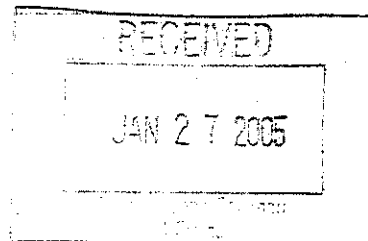


Winston-Salem • Forsyth County
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January 25, 2005

Rence Callahan, AIA
Walter Robbs Callahan & Pierce
P.O. Box 20275
Winston-Salem, NC 27120-0275



Re: Pepper Building/Civic Plaza

Mr. Callahan:

We have taken some time to review the master plan provided for the Civic Plaza development. Specifically, you identified that the Downtown Winston-Salem Partnership (DWSP) needs to be able to certify that the water and sewer systems can handle the proposed development. Although there is significant available water and sewer capacity, it is not possible to make a blanket certification of the system without knowing the projected demand that new development will place on the system. However, we can easily provide specific information to potential developers who have conceptual ideas of what types of development is being considered. We have recently completed an evaluation of the sewer system and we are currently beginning a project of similar scope for the water system. I will attempt to share the information we know at this point on both the water and sewer systems in hopes that this will provide some useful initial information to developers.

WATER

There is access to the water system around and contained within the development limits. In addition, within Fourth Street is a 16-inch water main that is capable of providing adequate flow for most development that may be proposed. Depending on the development and the exact location, a developer may have to extend a main or install a large connection in order to access this flow, but it is certainly available. On Fourth Street we recently completed some fire flow evaluation and found in excess of 2,000 gallons per minute flow at 41 pounds per square inch of pressure.

Although flow is adequate for most development, the pressure is not adequate to supply water to higher levels in buildings without booster systems being installed. In other words, there is plenty of water, but without some additional help the water system will not be able to push water higher than a few floors and still maintain adequate pressure for use.

As developers show interest in the area, we will be able to provide fire flow data at any requested location. We will provide this information back to the developer to pass on

to their engineer for determining if the flow and pressure at each specific location will be adequate for their needs.

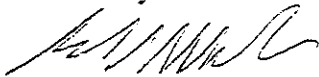
SEWER

As mentioned above, we have recently completed an evaluation of the sanitary sewer system. This evaluation, performed by Cavanaugh & Associates, provided us with a model of the sewer system that tells us available capacities in all of the lines in the downtown area. It also enables us to “plug-in” projected flows to evaluate the potential affect on the system of the additional flow. Based on the evaluation and model, the majority of sewer mains are 8-inch or larger, and there are no immediate capacity issues.

Just as we offer with the water, when developers show interest and can estimate sewer use projections we will enter this into the model and determine if there are any capacity issues. Most pipes in the area are flowing at 25% or less of the average daily flow capacity. Many are considerably less, allowing for an increased flow while maintaining capacity to handle projected peak flows.

I realize this is not the clear-cut information that you would like to be able to provide to developers, but nonetheless hope you find this helpful. Please do not hesitate to contact me with any questions about information contained within this letter or specific to the area surrounding the project limits.

Sincerely:



Paul Williams

Cc: Greg Turner
David Saunders
Ron Hargove