

RESOLUTION OF THE CITY OF WINSTON-SALEM, NORTH CAROLINA, DIRECTING THE APPLICATION TO THE LOCAL GOVERNMENT COMMISSION FOR APPROVAL OF A TAXABLE SPECIAL OBLIGATION BOND; REQUESTING LOCAL GOVERNMENT COMMISSION APPROVAL OF THE CITY'S TAXABLE SPECIAL OBLIGATION BOND; 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 necessary to improve a municipal service district known as the Central Business District, including acquisition of land and rights-of-way and easements in connection therewith, to provide for a downtown minor league baseball stadium, related parking facilities and other improvements further the public welfare, and convenience (the "*Project*"); and

WHEREAS, the City Council is considering the issuance of not to exceed \$13,000,000 in principal amount of a Taxable Special Obligation Bond, Series 2009 (the "*2009 Bond*") to finance the Project and pay the costs of issuing the 2009 Bond; and

WHEREAS, the City Council has determined to (1) retain Parker Poe Adams & Bernstein LLP of Charlotte, North Carolina, as bond counsel, (2) retain DEC Associates, Inc. of Charlotte, North Carolina, as financial advisor, (3) retain The Bank of New York Mellon Trust Company, N.A., as trustee, in connection with the issuance by the City of the 2009 Bonds, and (4) place the 2009 Bond with Branch Banking and Trust Company (collectively, the "*Financing Team*"); and

WHEREAS, the City Council wants the Chief Financial Officer of the City to file with the North Carolina Local Government Commission (the "*Commission*") an application for its approval of the 2009 Bond, on a form prescribed by the Commission, and (1) request in such application that the Commission approve (a) the negotiation of the sale of the 2009 Bond to Branch Banking and Trust Company, (b) the City's use of Parker Poe Adams & Bernstein LLP, as bond counsel for the City, (c) the City's use of DEC Associates, Inc., as financial advisor, and (d) the City's use of The Bank of New York Mellon Trust Company, N.A., as trustee, and (2) state in such application such facts and to attach thereto such exhibits in regard to the 2009 Bond and to the City and its financial condition, as may be required by the Commission, and to take all other action necessary to the issuance of the 2009 Bond.

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

Section 1. That the 2009 Bond is to be issued by the City for the purpose of providing funds (1) to finance the costs of the Project and (2) to pay the costs of issuing the 2009 Bond all as set out fully in the documents attached to the City's application to the Commission. The use of the proceeds of the 2009 Bond, as described, is necessary in order to meet the expanding needs of the users of the municipal service district known as the Central Business District.

Section 2. That the use of the Financing Team in connection with the issuance by the City of the 2009 Bond is hereby ratified.

Section 3. That 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 file an application with the North Carolina Local Government Commission for its approval of the issuance of the 2009 Bond.

Section 4. That the City Council finds and determines and asks the Commission to find and determine from the City's application and supporting documentation:

- (a) that the issuance of the 2009 Bond is necessary or expedient;
- (b) that the not to exceed stated principal amount of the 2009 Bond will be sufficient but is not excessive, when added to other moneys available to the City, for the proposed Project and to refund the Refunded Bonds;
- (c) that the City's debt management procedure and policies are excellent; and
- (d) that the 2009 Bond can be marketed at a reasonable interest cost to the City.

Section 5. The City Council has considered and evaluated fixed rate and variable rate financing alternatives and has determined to incur variable rate indebtedness in order to take advantage of short-term interest rates and to preserve the option to prepay the 2009 Bond at any time without a prepayment premium. The City Council recognizes that (a) variable rate debt instruments are subject to risk of higher interest rates in the future and (b) that additional costs are associated with variable rate financings. However, the City Council hereby determines that a variable rate financing is in the best interests of the City for its current financing needs.

Section 6. That 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 2009 Bond.

Section 7. That the City Council requests that the Commission sell the 2009 Bond through negotiation with Branch Banking and Trust Company on such terms as may be agreed on but at a maximum interest cost rate not exceeding 15.00%.

Section 8 That this Resolution is effective on the date of its adoption.