

CITY OF HIGH POINT

AGENDA ITEM



Title: Authorize Issuance of Series 2016 General Obligation Refunding Bonds

From: Jeffrey A Moore, Financial Services Director **Meeting Date:** September 19, 2016

Public Hearing: No

Advertising Date: 9/9/2016

Advertised By: Bond Counsel

Attachments: Form of Proceedings

PURPOSE:

The Financial Services Department recommends that the City Council take the final steps to authorize the issuance of up to \$25,000,000 Series 2016 General Obligation Refunding Bonds.

BACKGROUND:

As discussed previously with Council, the bond market remains favorable for refunding some of the City's outstanding Series 2007 and 2008 general obligation bonds. The proposed bond order and resolution, prepared by the City's bond attorneys, will authorize staff to issue up to \$25,000,000 for refunding these bonds, depending on the bond market on the date of sale scheduled October 11, 2016. Staff will not pursue refunding bonds for any bonds that do not provide for at least 3% savings. At the time of this writing, estimated savings remain in excess of \$200,000 annually for the next 10 years which approximates 12.5%. Final maturity dates will remain the same.

The Local Government Commission gave its approval for the City to issue the refunding bonds at their September 6, 2016 meeting.

These are necessary legal proceedings for the issuance of refunding bonds.

BUDGET IMPACT:

The interest rate refunding savings will be built into the debt service budgets for the General Debt Service Fund in the 2017-2018 Annual Budget and successive years.

RECOMMENDATION / ACTIONS REQUESTED:

City Council is requested to approve the attached "Resolution Providing for the Sale and Issuance of City of High Point, North Carolina General Obligation Refunding Bonds, Series 2016" and authorizing the Mayor, the City Manager, the City Clerk, and the Financial Services Director to execute and deliver certain documents in connection therewith.

A regular meeting of the City Council of the City of High Point, North Carolina was 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 September 19, 2016.

Present: Mayor William “Bill” Bencini, presiding, and Council Members

Absent: Council Members

Also Present: _____

* * * * *

_____ introduced the following resolution the title of which was read and a copy of which had been previously distributed to each Council Member:

**RESOLUTION PROVIDING FOR THE SALE AND ISSUANCE OF
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2016**

BE IT RESOLVED by the City Council (the “City Council”) of the City of High Point, North Carolina (the “City”):

Section 1. The City Council has determined and does hereby find and declare as follows:

(a) An order authorizing \$25,000,000 General Obligation Refunding Bonds was adopted by the City Council of the City on September 6, 2016, which order has taken effect.

(b) None of said bonds have been issued, no notes have been issued in anticipation of the receipt of the proceeds of the sale of said bonds and it is necessary to issue not exceeding \$25,000,000 of such bonds at this time.

(c) The shortest period of time in which the outstanding General Obligation Public Improvement Bonds, Series 2007A (the “2007A Bonds”) of said City, dated November 6, 2007, to be refunded by said bonds can be finally paid without making it unduly burdensome on the taxpayers of the City as determined by the Commission is a period which expires on March 1, 2028, and that (i) the end of the unexpired period of usefulness of the parks and recreational facilities improvements and law enforcement facilities improvements financed by the 2007A Bonds is estimated as a period of at least forty (40) years from November 6, 2007, the date of the 2007A Bonds, and that such period expires on November 6, 2047, and (ii) the end of the unexpired period of usefulness of the street and sidewalk improvements financed by the 2007A Bonds is estimated as a period of at least twenty (20) years from November 6, 2007, the date of the 2007A Bonds, and that such period expires on November 6, 2027.

(d) The shortest period of time in which the outstanding General Obligation Public Improvement Bonds, Series 2007B (the “2007B Bonds”) of said City, dated November 7, 2007, to be refunded by said bonds can be finally paid without making it unduly burdensome on the taxpayers of the City as determined by the Commission is a period which expires on March 1, 2028, and that (i) the end of the unexpired period of usefulness of the firefighting improvements, parks and recreational facilities improvements, library improvements and storm sewer and flood control improvements financed by the 2007B Bonds is estimated as a period of at least forty (40) years from November 7, 2007, the date of the 2007B Bonds, and that such period expires on November 7, 2047, and (ii) the end of the unexpired period of usefulness of the street and sidewalk improvements financed by the 2007B Bonds is estimated as a period of at least twenty (20) years from November 7, 2007, the date of the 2007A Bonds, and that such period expires on November 7, 2027.

