

EXTRACTS FROM MINUTES OF CITY COUNCIL

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A regular meeting of the City Council of the City of High Point, North Carolina (the “*City Council*”) was duly held in the Council Chambers of the Municipal Building located at 211 South Hamilton Street in High Point, North Carolina, the regular place of meeting, at 5:30 p.m. on March 7, 2022:

Members Present: Mayor Jay Wagner, Mayor Pro Tem Monica Peters, Council Member Britt W. Moore, Council Member Tyrone E. Johnson, Council Member Cyril Jefferson, Council Member Christopher Williams, Council Member Wesley Hudson, Council Member Victor Jones, and Council Member Michael A. Holmes

Members Absent: None

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Councilmember Britt W. Moore introduced the following resolution, a summary of which had been provided to each Councilmember, a copy of which was available with the City Clerk, and which was read by title:

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HIGH POINT, NORTH CAROLINA, DIRECTING THE APPLICATION TO THE LOCAL GOVERNMENT COMMISSION FOR APPROVAL OF COMBINED ENTERPRISE SYSTEM REVENUE BONDS, REQUESTING LOCAL GOVERNMENT COMMISSION APPROVAL AND CERTAIN RELATED MATTERS

WHEREAS, the City of High Point, North Carolina (the “*City*”) currently operates a water system and sanitary sewer system, both of which provide service to the residents of the City and its environs;

WHEREAS, pursuant to a Trust Agreement dated as of November 1, 2004, as supplemented and amended (the “*Trust Agreement*”), between the City of High Point, North Carolina and Wachovia Bank, National Association, the current successor to which is U.S. Bank Trust Company, National Association, as trustee (the “*Trustee*”), the City created a combined enterprise system (the “*Combined Enterprise System*”), consisting of the City’s water system and sanitary sewer system, and the Trust Agreement provides for the issuance of revenue bonds thereunder secured by the net receipts of the Combined Enterprise System as set forth therein, to, finance improvements to the Combined Enterprise System and to refund all or a portion of any bonds issued under the Trust Agreement;

WHEREAS, in order to better serve and provide for the future needs of the residents of the City and its environs, the City has determined to acquire, construct and equip various improvements to the City’s water and sanitary sewer systems, including, without limitation, (1) Richland Creek sewer outfall lines replacement, (2) Register’s Creek lift station expansion, (3) Riverdale sewer lift station force main

and (4) a UV disinfection system replacement (collectively, the “2022 Project”);

WHEREAS, the City Council (the “*City Council*”) of the City wants to commence the process for the issuance of not to exceed \$40,000,000 City of High Point, North Carolina Combined Enterprise System Revenue Bonds, Series 2022 (or other appropriate designation) (the “*2022 Bonds*”) for the purpose of providing funds, together with any other available funds, to (1) pay or reimburse the costs of the 2022 Project, (2) pay a portion of the interest on the 2022 Bonds during construction of the 2022 Project, (3) fund any necessary debt service reserve fund for the 2022 Bonds and (4) pay the fees and expenses incurred in connection with the sale and issuance the 2022 Bonds;

WHEREAS, with respect to the proposed financing, the City Council wishes to approve and ratify the retention of (1) Parker Poe Adams & Bernstein LLP, as bond counsel; (2) Wells Fargo Bank, National Association and Loop Capital, as underwriters of the 2022 Bonds (the “*Underwriters*”), (3) Holland & Knight LLP, as underwriters’ counsel, (4) Davenport & Company LLC, as financial advisor; (5) U.S. Bank Trust Company, National Association, as trustee, and (6) Willdan Financial Services, as feasibility consultant (collectively, the “*Financing Team*”);

WHEREAS, the City Council wants to approve and ratify the filing by the Financial Services Director of the City with the Local Government Commission of North Carolina (the “*Commission*”) of an application for its approval of the Bonds 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 2022 Bonds to the Underwriters and (B) 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 2022 Bonds 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 2022 Bonds;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF HIGH POINT, NORTH CAROLINA, AS FOLLOWS:

Section 1. That the 2022 Bonds are to be issued by the City for the purpose of providing funds, together with other available funds of the City, to (1) finance the 2022 Project, (2) pay a portion of the interest on the 2022 Bonds during construction of the 2022 Project, (3) fund any necessary debt service reserve fund for the 2022 Bonds and (4) pay the fees and expenses incurred in connection with the sale and issuance the 2022 Bonds. The 2022 Project is necessary to secure adequate and reliable water and sewer service and to promote the present and future welfare of the residents of the City and its environs.

Section 2. That the Financing Team is hereby retained and approved and the Financial Services Director of the City is hereby authorized and directed to retain other professionals that may be necessary to carry out the intentions of the City Council as set forth in this Resolution.

Section 3. That the filing of an application by the Financial Services Director of the City, or his designee, with the Commission for its approval of the issuance of the Bonds is hereby ratified and approved.

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 the following:

- (a) that the issuance of the 2022 Bonds is necessary or expedient;
- (b) that the not to exceed stated principal amount of the 2022 Bonds will be adequate

but is not excessive, when added to other moneys available to the Combined Enterprise System, to finance the 2022 Project;

- (c) that the proposed 2022 Project is feasible;
- (d) that the City's debt management procedure and policies are good; and
- (e) that the 2022 Bonds can be marketed at a reasonable interest cost to the City.

Section 5. That the City Council requests that the Commission sell the 2022 Bonds at a private sale without advertisement through negotiation with the Underwriters.

Section 6. That the Mayor, the City Manager, the Financial Services Director and the City Clerk, and their respective designees, individually or collectively, are each hereby authorized to do any and all other things necessary to consummate the transaction related to the 2022 Bonds as set forth in this Resolution.

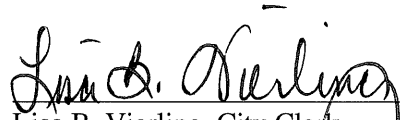
Section 7. This Resolution shall be in full force and effective from and after the date of its adoption.

PASSED, ADOPTED AND APPROVED this 7th day of March, 2022.

STATE OF NORTH CAROLINA)
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CITY OF HIGH POINT) ss:

I, Lisa B. Vierling, City Clerk of the City of High Point, North Carolina, ***DO HEREBY CERTIFY*** that the foregoing is a true and exact copy of so much of the proceedings of the City Council as it relates to a resolution entitled “**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HIGH POINT, NORTH CAROLINA, DIRECTING THE APPLICATION TO THE LOCAL GOVERNMENT COMMISSION FOR APPROVAL OF COMBINED ENTERPRISE SYSTEM REVENUE BONDS, REQUESTING LOCAL GOVERNMENT COMMISSION APPROVAL AND CERTAIN RELATED MATTERS**” duly adopted by the City Council of the City of High Point, North Carolina, at a meeting held on the 7th day of March, 2022 and that such proceedings are to be recorded in the minute books of said City Council.

WITNESS my hand and the seal of the City of High Point, North Carolina, this the 7th day of March, 2022.



Lisa B. Vierling, City Clerk
City of High Point, North Carolina

