

**RESOLUTION OF THE CITY OF WINSTON-SALEM, NORTH CAROLINA,  
APPROVING AN AMENDMENT TO AN INSTALLMENT PURCHASE  
CONTRACT WITH THE NORTH CAROLINA MUNICIPAL LEASING  
CORPORATION TO FINANCE CERTAIN FACILITIES  
AND CAPITAL ASSETS AND RELATED MATTERS**

**WHEREAS**, the City of Winston-Salem, North Carolina (the “*City*”) is a validly existing municipal corporation, existing as such under and by virtue of the Constitution, statutes and laws of the State of North Carolina (the “*State*”); and

**WHEREAS**, the City has the power, pursuant to the General Statutes of North Carolina to (1) enter into installment contracts in order to purchase, or finance or refinance the purchase of, real or personal property and to finance or refinance the construction or repair of fixtures or improvements on real property and (2) create a security interest in some or all of the property financed or refinanced to secure repayment of the purchase price; and

**WHEREAS**, the City has previously executed and delivered:

(1) an Installment Purchase Contract dated as of August 15, 2001 (the “*2001 Contract*”) with the North Carolina Municipal Leasing Corporation (the “*Corporation*”), the proceeds of which were used to finance the Projects (as defined in the 2001 Contract), including, among other things, renovating, improving, and equipping City Hall, which was subsequently amended by Amendment Number One to the 2001 Contract dated as of April 15, 2006 (the “*First Amendment*”); Amendment Number Two to the 2001 Contract dated as of August 15, 2006 (the “*Second Amendment*”); Amendment Number Three to the 2001 Contract dated as of February 1, 2010 (the “*Third Amendment*,”); Amendment Number Four to the 2001 Contract dated as of July 1, 2013 (the “*Fourth Amendment*”); Amendment Number Five to the 2001 Contract dated as of September 15, 2014 (the “*Fifth Amendment*”); Amendment Number Six to the 2001 Contract dated as of June 28, 2018 (the “*Sixth Amendment*”), and Amendment Number Seven to the 2001 Contract dated as of January 21, 2020 (the “*Seventh Amendment*” and together with the First Amendment, the Second Amendment, the Third Amendment, the Fourth Amendment, the Fifth Amendment, and the Sixth Amendment, the “*Prior Amendments*”), each between the City and the Corporation, the proceeds of which financed and refinanced the projects specified therein; and

(2) a Deed of Trust, Security Agreement and Fixture Filing dated as of August 15, 2001 (the “*2001 Deed of Trust*”) granting a lien on the site of City Hall, as modified and extended by (a) a Notice of Extension of Deed of Trust to Additional Property dated as of April 15, 2006 (the “*First Extension*”), extending the lien of the 2001 Deed of Trust to the site of the City’s public safety center, (b) a Notice of Extension of Deed of Trust to Additional Property dated as of July 1, 2013 (the “*Second Extension*”), further extending the lien of the 2001 Deed of Trust to the site of the City’s Joycelyn V. Johnson Municipal Services Center (formerly known as the Lowery Street facility) (the “*Johnson Center*”), and (c) a Notice of Extension of Deed of Trust to Additional Property dated as of September 15, 2014 (the “*Third Extension*” and together with the 2001 Deed of Trust, the First Extension, and the Second Extension, the “*Deed of Trust*”), further extending the lien of the 2010 Deed of Trust to the City-owned portion of the site of Truist Stadium (formerly known as the BB&T Ballpark); and

**WHEREAS**, it is in the City’s best interest to enter into Amendment Number Eight to the 2001 Contract (the “*Eighth Amendment*” and together with the 2001 Contract and the Prior Amendments, the “*Contract*”) with the Corporation to finance (a) the construction of and improvements to various parks and recreation facilities, including, but not limited to, improvements to Helen Nichols Park, Miller Park, Long Creek Park, Runnymede Park, and Sprague Street Community Center, and repairs to Muddy Creek