(e) The shortest period of time in which the outstanding General Obligation Public Improvement Bonds, Series 2008 (the “2008 Bonds”) of said City, dated June 10, 2008, to be refunded by said bonds can be finally paid without making it unduly burdensome on the taxpayers of the City as determined by the Commission is a period which expires on March 1, 2029, and that (i) the end of the unexpired period of usefulness of the firefighting improvements, parks and recreational facilities improvements, library improvements and storm sewer and flood control improvements financed by the 2008 Bonds is estimated as a period of at least forty (40) years from June 10, 2008, the date of the 2008 Bonds, and that such period expires on June 10, 2048, and (ii) the end of the unexpired period of usefulness of the street and sidewalk improvements financed by the 2008 Bonds is estimated as a period of at least twenty (20) years from June 10, 2008, the date of the 2008 Bonds, and that such period expires on June 10, 2028.

Section 2. Pursuant to said order, there shall be issued bonds of the City in the aggregate principal amount not to exceed \$25,000,000 designated “General Obligation Refunding Bonds, Series 2016” and dated the date of delivery thereof (the “Bonds”). The exact aggregate principal amount of the Bonds and the principal amount of each maturity of the Bonds to be issued shall be determined by the City at the time the Bonds are sold in accordance with the provisions of the Notice of Sale relating to the Bonds. The Bonds shall be issued in an amount sufficient to provide funds to (a) refund all or a portion of the Refunded Bonds (hereinafter defined) and (b) pay the fees and expenses incurred in connection with the sale and issuance of the Bonds. Subject to the provisions of this resolution, the Bonds shall mature at such times and in such amounts and bear interest at a rate or rates to be determined by the Commission, with the approval of the City, at the time the Bonds are sold, which interest to the respective maturities thereof shall be payable on each March 1 and September 1, beginning March 1, 2017, until payment of such principal sum.

The Bonds shall be offered and sold pursuant to the terms of the Notice of Sale relating to the Bonds; provided, however that the Bond shall be sold at a purchase price of not less than 99% or greater than 120% of the aggregate principal amount of the Bonds, and the interest rates on the Bonds shall not result in an aggregate true interest cost in excess of 3.50% per annum. The final maturity of the Bonds shall not be later than March 1, 2029.

Each Bond shall bear interest from the interest payment date next preceding the date on which it is authenticated, unless it is (a) authenticated upon an interest payment date, in which event it shall bear interest from such interest payment date or (b) authenticated prior to the first interest payment date, in which event it shall bear interest from its date; provided, however, that if at the time of authentication interest is in default, such Bond shall bear interest from the date to which interest has been paid.

The principal of and the interest on the Bonds shall be payable in any coin or currency of the United States of America which is legal tender for the payment of public and private debts on the respective dates of payment thereof.

The Bonds shall be issued by means of a book-entry system with no physical distribution of Bond certificates to be made except as hereinafter provided. One Bond certificate with respect to each date on which the Bonds are stated to mature, in the aggregate principal amount of the Bonds stated to mature on such date and registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), shall be issued and required to be deposited with DTC and immobilized in its custody. The book-entry system will evidence ownership of the Bonds in the principal amount of \$5,000 or any whole multiple thereof, with transfers of ownership effected on the records of DTC and its participants pursuant to rules and procedures established by DTC and its participants. The principal of each Bond shall be payable to Cede & Co. or any other person appearing on the registration books of the City hereinafter provided for as the registered owner of such Bond or his registered assigns or legal representative, at such office of the Bond Registrar (hereinafter mentioned) or such other place as the City may determine upon the presentation and surrender thereof as the same shall become due and payable. Payment of the interest on each Bond shall be made by said Bond Registrar on each interest payment date to the registered owner of such Bond (or the previous Bond or Bonds evidencing the same debt as that evidenced by such Bond) at the close of business on the record date for such interest, which shall be the 15th day (whether or not a business day) of the calendar month next preceding such interest payment date, by check mailed to such person at his address as it appears on such registration books; provided, however, that for so long as the Bonds are deposited with DTC, the payment of the principal of and interest on the Bonds shall be made to DTC in same-day funds by 2:30 p.m. or otherwise as determined by the rules and procedures established by DTC. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC, and transfer of principal and interest payments to beneficial owners of the Bonds by participants of DTC will be the responsibility of such participants and other nominees of such beneficial owners. The City shall not be responsible or liable for such transfers of payments or for maintaining, supervising or reviewing records maintained by DTC, its participants or persons acting through such participants.

