
3. the Purchase Agreement; and
4. a Preliminary Official Statement to be dated the date of delivery thereof (the “*Preliminary Official Statement*”) with respect to the 2026 Bonds.

NOW THEREFORE, BE IT ORDERED by the Mayor and the City Council of the City of Winston-Salem, North Carolina:

Section 1. The 2026 Bonds are authorized and will be issued pursuant to the Act to refund the Refunded Bonds and pay the costs of issuing the 2026 Bonds.

Section 2. The use of the Financing Team in connection with the issuance of the 2026 Bonds is approved. In addition, to the extent necessary, the Chief Financial Officer is authorized to engage any other third parties that may be necessary to execute the transactions contemplated by this Resolution.

Section 3. All actions taken by the Chief Financial Officer to file an application with the Commission for its approval of the issuance of the 2026 Bonds is hereby ratified.

Section 4. The aggregate principal amount of the 2026 Bonds authorized by this Bond Order will not exceed \$80,000,000. The 2026 Bonds authorized will be special obligations of the City, secured by and paid solely from the proceeds thereof or from Net Revenues (as defined in the General Indenture).

Section 5. The City Council finds and determines and asks the Commission to find and determine from the City’s application and supporting documentation as follows:

(a) the issuance of the 2026 Bonds is necessary or expedient because (i) the City expects that the refunding of the Refunded Bonds will produce net debt service savings, (ii) the 2026 Bonds will not have a maturity date later than the final maturity date of the Refunded Bonds, and (iii) such refunding will produce approximate level annual debt service savings to the City;

(b) the proposed amount of the 2026 Bonds is adequate and not excessive because the City expects such amount, when added to other money available for such purpose, to be sufficient to refund the Refunded Bonds and pay related costs of issuance;

(c) the City’s refunding of the Refunded Bonds is feasible because (i) the City expects that such refunding will produce net debt service savings, (ii) the 2026 Bonds will not have a maturity date later than the final maturity date of the Refunded Bonds, and (iii) such refunding will produce approximate level annual debt service savings to the City;

(d) the City's debt management procedures and policies are good because the City has not defaulted on any debt obligations in the preceding ten years, has timely filed its most recent audited financial statements with the Local Government Commission in accordance with the current Local Government Commission requirements, and is not on the Unit Assistance List issued by the Department of State Treasurer; and

(e) the 2026 Bonds can be marketed at reasonable rates of interest because the City expects that the Secretary of the Local Government Commission can determine that the interest rate assumptions used for financial analysis filed with the City's application are consistent with the interest rates realized in actual sales of comparable revenue bonds of local governments in North Carolina that have recently been sold.

Section 6. The City's issuance of the 2026 Bonds, in substantially the forms to be set forth in the Series Indenture, is approved and confirmed, and the provisions of the Series Indenture with respect to the 2026 Bonds are approved and confirmed and are incorporated herein by reference. The proceeds from the sale of the 2026 Bonds will be deposited in accordance with the Series Indenture.

The principal of, premium, if any, and interest on the 2026 Bonds will not be payable from the general funds of the City, nor will the 2026 Bonds constitute a legal or equitable pledge, charge, lien or encumbrance on any of the City's property or on any of its income, receipts or revenues except the funds which are pledged under the Indenture. Neither the credit nor the taxing power of the State of North Carolina or the City is pledged for the payment of the principal of, premium, if any, or interest on the 2026 Bonds, and no holder of the 2026 Bonds has the right to compel the exercise of the taxing power by the State of North Carolina or the City or the forfeiture of any of its property in connection with any default thereon.

Section 7. The 2026 Bonds will be sold to the Underwriter pursuant to the terms of the Purchase Agreement.

Section 8. The form and content of the Transaction Documents, including the exhibits thereto, are approved and confirmed, and the City Manager, the Chief Financial Officer, the City Clerk, and the City Attorney (the "*Authorized Officers*"), or their respective designees, as applicable, are authorized, empowered and directed, individually and collectively, to execute and deliver the Transaction Documents for and on behalf of the City, including necessary counterparts, in substantially the forms and content presented to the City Council, but with such changes, modifications, additions or deletions therein as they may deem necessary, desirable or appropriate, their execution thereof to constitute conclusive evidence of their approval of any and all such changes, modifications, additions or deletions therein. The City Council authorizes the preparation of the final Official Statement, in substantially the form of the Preliminary Official Statement, together with such changes as are necessary to reflect the final terms of the 2026 Bonds. The Authorized Officers are authorized to deliver the final Official Statement. From and after the execution and delivery of the Transaction Documents, as applicable, the Authorized Officers are authorized, empowered and directed, individually and collectively, to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Transaction

Documents, as executed. The Trustee is appointed as Registrar and Paying Agent under the Series Indenture.

Section 9. The Authorized Officers of the City are authorized to execute a tax certificate to comply with Section 148 of the Internal Revenue Code of 1986, as amended, and the applicable regulations promulgated thereunder.

Section 10. If any one or more of the covenants, agreements or provisions contained in this Bond Order is held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or is for any reason whatsoever held invalid, then such covenants, agreements or provisions will be null and void and will be deemed separable from the remaining agreements and provisions and will in no way affect the validity of any of the other agreements and provisions of this Bond Order or of the 2026 Bonds authorized hereunder.

Section 11. No stipulation, obligation or agreement contained in this Bond Order or contained in the 2026 Bonds, the General Indenture, the Transaction Documents, or any other instrument related to the issuance of the 2026 Bonds is a stipulation, obligation or agreement of any officer, agent or employee of the City in his or her individual capacity, and no such officer, agent or employee is personally liable on the 2026 Bonds or subject to personal liability or accountability by reason of the issuance thereof.

Section 12. The Authorized Officers are authorized, empowered and directed, individually and collectively, to do any and all other acts and to execute any and all other documents which they, in their discretion, deem necessary and appropriate to consummate the transactions contemplated by this Bond Order and the Transaction Documents; except that none of the above is authorized or empowered to do anything or execute any document which is in contravention, in any way, of (a) the specific provisions of this Bond Order, (b) the specific provisions of the General Indenture or the Series Indenture, (c) any agreement to which the City is bound, (d) any rule or regulation of the City, or (e) any applicable law, statute, ordinance, rule or regulation of the United States of America or the State of North Carolina.

Section 13. The Authorized Officers are authorized and directed, individually and collectively, to prepare and furnish, when the 2026 Bonds are issued, certified copies of all the proceedings and records of the City Council relating to the 2026 Bonds, and such other affidavits, certificates and documents as may be required to show the facts relating to the legality and marketability of the 2026 Bonds as such facts appear on the books and records in such party's custody and control or as otherwise known to them; and all such certified copies, certificates, affidavits and documents, including any heretofore furnished, constitute representations of the City as to the truth of all statements contained therein.

Section 14. All acts and doings of the Authorized Officers that are in conformity with the purposes and intents of this Bond Order and in the furtherance of the issuance of the 2026 Bonds and the execution, where appropriate, delivery and performance of the General Indenture and the Transaction Documents are approved, ratified, and confirmed.

Section 15. All resolutions or parts thereof of the City Council in conflict with the provisions herein contained are, to the extent of such conflict, hereby superseded and repealed.

Section 16. This Bond Order will take effect immediately on its adoption and, pursuant to Section 159-88 of the General Statutes of North Carolina, as amended, need not be published or subjected to any procedural requirements governing the adoption of ordinances or resolutions by the City Council other than the procedures set out in the Act.