

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WINSTON-SALEM,
NORTH CAROLINA, REQUESTING THE LOCAL GOVERNMENT COMMISSION'S
APPROVAL OF THE CITY'S WATER AND SEWER SYSTEM REVENUE
BONDS AND CERTAIN RELATED MATTERS**

WHEREAS, the City Council (the "*City Council*") of the City of Winston-Salem, North Carolina (the "*City*") hereby determines that it is desirable to 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) (the "*Project*"); and

WHEREAS, the City Council is considering the issuance of the City's Water and Sewer System Revenue Bonds, Series 2017 (the "*2017 Bonds*") in an aggregate principal amount not to exceed \$61,000,000 to finance the costs of the Project; and

WHEREAS, the City Council wants to (1) retain Parker Poe Adams & Bernstein LLP, as bond counsel; (2) retain Robert W. Baird & Co., Stephens Inc. and Rice Financial Products Company, as underwriters for the 2017 Bonds (collectively, the "*Underwriters*"); (3) approve the selection by the Underwriters of Moore & Van Allen PLLC, as underwriters' counsel; (4) retain Wye River Group, Incorporated, as financial advisor; and (5) retain The Bank of New York Mellon Trust Company, N.A., as trustee for the 2017 Bonds (collectively, the "*Financing Team*"); and

WHEREAS, the Chief Financial Officer of the City will file with the Local Government Commission of North Carolina (the "*Commission*") an application for its approval of the 2017 Bonds, requesting that the Commission approve (1) the negotiation of the sale of the 2017 Bonds to the Underwriters and (2) the City's use of the Financing Team in connection with the issuance of the 2017 Bonds; and

WHEREAS, in connection with such application, the City Council wants the Chief Financial Officer of the City (1) to provide the Commission with such facts and information in regard to the City, its financial condition and the 2017 Bonds as the Commission may require and (2) to take all other action necessary for the issuance of the 2017 Bonds.

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

Section 1. The 2017 Bonds are to be issued by the City for the purpose of providing funds to finance the costs of the Project, as described above.

Section 2. The Financing Team is hereby approved in connection with the City's issuance of the 2017 Bonds.

Section 3. The filing of the application with the Commission for its approval of the issuance of the 2017 Bonds is hereby ratified and approved. The Chief Financial Officer of the City, with advice from the City Manager, the City

Attorney and bond counsel, is hereby authorized, directed and designated to provide such information to the Commission as may be required for the Commission's approval of such application.

Section 4. 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 2017 Bonds is necessary or expedient;
- (b) the maximum stated principal amount of the 2017 Bonds will be sufficient but is not excessive, when added to other moneys available for such purpose, to finance the Project;
- (c) the City's water and sewer system as now constituted is feasible;
- (d) the City's debt management procedure and policies are excellent; and
- (e) the 2017 Bonds can be marketed at a reasonable interest cost to the City.

Section 5. The Mayor, the City Manager and the Chief Financial Officer are hereby authorized to do any and all other things necessary to complete the steps necessary for the issuance of the 2017 Bonds.

Section 6. The City Council requests that the Commission sell the 2017 Bonds through negotiation to the Underwriters on such terms as may be agreed on but at a true interest cost not exceeding 4.00%.

Section 7. This Resolution is effective on the date of its adoption.