In the event that (a) DTC determines not to continue to act as securities depository for the Bonds or (b) the City determines that continuation of the book-entry system of evidence and transfer of ownership of the Bonds would adversely affect the interests of the beneficial owners of the Bonds, the City shall discontinue the book-entry system with DTC. If the City identifies another qualified securities depository to replace DTC, the City shall make arrangements with DTC and such other depository to effect such replacement and deliver replacement Bonds registered in the name of such other depository or its nominee in exchange for the outstanding

Bonds, and the references to DTC or Cede & Co. in this resolution shall thereupon be deemed to mean such other depository or its nominee. If the City fails to identify another qualified securities depository to replace DTC, the City shall deliver replacement Bonds in the form of fully-registered certificates in denominations of \$5,000 or any whole multiple thereof ("Certificated Bonds") in exchange for the outstanding Bonds as required by DTC and others. Upon the request of DTC, the City may also deliver one or more Certificated Bonds to any participant of DTC in exchange for Bonds credited to its account with DTC.

Unless indicated otherwise, the provisions of this resolution that follow shall apply to all Bonds issued or issuable hereunder, whether initially or in replacement thereof.

Section 3. The Bonds shall bear the manual or facsimile signatures of the Mayor and the City Clerk of the City and the official seal or a facsimile of the official seal of the City shall be impressed or imprinted, as the case may be, on the Bonds.

The certificate of the Local Government Commission of North Carolina to be endorsed on all Bonds shall bear the manual or facsimile signature of the Secretary of said Commission and the certificate of authentication of the Bond Registrar to be endorsed on all Bonds shall be executed as hereinafter provided.

In case any officer of the City or the Local Government Commission of North Carolina whose manual or facsimile signature shall appear on any Bonds shall cease to be such officer before the delivery of such Bonds, such manual or facsimile signature shall nevertheless be valid and sufficient for all purposes the same as if he had remained in office until such delivery, and any Bond may bear the manual or facsimile signatures of such persons as at the actual time of the execution of such Bond shall be the proper officers to sign such Bond although at the date of such Bond such persons may not have been such officers.

No Bond shall be valid or become obligatory for any purpose or be entitled to any benefit or security under this resolution until it shall have been authenticated by the execution by the Bond Registrar of the certificate of authentication endorsed thereon.

The Bonds and the endorsements thereon shall be in substantially the following form:

UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO THE CITY OF HIGH POINT, NORTH CAROLINA OR ITS AGENT FOR REGISTRATION OR TRANSFER, EXCHANGE, OR PAYMENT, AND ANY BOND ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

No. R-__

\$_____

United States of America
State of North Carolina

CITY OF HIGH POINT, NORTH CAROLINA
GENERAL OBLIGATION REFUNDING BOND, SERIES 2016

<u>Maturity Date</u>	<u>Interest Rate</u>	<u>CUSIP No.</u>
March 1, 20__	_____%	_____

The City of High Point, a municipal corporation duly organized and validly existing in the State of North Carolina, is justly indebted and for value received hereby promises to pay to

CEDE & CO.

or registered assigns or legal representative on the date specified above, upon the presentation and surrender hereof, at the office of the Financial Services Director of said City (the "Bond Registrar"), in High Point, North Carolina, the principal sum of

_____ DOLLARS

and to pay interest on such principal sum from the date hereof or from March 1 or September 1 next preceding the date of authentication to which interest shall have been paid, unless such date of authentication is March 1 or September 1 to which interest shall have been paid, in which case from such date, such interest to the maturity thereof being payable on each March 1 and September 1, beginning March 1, 2017, at the rate per annum specified above, until payment of such principal sum. The interest so payable on any such interest payment date will be paid to the person or entity in whose name this bond (or the previous bond or bonds evidencing the same debt as that evidenced by this bond) is registered at the close of business on the record date for such interest, which shall be the 15th day (whether or not a business day) of the calendar month next preceding such interest payment date, by check mailed to such person or entity at the address as it appears on the bond registration books of said City; provided, however, that for so long as the Bonds (hereinafter defined) are deposited with The Depository Trust Company ("DTC"), the payment of the principal of and interest on the Bonds shall be made to DTC in same day funds by 2:30 p.m. or otherwise as determined by the rules and procedures established by DTC. Both the principal of and the interest on this bond shall be paid in any coin or currency of the United States of America that is legal tender for the payment of public and private debts on the respective dates of payment thereof. For the prompt payment hereof, both principal and interest as the same shall become due, the faith and credit of said City are hereby irrevocably pledged.

This bond is one of an issue of bonds designated "General Obligation Refunding Bonds, Series 2016" (the "Bonds") and issued by said City for the purpose of providing funds to refund certain outstanding general obligation bonds of said City. The Bonds are issued under and pursuant to The Local Government Bond Act, as amended, Article 7, as amended, of Chapter 159

of the General Statutes of North Carolina, an order adopted by the City Council of said City, which order has taken effect, and a resolution duly adopted by said City Council (the "Resolution").