Greenway, (b) the construction of and improvements to various streets, sidewalks, and transportation infrastructure, including, but not limited to, replacement of the First Street Bridge, conversion of Liberty Street and Main Street into two-way streets, and improvements to Northwest Boulevard, (c) improvements to Winston Lake Golf Course, (d) improvements to the Winston-Salem Fairgrounds, including, but not limited to, renovations to the ice skating rink, (e) the replacement of the roof at the Joycelyn V. Johnson Municipal Services Center, (f) improvements to Truist Stadium, (g) renovations and improvements to the City's 911 communications center, including the acquisition of land or rights-of-way in land required therefor, and (h) other miscellaneous capital outlay (collectively, the "2025 Projects"); and

**WHEREAS**, financing the 2025 Projects is essential to the City's proper, efficient and economic operation and to the general health and welfare of its inhabitants; financing the 2025 Projects will provide an essential use and will permit the City to carry out public functions that it is authorized by law to perform; and entering into the Eighth Amendment is necessary and expedient for the City by virtue of the findings presented herein; and

**WHEREAS**, the Eighth Amendment would allow the City to finance the 2025 Projects and take title thereto at a favorable interest rate currently available in the financial marketplace and on terms advantageous to the City; and

**WHEREAS**, the estimated cost of financing the 2025 Projects, including payment of the costs of execution and delivery of the Eighth Amendment, is an amount not to exceed \$44,000,000 and such cost exceeds the amount that can be prudently raised from currently available appropriations, unappropriated fund balances and non-voted bonds that the City could issue in the current fiscal year pursuant to Article V, Section 4 of the Constitution of the State; and

**WHEREAS**, although the cost of financing the 2025 Projects pursuant to the Eighth Amendment is expected to exceed the cost of financing the 2025 Projects pursuant to a bond financing for the same undertaking, the cost of acquiring the 2025 Projects pursuant to the Eighth Amendment and the obligations of the City thereunder are preferable to a general obligation bond financing or revenue bond financing for several reasons, including but not limited to the following: (1) the cost of a special election necessary to approve a general obligation bond financing, as required by the laws of the State, would result in the expenditure of significant funds; (2) the time required for a general obligation bond election would cause an unnecessary delay which would thereby decrease the financial benefits of acquiring, constructing, improving and equipping the 2025 Projects; and (3) insufficient revenues are produced by the 2025 Projects so as to permit a revenue bond financing; and

**WHEREAS**, the estimated cost of financing the 2025 Projects pursuant to the Eighth Amendment reasonably compares with an estimate of similar costs under a bond financing for the same undertaking as a result of the findings delineated in the above preambles; and

**WHEREAS**, the increase in taxes, if any, necessary to pay installment payments falling due under the Eighth Amendment will not be excessive; and

**WHEREAS**, the sums to fall due under the Eighth Amendment will be adequate but not excessive for its proposed purpose; and

**WHEREAS**, Parker Poe Adams & Bernstein LLP, as bond counsel ("*Bond Counsel*"), will render an opinion to the effect that entering into the Eighth Amendment and the transactions contemplated thereby are authorized by law; and

**WHEREAS**, no deficiency judgment may be rendered against the City in any action for its breach of the Eighth Amendment, and the taxing power of the City is not and may not be pledged in any way directly or indirectly or contingently to secure any money due under the Eighth Amendment; and

**WHEREAS**, the City is not in default under any of its debt service obligations; and

**WHEREAS**, the City's budget process and Annual Budget Ordinance are in compliance with the Local Government Budget and Fiscal Control Act, and external auditors have determined that the City has conformed with generally accepted accounting principles as applied to governmental units in preparing its Annual Budget ordinance; and

**WHEREAS**, past audit reports of the City indicate that its debt management and contract obligation payment policies have been carried out in strict compliance with the law, and the City has not been censured by the North Carolina Local Government Commission (the "*Commission*"), external auditors or any other regulatory agencies in connection with such debt management and contract obligation payment policies; and

**WHEREAS**, a public hearing on the Eighth Amendment after publication of a notice with respect to such public hearing must be held, and approval of the Commission with respect to entering into the Eighth Amendment must be received; and