The Bonds maturing on or prior to March 1, 2027 are not subject to redemption prior to maturity. The Bonds maturing on March 1, 2028 and thereafter will be subject to redemption prior to their maturity, at the option of said City, from any moneys that may be made available for such purpose, either in whole or in part on any date not earlier than March 1, 2027, at a redemption price equal to 100% of the principal amount of the Bonds to be redeemed, plus accrued interest thereon to the date fixed for redemption.

If less than all of the Bonds of any one maturity shall be called for redemption, the particular Bonds or portions of Bonds of such maturity to be redeemed shall be selected by lot in such manner as said City in its discretion may determine; provided, however, that the portion of any Bond to be redeemed shall be in the principal amount of \$5,000 or some multiple thereof and that, in selecting Bonds for redemption, each Bond shall be considered as representing that number of Bonds which is obtained by dividing the principal amount of such Bond by \$5,000. So long as a book-entry system with DTC is used for determining beneficial ownership of Bonds, if less than all of the Bonds within the maturity are to be redeemed, DTC and its participants shall determine which of the Bonds within a maturity are to be redeemed by lot. If less than all of the Bonds stated to mature on different dates shall be called for redemption, the particular Bonds or portions thereof of each maturity to be redeemed shall be called in such manner as said City may determine.

Not more than sixty (60) nor less than thirty (30) days before the redemption date of any Bonds to be redeemed, whether such redemption be in whole or in part, said City shall cause a notice of such redemption to be filed with the Bond Registrar and to be mailed, postage prepaid, to the registered owner of each Bond to be redeemed in whole or in part to the address appearing upon the registration books of said City, provided that such notice to Cede & Co. shall be given by certified or registered mail or otherwise as prescribed by DTC. On the date fixed for redemption, notice having been given as aforesaid, the Bonds or portions thereof so called for redemption shall be due and payable at the redemption price provided for the redemption of such Bonds or portions thereof on such date and, if moneys for payment of such redemption price and the accrued interest are held by the Bond Registrar as provided in the Resolution, interest on the Bonds or the portions thereof so called for redemption shall cease to accrue. If a portion of this Bond shall be called for redemption, a new Bond or Bonds in principal amount equal to the unredeemed portion hereof will be issued to Cede & Co. or its legal representative upon the surrender hereof.

Any notice of redemption may state that the redemption to be effected is conditioned upon the receipt by the Bond Registrar on or prior to the redemption date of moneys sufficient to pay the principal of and interest on the Bonds to be redeemed, and that if such moneys are not so received, such notice shall be of no force or effect and such Bond shall not be required to be redeemed. In the event that such notice contains such a condition and moneys sufficient to pay the redemption price and interest on such Bonds are not received by the Bond Registrar on or prior to the redemption date, the redemption shall not be made and the Bond Registrar shall

within a reasonable time thereafter give notice, in the manner in which the notice of redemption was given, that such moneys were not so received.

The Bonds are being issued by means of a book-entry system with no physical distribution of bond certificates to be made except as provided in the Resolution. One Bond certificate with respect to each date on which the Bonds are stated to mature, in the aggregate principal amount of the Bonds stated to mature on such date and registered in the name of Cede & Co., as nominee of DTC, is being issued and required to be deposited with DTC and immobilized in its custody. The book-entry system will evidence ownership of the Bonds in the principal amount of \$5,000 or any whole multiple thereof, with transfers of ownership effected on the records of DTC and its participants pursuant to rules and procedures established by DTC and its participants. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC, and transfer of principal and interest payments to beneficial owners of the Bonds by participants of DTC will be the responsibility of such participants and other nominees of such beneficial owners. Said City will not be responsible or liable for such transfers of payments or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants.

In certain events, said City will be authorized to deliver replacement Bonds in the form of fully-registered certificates in the denomination of \$5,000 or any whole multiple thereof in exchange for the outstanding Bonds as provided in the Resolution.

At the office of the Bond Registrar, in the manner and subject to the conditions provided in the Resolution, Bonds may be exchanged for an equal aggregate principal amount of Bonds of the same maturity, of authorized denominations and bearing interest at the same rate.

The Bond Registrar shall keep at his office the books of said City for the registration of transfer of Bonds. The transfer of this bond may be registered only upon such books and as otherwise provided in the Resolution upon the surrender hereof to the Bond Registrar together with an assignment duly executed by the registered owner hereof or his attorney or legal representative in such form as shall be satisfactory to the Bond Registrar. Upon any such registration of transfer, the Bond Registrar shall deliver in exchange for this bond a new Bond or Bonds, registered in the name of the transferee, of authorized denominations, in an aggregate principal amount equal to the principal amount of this bond, of the same maturity and bearing interest at the same rate.

The Bond Registrar shall not be required to exchange or register the transfer of any Bond during a period beginning at the opening of business fifteen (15) days before the day of the mailing of a notice of redemption of Bonds or any portion thereof and ending at the close of business on the day of such mailing or of any Bond called for redemption in whole or in part pursuant to the Resolution.

It is hereby certified and recited that all acts, conditions and things required by the Constitution and laws of North Carolina to happen, exist and be performed precedent to and in the issuance of this bond have happened, exist and have been performed in regular and due form and time as so required; that provision has been made for the levy and collection of a direct

annual tax upon all taxable property within said City sufficient to pay the principal of and the interest on this bond as the same shall become due; and that the total indebtedness of said City, including this bond, does not exceed any constitutional or statutory limitation thereon.

This bond shall not be valid or become obligatory for any purpose or be entitled to any benefit or security under the Resolution until this bond shall have been authenticated by the execution by the Bond Registrar of the certificate of authentication endorsed hereon.

IN WITNESS WHEREOF, the City of High Point, North Carolina, by resolution duly adopted by its City Council, has caused this bond to be manually signed by the Mayor and the City Clerk of said City and its official seal to be impressed hereon, all as of the ____ day of November, 2016.

Mayor

[SEAL]

City Clerk

CERTIFICATE OF LOCAL GOVERNMENT COMMISSION

The issuance of the within bond has been approved under the provisions of The Local Government Bond Act of North Carolina.

Secretary of the Local Government Commission of
North Carolina

CERTIFICATE OF AUTHENTICATION

This bond is one of the Bonds of the series designated herein and issued under the provisions of the within-mentioned Resolution.

Financial Services Director, as Bond Registrar

Date of authentication: _____

ASSIGNMENT

FOR VALUE RECEIVED the undersigned registered owner thereof hereby sells, assigns and transfers unto _____

_____ the within Bond and all rights thereunder and hereby irrevocably constitutes and appoints _____,

attorney to register the transfer of said bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

In the presence of:

NOTICE: The signature must be guaranteed by an institution which is a participant in the Securities Transfer Agent Medallion Program (STAMP) or similar program.

The signature to this assignment must correspond with the name as it appears on the face of the within Bond in every particular, without alteration of enlargement or any change whatever.

Certificated Bonds issuable hereunder shall be in substantially the form of the Bonds registered in the name of Cede & Co. with such changes as are necessary to reflect the provisions of this resolution that are applicable to Certificated Bonds.

Section 4. The Bonds maturing on or prior to March 1, 2027 are not subject to redemption prior to maturity. The Bonds maturing on March 1, 2028 and thereafter will be subject to redemption prior to their maturity, at the option of the City, from any moneys that may be made available for such purpose, either in whole or in part on any date not earlier than March 1, 2027, at a redemption price equal to 100% of the principal amount of the Bonds to be redeemed, plus accrued interest thereon to the date fixed for redemption.

If less than all of the Bonds of any one maturity shall be called for redemption, the particular Bonds or portions of Bonds of such maturity to be redeemed shall be selected by lot in such manner as the City in its discretion may determine; provided, however, that the portion of any Bond to be redeemed shall be in the principal amount of \$5,000 or some multiple thereof and that, in selecting Bonds for redemption, each Bond shall be considered as representing that number of Bonds which is obtained by dividing the principal amount of such Bond by \$5,000. So long as a book-entry system with DTC, is used for determining beneficial ownership of Bonds, if less than all of the Bonds within the maturity are to be redeemed, DTC and its participants shall determine which of the Bonds within a maturity are to be redeemed by lot. If

less than all of the Bonds stated to mature on different dates shall be called for redemption, the particular Bonds or portions thereof of each maturity to be redeemed shall be called in such manner as the City may determine.

Not more than sixty (60) nor less than thirty (30) days before the redemption date of any Bonds to be redeemed, whether such redemption be in whole or in part, the City shall cause a notice of such redemption to be filed with the Bond Registrar and to be mailed, postage prepaid, to the registered owner of each Bond to be redeemed in whole or in part to his address appearing upon the registration books of the City, provided that such notice to Cede & Co. shall be given by certified or registered mail or otherwise as prescribed by DTC. Failure to mail such notice or any defect therein shall not affect the validity of the redemption as regards registered owners to whom such notice was given as required hereby. Each such notice shall set forth the date designated for redemption, the redemption price to be paid and the maturities of the Bonds to be redeemed. In the event that Certificated Bonds are outstanding, each such notice to the registered owners thereof shall also set forth, if less than all of the Bonds of any maturity then outstanding shall be called for redemption, the distinctive numbers and letters, if any, of such Bonds to be redeemed and, in the case of any Bond to be redeemed in part only, the portion of the principal amount thereof to be redeemed. If any Bond is to be redeemed in part only, the notice of redemption shall state also that on or after the redemption date, upon surrender of such Bond, a new Bond or Bonds in principal amount equal to the unredeemed portion of such Bond will be issued.