**WHEREAS**, the City will incur and pay certain expenditures (the "*Original Expenditures*") in connection with the 2025 Projects prior to the date of execution and delivery of the Eighth Amendment, such Original Expenditures to be paid for originally from a source other than the proceeds of the Eighth Amendment, and the City intends, and reasonably expects, to be reimbursed for such Original Expenditures from a portion of the proceeds of the Eighth Amendment; and

**WHEREAS**, all findings, conclusions and determinations of the City in this Resolution are subject to modification or affirmation after all interested parties have been afforded the opportunity to present their comments at a public hearing regarding the execution and delivery of the Eighth Amendment and the 2025 Projects financed thereby.

**NOW, THEREFORE, BE IT RESOLVED** by the Mayor and the City Council of Winston-Salem, North Carolina, as follows:

**Section 1.**     ***Authorization to Negotiate Eighth Amendment.*** The City Manager, the Chief Financial Officer, and the City Clerk (individually and collectively, the "*Authorized Officers*"), with advice from the City Attorney and Bond Counsel, are authorized and directed to proceed and negotiate on behalf of the City the Eighth Amendment for a principal amount not to exceed \$44,000,000 to finance the 2025 Projects, to be entered into in accordance with Section 160A-20 of the General Statutes of North Carolina, as amended.

**Section 2.**     ***Application to Commission.*** The filing of an application with the Local Government Commission (the "*Commission*") for its approval of the execution and delivery of the Eighth Amendment and financing of the 2025 Projects by the Chief Financial Officer of the City is ratified and approved.

**Section 3.**     ***Direction to Retain Professionals.*** The Authorized Officers, with advice from the City Attorney, are authorized and directed to retain the assistance of Parker Poe Adams & Bernstein LLP, as bond counsel, First Tryon Advisors, LLC, as financial

advisor, Robert W. Baird & Co. Inc., as underwriter, and The Bank of New York Mellon Trust Company, N.A., as trustee. The Authorized Officers are authorized to retain such other professionals as they deem necessary in their judgment to carry out the transaction contemplated in this Resolution.

**Section 4.** ***Public Hearing.*** The City Council shall conduct a public hearing (the “*Public Hearing*”) on June 2, 2025 at 6:00 p.m. in the City Council Chamber, Winston-Salem City Hall, 101 North Main Street, Winston-Salem, North Carolina, concerning the Eighth Amendment, the proposed financing of the 2025 Projects, and any other transactions contemplated therein and associated therewith.

**Section 5.** ***Notice of Public Hearing.*** The City Clerk is directed to cause a notice of the Public Hearing, in the form attached hereto as **Exhibit A**, to be published once in a qualified newspaper of general circulation within the City no fewer than 10 days prior to the Public Hearing.

**Section 6.** ***Repealer.*** All motions, orders, resolutions and parts thereof in conflict herewith are hereby repealed.

**Section 7.** ***Ratification.*** All actions of the City and the Authorized Officers, whether previously or hereafter taken in effectuating the proposed financing as described herein, are ratified, authorized and approved.

**Section 8.** ***Reimbursement.*** The City presently intends, and reasonably expects, to reimburse itself for Original Expenditures in an amount not to exceed \$44,000,000 on or after the date occurring 60 days prior to the date of adoption of this Resolution from a portion of the proceeds of the Eighth Amendment. The City adopts this Resolution as a declaration of official intent under Section 1.150-2 of the Treasury Regulations promulgated under Section 103 of the Internal Revenue Code of 1986, as amended, to evidence the City’s intent to reimburse itself for the Original Expenditures from proceeds of the Eighth Amendment. The Chief Financial Officer of the City, with advice from Bond Counsel, is authorized, directed and designated to act on behalf of the City in determining and itemizing all of the Original Expenditures incurred and paid by the City in connection with the 2025 Projects during the period commencing on the date occurring 60 days prior to the date of adoption of this Resolution and ending on the date of the execution and delivery of the Eighth Amendment.

**Section 9.** ***Effective Date.*** This Resolution is effective on the date of its adoption.