Any notice of redemption may state that the redemption to be effected is conditioned upon the receipt by the Bond Registrar on or prior to the redemption date of moneys sufficient to pay the principal of and interest on the Bonds to be redeemed, and that if such moneys are not so received, such notice shall be of no force or effect and such Bond shall not be required to be redeemed. In the event that such notice contains such a condition and moneys sufficient to pay the redemption price and interest on such Bonds are not received by the Bond Registrar on or prior to the redemption date, the redemption shall not be made and the Bond Registrar shall within a reasonable time thereafter give notice, in the manner in which the notice of redemption was given, that such moneys were not so received.

On or before the date fixed for redemption, moneys shall be deposited with the Bond Registrar to pay the principal of and the redemption premium, if any, on the Bonds or portions thereof called for redemption as well as the interest accruing thereon to such redemption date.

On the date fixed for redemption, notice having been given in the manner and under the conditions hereinabove provided, the Bonds or portions thereof called for redemption shall be due and payable at the redemption price provided therefor, plus accrued interest to such date. If moneys sufficient to pay the redemption price of the Bonds or portions thereof to be redeemed, plus accrued interest thereon to the date fixed for redemption, are held by the Bond Registrar in trust for the registered owners of Bonds or portions thereof to be redeemed, interest on the Bonds or portions thereof called for redemption shall cease to accrue, such Bonds or portions thereof shall cease to be entitled to any benefits or security under this resolution or to be deemed outstanding, and the registered owners of such Bonds or portions thereof shall have no rights in

respect thereof except to receive payment of the redemption price thereof, plus accrued interest thereon to such redemption date.

If a portion of a Bond shall be selected for redemption, the registered owner thereof or his attorney or legal representative shall present and surrender such Bond to the Bond Registrar for payment of the principal amount thereof so called for redemption and the redemption premium, if any, on such principal amount, and the Bond Registrar shall authenticate and deliver to or upon the order of such registered owner or his legal representative, without charge therefor, for the unredeemed portion of the principal amount of the Bond so surrendered, a Bond or Bonds of the same maturity, of any denomination or denominations authorized by this resolution and bearing interest at the same rate.

Section 5. Bonds, upon surrender thereof at the office of the Bond Registrar, together with an assignment duly executed by the registered owner or his attorney or legal representative in such form as shall be satisfactory to the Bond Registrar, may, at the option of the registered owner thereof, be exchanged for an equal aggregate principal amount of Bonds of the same maturity, of any denomination or denominations authorized by this resolution and bearing interest at the same rate.

The transfer of any Bond may be registered only upon the registration books of the City upon the surrender thereof to the Bond Registrar together with an assignment duly executed by the registered owner or his attorney or legal representative in such form as shall be satisfactory to the Bond Registrar. Upon any such registration of transfer, the Bond Registrar shall authenticate and deliver in exchange for such Bond a new Bond or Bonds, registered in the name of the transferee, of any denomination or denominations authorized by this resolution, in an aggregate principal amount equal to the principal amount of such Bond so surrendered, of the same maturity and bearing interest at the same rate.

In all cases in which Bonds shall be exchanged or the transfer of Bonds shall be registered hereunder, the Bond Registrar shall authenticate and deliver at the earliest practicable time Bonds in accordance with the provisions of this resolution. All Bonds surrendered in any such exchange or registration of transfer shall forthwith be canceled by the Bond Registrar. The City or the Bond Registrar may make a charge for shipping and out-of-pocket costs for every such exchange or registration of transfer of Bonds sufficient to reimburse it for any tax or other governmental charge required to be paid with respect to such exchange or registration of transfer, but no other charge shall be made by the City or the Bond Registrar for exchanging or registering the transfer of Bonds under this resolution.

As to any Bond, the person in whose name the same shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of or on account of the principal of any such Bond and the interest on any such Bond shall be made only to or upon the order of the registered owner thereof or his legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond, including the interest thereon, to the extent of the sum or sums so paid.

The City shall appoint such registrars, transfer agents, depositaries or other agents as may be necessary for the registration, registration of transfer and exchange of Bonds within a reasonable time according to then current commercial standards and for the timely payment of principal and interest with respect to the Bonds. The Financial Services Director of the City, or any person at anytime acting in such capacity, is hereby appointed the registrar, transfer agent and paying agent for the Bonds (collectively, the “Bond Registrar”), subject to the right of the City Council of the City to appoint another Bond Registrar, and as such shall keep at his office in the City, the books of the City for the registration, registration of transfer, exchange and payment of the Bonds as provided in this resolution.

Section 6. The City covenants that, to the extent permitted by the Constitution and laws of the State of North Carolina, it will comply with the requirements of the Internal Revenue Code of 1986, as amended or as may be amended from time to time, and any Treasury regulations now or hereafter promulgated thereunder, to the extent necessary so that interest on the Bonds will not be included in gross income of the owners of the Bonds for federal income tax purposes.

Section 7. All actions of the Mayor, the City Manager, the Financial Services Director and the City Clerk of the City in applying to the Local Government Commission of North Carolina to advertise and sell the Bonds are hereby approved, ratified and confirmed, and the Local Government Commission of North Carolina is hereby requested to ask for sealed bids for the Bonds by publishing notices and printing and distributing a Preliminary Official Statement, to be dated as of the date of delivery thereof, relating to the sale of the Bonds. Such Preliminary Official Statement, in substantially the form presented at this meeting, is hereby authorized and approved.

The preparation of a final Official Statement (the “Final Official Statement”), which will be in the form of the Preliminary Official Statement, but will include certain pricing and other information to be made available to the successful bidder for the Bonds by the Local Government Commission of North Carolina, is hereby approved, and the Mayor, the City Manager and the Financial Services Director of the City are hereby authorized to execute such Final Official Statement for and on the behalf of the City, and such execution shall be conclusive evidence of the approval of the City Council of the Final Official Statement.

Section 8. The City hereby undertakes, for the benefit of the beneficial owners of the Bonds, to provide to the Municipal Securities Rulemaking Board (the “MSRB”):

(a) by not later than seven months from the end of each Fiscal Year, beginning with the Fiscal Year ended June 30, 2016, audited financial statements of the City for such Fiscal Year, if available, prepared in accordance with Section 159-34 of the General Statutes of North Carolina, as it may be amended from time to time, or any successor statute, or, if such audited financial statements of the City are not available by seven months from the end of such Fiscal Year, unaudited financial statements of the City for such Fiscal Year to be replaced subsequently by audited financial statements of the City to be delivered within 15 days after such audited financial statements become available for distribution;

(b) by not later than seven months from the end of each Fiscal Year, beginning with the Fiscal Year ended June 30, 2016, (i) the financial and statistical data as of a date not earlier than the end of the preceding Fiscal Year for the type of information included under the headings “THE CITY - Debt Information and - Tax Information” (excluding any information on overlapping units) in the Final Official Statement relating to the Bonds and (ii) the combined budget of the City for the current Fiscal Year, to the extent such items are not included in the audited financial statements referred to in (a) above.

(c) in a timely manner not in excess of ten business days after the occurrence of the event, notice of any of the following events with respect to the Bonds:

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults, if material;
- (3) unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) substitution of credit or liquidity providers, or their failure to perform;

(6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds;

- (7) modification to the rights of the beneficial owners of the Bonds, if material;
- (8) Bond calls, if material, and tender offers;
- (9) defeasances;

(10) release, substitution or sale of any property securing repayment of the Bonds, if material;

(11) rating changes;

(12) bankruptcy, insolvency, receivership or similar event of the City;

(13) the consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

(14) appointment of a trustee or a successor or additional trustee or the change of name of a trustee, if material; and

(d) in a timely manner, notice of a failure of the City to provide required annual financial information described in (a) or (b) above on or before the date specified.

All information provided to the MSRB as described in this Section shall be provided in an electronic format as prescribed by the MSRB and accompanied by identifying information as prescribed by the MSRB.

The City may meet the continuing disclosure filing requirement described above by complying with any other procedure that may be authorized or required by the United States Securities and Exchange Commission.

If the City fails to comply with the undertaking described above, any beneficial owner of the Bonds may take action to protect and enforce the rights of all beneficial owners with respect to such undertaking, including an action for specific performance; provided, however, that failure to comply with such undertaking shall not be an event of default and shall not result in any acceleration of the Bonds. All actions shall be instituted, had and maintained in the manner provided in this paragraph for the benefit of all beneficial owners of the Bonds.

The City reserves the right to modify from time to time the information to be provided to the extent necessary or appropriate in the judgment of the City, provided that:

(a) any such modification may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the City;

(b) the information to be provided, as modified, would have complied with the requirements of Rule 15c2-12 issued under the Securities Exchange Act of 1934 (“Rule 15c2-12”) as of the date of the Final Official Statement, after taking into account any amendments or interpretations of Rule 15c2-12, as well as any changes in circumstances; and

(c) any such modification does not materially impair the interests of the beneficial owners of the Bonds, as determined either by parties unaffiliated with the City (such as bond counsel), or by the approving vote of the registered owners of a majority in principal amount of the Bonds pursuant to the terms of this resolution, as this resolution may be amended from time to time, at the time of such amendment.

In the event that the City makes such a modification, the annual financial information containing the modified operating data or financial information shall explain, in narrative form, the reasons for the modification and the impact of the change in the type of operating data or financial information being provided.

The provisions of this Section shall terminate upon payment, or provision having been made for payment, in full of the principal and interest with respect to all of the Bonds.

Section 9. U.S. Bank National Association, Charlotte, North Carolina, is hereby appointed as escrow agent (the “Escrow Agent”) in connection with the refunding of the bonds to be refunded mentioned in Section 10 below, subject to the right of the City Council to appoint

another Escrow Agent as provided in the Escrow Deposit Agreement (hereinafter mentioned), and as such shall perform its responsibilities as provided in the Escrow Deposit Agreement. The Escrow Deposit Agreement, to be dated as of November 1, 2016 (the "Escrow Deposit Agreement"), between the County and the Escrow Agent, in substantially the form presented at this meeting, and the creation of the Escrow Fund thereunder and the other arrangements to accomplish such refunding, is hereby approved, and the Mayor, the City Manager and the Financial Services Director of the City are each hereby authorized to execute and deliver the Escrow Deposit Agreement for and on behalf of the City with such additions, deletions and changes as they, with the advice of counsel, deem necessary. The Mayor, the City Manager and the Financial Services Director of the City are each hereby authorized to engage any verification agent necessary to effect the refunding of the Refunded Bonds.

Section 10. Subject to the next succeeding sentence, the City hereby determines to refund (a) \$2,970,000 of the City's outstanding 2007A Bonds maturing March 1, 2018 to 2028, inclusive, (b) \$10,565,000 of the City's outstanding 2007B Bonds maturing March 1, 2018 to 2028, inclusive, and (c) \$9,180,000 of the City's outstanding 2008 Bonds maturing March 1, 2019 to 2029, inclusive (collectively, the "Refunded Bonds"). If, on or prior to the sale date of the Bonds, the Financial Services Director of the City shall determine that it is in the best economic interests of the City not to refund all or any portion of such bonds or to refund any additional outstanding bonds of each such series, the Financial Services Director is hereby authorized to make changes in the amounts and maturities of such bonds of each series to be refunded, such changes to be set forth in the Escrow Deposit Agreement.

Subject to the issuance of the Bonds to refund the Refunded Bonds in accordance with this Section, (a) all of the City's outstanding 2007A Bonds to be refunded by the Bonds are hereby called for redemption on March 1, 2017 at a redemption price equal to 100% of the principal amount of such 2007A Bonds to be redeemed, (b) all of the City's outstanding 2007B Bonds to be refunded by the Bonds are hereby called for redemption on March 1, 2017 at a redemption price equal to 100% of the principal amount of such 2007B Bonds to be redeemed and (c) all of the City's outstanding 2008 Bonds to be refunded by the Bonds are hereby called for redemption on March 1, 2018 at a redemption price equal to 100% of the principal amount of such 2008 Bonds to be redeemed, all in the manner provided in the Escrow Deposit Agreement. The Financial Services Director is hereby directed to provide notices of such redemptions at the times and in the manner set forth in the resolution authorizing the issuance of said bonds and the Escrow Deposit Agreement.

Section 11. The Mayor, the City Manager, the Financial Services Director and the City Clerk of the City are hereby authorized and directed to execute and deliver such closing and other documents and take such other actions as may be necessary for the purpose of facilitating the sale and issuance of the Bonds and the refunding of the Refunded Bonds in a manner consistent with the terms of this resolution.

Section 12. This resolution shall take effect upon its passage, except for Section 10 of this resolution which shall become effective only upon the issuance of the Bonds.

Upon motion of Council Member _____, seconded by Council Member _____, the foregoing resolution entitled "RESOLUTION PROVIDING FOR THE ISSUANCE OF GENERAL OBLIGATION REFUNDING BONDS, SERIES 2016" was passed by the following vote:

Ayes: _____

Noes: _____

* * * * *

I, Lisa B. Vierling, City Clerk of the City of High Point, North Carolina, DO HEREBY CERTIFY that the foregoing is a true copy of so much of the proceedings of the City Council of said City at a regular meeting held on September 19, 2016, as relates in any way to the passage of the foregoing resolution providing for the sale and issuance of general obligation refunding bonds of said City.

I DO HEREBY FURTHER CERTIFY that proper notice of such regular meeting was given as required by North Carolina law.

WITNESS my hand and the official seal of said City this 19th day of September, 2016.

City Clerk

[SEAL]